

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

**CONSENT ORDER**

**ON THE APPLICATION SUBMITTED BY M/S. PRABHAT FINANCIAL SERVICES LTD.**

**IN THE MATTER OF VATSA MUSIC LTD.**

CO/ID-2//1092/08/2008

1. SEBI conducted an investigation into the alleged irregularities in the dealings in the scrip of Vatsa Music Ltd. Pursuant to the investigation; enquiry proceedings were initiated against the applicant, M/s. Prabhat Financial Services Ltd. (hereinafter PFSL), member, National Stock Exchange. The Enquiry Officer found that the applicant was involved in synchronized transactions on behalf of their client and had aided and abetted their client in manipulative transactions in violation of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations 1995 and Clauses A (2) to A (5) of Code of Conduct for Stock Brokers contained in Schedule II read with Regulation 7 of the SEBI (Stock Brokers and Sub Brokers) Regulations, 1992. On the basis of the Enquiry Report a Show Cause Notice dated February 5, 2005 was issued to the applicant, requiring them to show cause as to why appropriate order as recommended by the Enquiry Officer should not be passed against them. The said proceedings are pending against the applicant.
2. The applicant made an application dated August 16, 2007 along with an affidavit of 'Undertakings/ Waivers' for settlement of the matter in terms of SEBI Circular No. EFD/Cir.-1/2007 dated April 20, 2007. Thereafter, vide letter dated September 21, 2007 the applicant proposed consent terms thereby agreeing to pay an amount of Rs. 5, 00,000/- (Rupees Five Lacs only) for settlement of the matter. The consent terms proposed by the Applicant were placed before the High Powered Advisory Committee (HPAC) and the HPAC, after deliberation, recommended the case for settlement on the consent terms proposed by the applicant.

3. In terms of the applicant's proposal for the sole purpose of settling the matter on hand and without admission or denial of guilt on part of the applicant to the finding of fact or conclusion of law, the applicant has remitted a sum of Rs. 5, 00,000/- (Rupees Five Lacs only) to SEBI vide Demand Draft No. 255470 dated November 17, 2007 drawn on HDFC Bank, Jaipur, towards the consent terms in the matter.
4. In view of the above, it is hereby ordered that:
- a. This consent order disposes off the said enquiry proceedings pending before SEBI against the applicant in the matter of Vatsa Music Ltd. and
  - b. Passing of this order by SEBI is without prejudice to the right of SEBI to take enforcement actions including commencing/ re-opening of the pending proceedings against the applicant if
    - i. Any representation made by the applicant in the consent proceedings is subsequently discovered to be untrue.
    - ii. The applicant has breached any of the clauses/ conditions of undertaking/ waiver filed during the current consent proceedings with SEBI.

This consent order is passed on this day, January 04, 2008 and shall come into force with immediate effect.

G. Anantharaman  
Whole Time Member

Dr. T. C. Nair  
Whole Time Member