

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI

CONSENT ORDER

**ON THE APPLICATION SUBMITTED BY
ACTION FINANCIAL SERVICES (INDIA) LIMITED**

**IN THE MATTER OF
DATABASE FINANCE LIMITED
(CONSENT APPLICATION NO.768/2008)**

1. Securities and Exchange Board of India (SEBI) had conducted investigations into the alleged irregular transactions in the shares of Database Finance Limited (hereinafter referred to as the 'company') for the period April 01, 2002 – June 30, 2002. The investigations, *prime facie*, revealed that Action Financial Services (India) Limited, a broker of BSE with SEBI registration no. INF230749237 (hereinafter referred to as the 'applicant') had indulged in irregular transactions in the shares of the company.
2. Pursuant to the said investigations, SEBI initiated enquiry proceedings under the SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002 against the applicant. The Enquiry Officer issued a Show Cause Notice dated May 06, 2008 alleging that the applicant had violated provisions of Regulation 4 (a) to (d) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 1995 and Clauses A (1) to (5) of the Code of Conduct for brokers specified in Schedule II of the SEBI (Stock Brokers & Sub-brokers) Regulations, 1992. The applicant did not submit any reply to the show cause notice.

3. While the above proceedings were in progress, the applicant, vide letter dated June 02, 2008, 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. It proposed the revised consent terms vide letter dated February 13, 2009. The High Powered Advisory Committee, constituted by SEBI, considered the consent terms proposed by the applicant and after deliberations, recommended the case for settlement. Accordingly, the applicant shall pay a sum of Rs.7,00,000 (Rupees seven lakh only) towards settlement charges. SEBI accepted the said terms of settlement and communicated the same to the applicant vide letter dated April 13, 2009.
4. Accordingly, the applicant has without admitting or denying the charges, remitted a sum of Rs.7,00,000 (Rupees seven lakh only) vide demand draft No. 501811 dated April 22, 2009 drawn on ICICI Bank Ltd. payable at Mumbai.
5. In view of the above, it is hereby ordered that this consent order disposes of the said enquiry proceedings pending before the Enquiry Officer against the applicant in the matter of Database Finance Limited.
6. A copy of this order shall be sent to BSE of which the applicant is the broker.
7. This order is without prejudice to the right of SEBI to take 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.

- b. the applicant breaches any of the consent terms or undertakings filed in this consent proceedings.

7. This consent order is passed on this day, the 28th of April, 2009 and shall come into force with immediate effect.

M. S. SAHOO
WHOLE TIME MEMBER

K. M. ABRAHAM
WHOLE TIME MEMBER