

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI

CONSENT ORDER

ON THE APPLICATION SUBMITTED BY

Mr. ANIL JAIN

IN THE MATTER OF

MAZDA FABRICS AND PROCESSORS LTD.

(CONSENT APPLICATION NO.199/2007)

1. Securities and Exchange Board of India (SEBI) conducted investigations into the alleged irregularities in the public issue of Mazda Fabrics and Processors Ltd. (hereinafter referred to as the 'Company') in the year 1996.
2. Pursuant to the said investigations, SEBI initiated proceedings under Section 11B of the SEBI Act, 1992 against Mr. Anil Jain (hereinafter referred to as the applicant). Vide show cause notice dated June 02, 2004, it was alleged that the applicant arranged applications from financiers, introduced the accounts of front entities for repaying the financiers and provided funds for applications made by Wallfort Shares & Stock Brokers and Liquid Capital Services Ltd and thereby aided and abetted the promoters in bailing out the said public issue. Thus the applicant violated Regulation 4 of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 1995. The applicant replied to the show cause notice vide letter dated July 26, 2004. An opportunity of hearing was granted to the applicant on June 20, 2006.
3. While further proceedings in the matter were in progress, the applicant, vide letter dated October 11, 2007, proposed settlement of the said proceedings through a consent order in terms of SEBI Circular No. EFD/ED/Cir-1/2007 dated 20.4.2007. The consent terms were placed before the High Powered Advisory Committee (HPAC) and the HPAC, after deliberations, recommended that the case may be settled on payment of Rs.6,00,000/- (Rupees six lakhs only) towards settlement charges. SEBI accepted the recommendations of the HPAC and communicated the same to the applicant vide letter dated September 02, 2008.

4. Accordingly, the applicant, without admitting or denying the charges, has remitted a sum of Rs.6,00,000 (Rupees six lakhs only) vide demand draft No. 957994 dated September 05, 2008 drawn on HDFC Bank Ltd., Mumbai towards settlement charges.
5. In view of the above, it is hereby ordered that this consent order disposes of the proceedings arising out of the show cause notice dated June 02, 2004 under Section 11B of the SEBI Act, 1992 pending before SEBI against the applicant in the matter of Mazda Fabrics and Processors Ltd.
6. This order is without prejudice to the right of SEBI to take enforcement action, including commencing / reopening of the proceedings pending against the applicant, if:
 - a. any representation made by the applicant in the consent proceedings is subsequently discovered to be untrue.
 - b. the applicant breaches any of the consent terms or undertakings filed during the consent proceedings.
7. This consent order is passed on this day, the 30th of September, 2008 and shall come into force with immediate effect.

T. C. NAIR
WHOLE TIME MEMBER

M. S. SAHOO
WHOLE TIME MEMBER