

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI

**CONSENT ORDER
ON THE APPLICATION SUBMITTED BY
MANGAL KESHAV SECURITIES LIMITED**

**IN THE MATTER OF
DATABASE FINANCE LIMITED
(CONSENT APPLICATION NO. 171/ 2007)**

1. Securities and Exchange Board of India (SEBI) had conducted investigations into the alleged irregular trading in the shares of Database Finance Limited (hereinafter referred to as the 'Company'), during April 2001 – August 2001 and April 2002 – June 2002. The investigations, *prima facie*, revealed that Mangal Keshav Securities Limited (hereinafter referred to as the 'applicant'), a broker of National Stock Exchange of India Ltd., and Bombay Stock Exchange Ltd., indulged in circular trades, created artificial volumes and did not exercise due skill, care and diligence while executing the transactions.
2. Pursuant to the investigations, SEBI initiated enquiry proceedings under the SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002 against the applicant and issued a show cause notice dated January 13, 2006 alleging that the applicant violated Regulation 4 (a) to (d) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 1995 and Regulation 7 of the SEBI (Stock Brokers and Sub Brokers) Regulations, 1992. The applicant submitted reply to the show cause notice vide letter dated January 31, 2006. He was heard in the matter on September 06, 2006 and filed further written submission on September 11, 2006.
3. While further proceedings in the matter were in progress, the applicant vide letter dated September 18, 2007, proposed settlement of the pending proceedings through a consent order in terms of SEBI Circular No.

EFD/Cir-1/2007 dated April 20, 2007. The consent terms proposed by the applicant were placed before the High Powered Advisory Committee (HPAC) and the HPAC, after deliberations, recommended that the case may be settled on payment of Rs. 10,00,000/- (Rupees ten lakh only) towards settlement charges. The recommendations of the HPAC were accepted by SEBI and communicated to the applicant vide letter dated September 15, 2008.

4. Accordingly, the applicant, without admitting or denying the charges, has remitted a sum of Rs. 10,00,000/- (Rs. ten lakh only) vide demand draft No. 062972 dated September 18, 2008 drawn on HDFC Bank, Mumbai towards settlement charges.
5. In view of the above, it is hereby ordered that this consent order disposes of the said enquiry proceedings pending before SEBI against the applicant in the matter of Database Finance Limited.
6. This order is without prejudice to the right of SEBI to take enforcement action, including commencing / reopening of the pending proceedings 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 the 30th September, 2008 and shall come into force with immediate effect.

T. C. NAIR
WHOLE TIME MEMBER

M. S. SAHOO
WHOLE TIME MEMBER

