

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

CONSENT ORDER

**ON THE APPLICATION SUBMITTED BY
UTTAM INVESTMENTS**

**IN THE MATTER OF
PRABHU STEEL INDUSTRIES LIMITED**

(CONSENT APPLICATION NO. 486 OF 2008)

1. Securities and Exchange Board of India (SEBI) had conducted investigations into the alleged irregularities in dealings in the shares of Prabhu Steel Industries Limited. The investigations, prima facie, revealed that the applicant, Uttam Investments, along with other associates, allegedly bought and sold, through circular trading, the shares of Prabhu Steel Industries Limited in the off market and thereby created artificial volumes. It was, therefore, alleged that the applicant 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 Sections 11 and 11B 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 received by SEBI on February 8, 2008, 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 proposed revised terms of consent vide his letter dated May 20, 2008.

4. 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.50,000/- (Rupees fifty thousand only) as settlement charges. SEBI accepted the said terms of consent and communicated the same to the applicant vide letter dated October 17, 2008.
5. For the sole 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. 50,000/- (Rupees fifty thousand only) vide demand draft No. 009018 dated November 11, 2008 drawn on Axis Bank Ltd, 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 and 11B 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 28th day of November, 2008 and shall come into force with immediate effect.

T. C. Nair
Whole Time Member

M. S. Sahoo
Whole Time Member