

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

**CONSENT ORDER**

**On the Application submitted by**  
**M/s Action Financial Services (India) Limited**  
**In the matter of M/s Prraneta Industries Limited.**

***IVD/ID4 /1920-2010/RKD/AO/31310 /2011***

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1. Securities and Exchange Board of India (hereinafter referred to as 'SEBI') conducted investigation in the trading and dealings in the scrip of Prraneta Industries Ltd (hereinafter referred to as 'Prraneta/scrip'). Subsequent to the same, Adjudication proceedings were initiated against M/s Action Financial Services (India) Limited (hereinafter referred to as noticee), for the irregularities observed during the investigation conducted by SEBI in the scrip of Prraneta, covering the period from January 10, 2005 to May 12, 2005.
2. The undersigned was appointed as the Adjudicating Officer vide 'Proceedings of the Whole Time Member, SEBI appointing Adjudicating Officer' dated June 11, 2009 under section 15 I of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as 'SEBI Act') to inquire into and adjudge under Rule 5 of (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as 'Rules'), Section 15HB of SEBI Act the alleged violation of the provisions of Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992 (hereinafter referred to as 'Brokers Regulations') by the noticee.
3. The Show Cause Notice dated February 18, 2010 was served on the noticee alleging violation of clauses A (1), A(2), A(3), A(4) & A(5) of

the Code of Conduct for Stock Brokers as prescribed in Schedule II of the Brokers Regulations read with regulation 7 of Brokers Regulations and liable for penalty under section 15HB of SEBI Act.

4. While the adjudication proceedings were in progress, the noticee made an application dated March 10, 2010 along with an affidavit of undertakings in the format prescribed by SEBI for settlement of the proceedings through consent order, in terms of SEBI Circular No. EFD/ED/Cir-1/2007 dated April 20, 2007. Subsequently, the noticee vide its letter dated March 18, 2011 proposed revised consent terms of ` 6, 50,000/- (Rupees Six Lakh and Fifty Thousand only) towards settlement charges in respect of the aforesaid proceedings before SEBI. The revised consent terms as proposed by the noticee were placed before the High Powered Advisory Committee (hereinafter referred to as "HPAC") on July 21, 2011. The HPAC considered the facts and circumstances of the case, the proposed settlement terms offered by the noticee and the other material brought before the HPAC. HPAC after deliberation recommended the case for settlement on the consent terms proposed by the noticee which has also been approved by the Whole Time Member, SEBI. The same was communicated to the noticee vide SEBI's letter dated August 23, 2011.
5. In terms of the proposal of the noticee, for the sole purpose of settling the matter on hand and without admission or denial of guilt on the part of the noticee to the findings of fact or conclusions of law, the noticee vide its letter dated September 26, 2011 has submitted a sum of ` 6,50,000/- (Rupees Six Lakhs Fifty Thousand only) favouring Securities and Exchange Board of India vide Demand Draft no. 023484 drawn on ICICI Bank Ltd, Mumbai, towards the terms of consent in the matter.
6. In view of the above, it is hereby ordered that:

- i. this consent order disposes of the adjudication proceedings initiated against the noticee under SEBI Act, 1992, and
  - ii. passing of this order is without prejudice to the right of SEBI to take enforcement actions including commencing / reopening of the pending proceedings against the noticee, if SEBI finds that:
    - a. any representations made by the noticee in the consent proceedings are subsequently discovered to be untrue.
    - b. noticee has breached any of the clauses / conditions of undertakings / waivers filed during the current consent proceedings.
7. In terms of Rule 6 of Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995, copies of this order are being sent to Action Financial Services (India) Limited and also to the Securities and Exchange Board of India, Mumbai.
8. This consent order is passed on October 14, 2011 and shall come into force with immediate effect.

**Rajesh Kumar D**  
**Adjudicating Officer**