

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI

CONSENT ORDER

ON THE APPLICATION SUBMITTED BY STOCK BROKER
MAHESH KUMAR DAMANI.

IN THE MATTER OF ADJUDICATION PROCEEDINGS

(CONSENT APPLICATION NO. 176 OF 2007.)

1. SEBI had conducted investigation into the fall of stock market indices on 17th May, 2004. Mahesh Kumar Damani (hereinafter referred to as "the applicant") having Office at "Surya Mahal", 4th Floor, 5, Burjorji Bharucha Marg, Fort, Mumbai- 400001, is stated to be a stock broker of Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd with SEBI Registration No. INB010661412, INB230661413 and INF230661413. On the basis of the investigation, it was alleged that the applicant failed to exercise due skill, care and diligence as a stock broker in respect of certain transactions executed on May 17, 2004. In view of the same, it was alleged that the applicant failed to adhere to the provisions of Clause A (2) of Code of Conduct as specified in Schedule II read with Regulation 7 of SEBI (Stock Brokers and Sub-brokers) Regulations, 1992.

2. Pursuant to the investigation, SEBI initiated adjudication proceedings under Section 15 I read with Section 15HB of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as SEBI Act, 1992) in respect of alleged violations, if any, of Clauses A (2) of the Code of Conduct for Stock Brokers specified in Schedule II read with Regulation 7 of SEBI (Stock Brokers and Sub-brokers) Regulations, 1992. A show cause notice (A&E/BS/38382) dated April 13, 2005 was issued to the applicant.

3. While the above proceedings were in progress, the applicant vide letter dated September 26, 2007 proposed settlement of the said proceedings through a consent order in terms of SEBI Circular No. EFD/ED/Cir-1/2007 dated April 20, 2007. The applicant proposed revised consent terms vide letter dated January 09, 2009. The High Powered Advisory Committee constituted by SEBI considered the consent terms proposed by the applicant and recommended the case for settlement. Accordingly, the applicant shall pay Rs.5,00,000/- (Rupees Five Lakhs Only) towards settlement charges. SEBI accepted the said recommendations and communicated the same to the applicant vide letter dated February 24, 2009.

4. Accordingly, the applicant, without admitting or denying the charges, has remitted a sum of Rs. 5,00,000/- (Rupees Five lakhs Only) towards settlement charges vide demand draft No.164419 dated March 05, 2009 drawn on HDFC Bank Ltd, Mumbai payable at Mumbai.

5. In view of the above, it is hereby ordered that this consent order disposes of the said adjudication proceedings pending against the applicant.

6. This order is without prejudice to the right of SEBI to initiate enforcement actions, including commencing or reopening of the proceedings pending against applicant, if:

- a. any representation made by the applicant in this consent proceeding is subsequently discovered to be untrue; or
- b. the applicant breaches any of the consent terms or undertakings filed in this consent proceeding.

8. This consent order is passed on this day, the 13th day of March, 2009 and shall come into force with immediate effect.

Biju S.
Adjudicating Officer