

**BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI**

**CONSENT ORDER**

**ON THE APPLICATION SUBMITTED BY**

**DHARMESH BHUPENDRA M. (ALIAS D. B. MEHTA)**

**IN THE MATTER OF  
IRREGULARITIES RELATING TO INITIAL PUBLIC OFFERINGS**

**(CONSENT APPLICATION NO.297/2007)**

1. SEBI had conducted investigations under section 11C of the SEBI Act, 1992 into the alleged irregular dealings in the shares issued through Initial Public Offerings (IPO's) during 2003-05 before these shares were listed on the Stock Exchanges. The preliminary investigations, *prima facie*, revealed that Dharmesh Bhupendra M. (PAN-AAHPM1057E) (hereinafter referred to as the 'applicant'), had cornered shares in the IPOs of Infrastructure Development Finance Co. Ltd., Nectar Lifescience Ltd., Shoppers Stop Ltd., SPL Industries Ltd. and Yes Bank Ltd. by opening a number of benami demat accounts and providing finance for multiple applications. Therefore, it was alleged that the applicant had violated section 12A of the SEBI Act, 1992, Regulation 3 of the SEBI (Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 and the provisions of the SEBI (Disclosure and Investor Protection) Guidelines, 2000.

2. Based on these findings, SEBI passed an ad interim ex parte Order dated April 27, 2006, under sections 11 and 11B of the SEBI Act, 1992(Act) directing the applicant among others not to buy, sell or deal in the securities market, including IPOs, directly or indirectly, till further orders. Thereafter, the applicant filed a reply vide letter dated May 9, 2006. SEBI also initiated adjudication proceedings under Chapter VI A of the Act and proposed initiation of prosecution under section 24 of the Act against the applicant. The Adjudicating Officer issued a show cause notice to the applicant on June 7, 2006 and the applicant replied to the said show cause notice vide letter dated July 19, 2007.

3. While the above proceedings were in progress, the applicant, vide letter dated November 12, 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 High Powered Advisory Committee, constituted by SEBI, considered the consent terms proposed by the applicant and, after taking into account the period of prohibition already undergone by the applicant, recommended the case for settlement. Accordingly, the applicant shall disgorge an amount of Rs.84,30,140/-(Rupees eighty

four lakh thirty thousand one hundred and forty only) being the unjust profits made by him and also pay a sum of Rs.33,72,056/-(Rupees thirty three lakh seventy two thousand and fifty six only) being 40% of the disgorged amount towards settlement charges. SEBI accepted these recommendations and communicated the same to the applicant vide letter dated December 15, 2009.

4. Accordingly, the applicant without admitting or denying the charges, has remitted a sum of Rs.1,18,02,196/-(Rupees one crore eighteen lakh two thousand one hundred and ninety six only) vide pay orders payable at Mumbai as under:

Sl. No	Pay Order No.	Date	Amount (Rs.)	Drawee Bank
1	046835	12-01-2010	25,00,000.00	Union Bank of India
2	046851	13-01-2010	22,50,000.00	Union Bank of India
3	046863	14-01-2010	13,00,000.00	Union Bank of India
4	046870	15-01-2010	23,50,000.00	Union Bank of India
5	046871	15-01-2010	13,00,000.00	Union Bank of India
6	046877	15-01-2010	15,00,000.00	Union Bank of India
7	046890	18-01-2010	6,02,196.00	Union Bank of India
<b>Total</b>			<b>1,18,02,196.00</b>	

5. In view of the above, it is hereby ordered that this consent order disposes of the pending proceedings under section 11(4) and 11B of the SEBI Act, 1992, the adjudication proceedings and the proposed prosecution against the applicant in the matter of irregularities relating to initial public offerings.

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

7. This consent order is passed on this day, the 1<sup>st</sup>. of February 2010 and shall come into force with immediate effect.

**K. M. ABRAHAM**  
**WHOLE TIME MEMBER**

**PRASHANT SARAN**  
**WHOLE TIME MEMBER**