

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

**CONSENT ORDER**

**ON THE APPLICATION SUBMITTED BY  
M/s. LOKO SECURITIES PVT. LTD.**

**IN THE MATTER OF  
M/s. PRABHU STEEL INDUSTRIES LIMITED  
(CONSENT APPLICATION NO. 218 OF 2007)**

1. Securities Exchange Board of India (SEBI) conducted investigations into the alleged irregularities in dealings in the shares of M/s. Prabhu Steel Industries Limited. The investigations, prima facie, revealed that the applicant, M/s. Loko Securities Pvt. Ltd., along with other associates, allegedly brought and sold, through circular trading, the same shares of M/s. Prabhu Steel Industries Limited in the off market through the same broker and thereby created artificial volumes. It was, therefore, alleged that the applicant had violated Regulation 4(a) and 4(b) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 1995.
2. Pursuant to the said investigations, SEBI initiated proceedings under Section 11, 11B and 11D of the SEBI Act, 1992 read with Regulations 11 and 12 of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003, and issued a show cause notice dated August 12, 2004. The applicant replied to the show cause notice on June 6, 2007. He was granted an opportunity of hearing on August 17, 2007 which he availed.
3. While further proceedings in the matter were in progress, the applicant filed this consent application on October 24, 2007 in terms of SEBI Circular No. EFD/ED/Cir.-1/2007 dated April 20, 2007 seeking settlement of the proceedings through a consent order. The applicant revised terms of consent vide his letter dated July 28, 2008.

4. The High Powered Advisory Committee constituted by SEBI considered the settlement terms proposed by the applicant and recommended the case for settlement. As per the terms of settlement, the applicant shall pay Rs.6,00,000/- (Rupees six lakh only) as settlement charges. SEBI accepted the said terms of settlement and communicated the same to the applicant vide letter dated September 23, 2008.
5. For the purpose of settling the matter on hand and without admission or denial of guilt on the part of the applicant to the finding of fact or conclusion of law, the applicant has remitted a sum of Rs.6,00,000/- (Rupees six lakhs only) vide demand draft No. 008783 dated October 3, 2008 drawn on Axis Bank, Mumbai towards the settlement charges.
6. In view of the above, it is hereby ordered that this consent order disposes of proceedings under Section 11, 11B and 11D of the SEBI Act, 1992 arising out of show cause notice dated August 12, 2004 pending before SEBI against the applicant for the violations mentioned above.
5. This order is without prejudice to the right of SEBI to take enforcement actions, including commencing or reopening pending proceedings against the applicant, if:
  - i. any representation made by the applicant in this consent proceeding is subsequently discovered to be untrue;
  - ii. the applicant breaches any of the clauses/conditions of undertakings/ waivers filed during this consent proceeding.
6. This consent order is passed on the 20<sup>th</sup> day of October, 2008 and shall come into force with immediate effect.

**T. C. Nair**  
**Whole Time Member**

**M. S. Sahoo**  
**Whole Time Member**