

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI

CONSENT ORDER

ON THE APPLICATION SUBMITTED BY

**PRS SHARES & FINANCE PVT. LTD.
(INB010996637)**

IN THE MATTER OF

FORTUNE INFORMATICS LIMITED

(CONSENT APPLICATION NO. 977/2008)

1. Securities and Exchange Board of India (SEBI) conducted investigations into the alleged irregular trading in the shares of Fortune Informatics Limited (hereinafter referred to as the 'company') during October 21, 1999 – July 31, 2000. The investigations, *prima facie*, revealed that PRS Shares & Finance Pvt. Ltd. (hereinafter referred to as the 'applicant') had traded as unregistered sub broker for Kakani Securities Limited, broker of HSE, for ten days in the shares of the company. Therefore, it was alleged that the applicant violated section 12(1) of SEBI Act, 1992 read with rule 3 of the SEBI (Stock brokers and Sub brokers) Rules, 1992 and failed to comply with SEBI Circular no. SMD/POLICY/CIR-3/98 dated January 16, 1998.
2. Pursuant to the investigations, SEBI initiated enquiry proceedings against the applicant under the SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002. The Enquiry Officer submitted the Enquiry Report on December 27, 2005 and recommended a minor penalty of 'censure' against the applicant. A copy of the Enquiry Report was sent to the applicant vide letter dated January 04, 2006 advising the applicant to make its submission on the findings of the Enquiry Officer. The applicant replied to the show cause notice vide letter dated January 12, 2006. Thereafter, an opportunity of personal hearing was granted to the applicant to appear before the Whole Time Member of SEBI on September 01, 2008.
3. While the above proceedings were in progress, the applicant, vide letter dated August 27, 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

revised consent terms vide letter dated October 16, 2008. The High Powered Advisory Committee constituted by SEBI considered the consent terms proposed by the applicant and recommended the case for settlement on payment of Rs.1,00,000 (Rupees one lakh only). SEBI accepted the said recommendations and communicated the same to the applicant vide letter date December 16, 2008.

4. Accordingly, the applicant, without admitting or denying the charges, has remitted a sum of Rs.1,00,000 (Rupees one lakh only) towards settlement charges vide demand draft No. 499825 dated December 17, 2008 drawn on ICICI Bank Limited payable at Mumbai.
5. In view of the above, it is hereby ordered that this consent order disposes of the said enquiry proceedings pending against the applicant in the matter of Fortune Informatics Limited.
6. This order is without prejudice to the right of SEBI to initiate enforcement actions, including reopening of the proceedings pending the against applicant, if:
 - a. any representation made by the applicant in this consent proceeding is subsequently discovered to be untrue; or
 - b. the applicant breaches any of the consent terms or undertakings filed in this consent proceeding.
7. A copy of this order shall be served on the Bombay Stock Exchange Ltd. of which the applicant is now a broker.
8. This consent order is passed on this day, the 16th of February, 2009 and shall come into force with immediate effect.

M. S. SAHOO
WHOLE TIME MEMBER

K. M. ABRAHAM
WHOLE TIME MEMBER