

**BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI  
CONSENT ORDER**

**ON THE APPLICATION SUBMITTED BY  
MASAT TEXTURISING & TWISTING PVT. LTD.**

**IN THE MATTER OF  
IRREGULARITIES RELATING TO INITIAL PUBLIC OFFERINGS**

**(CONSENT APPLICATION NO. 1537 of 2009)**

1. SEBI had conducted investigations under section 11C of the SEBI Act, 1992 into the alleged irregular dealings in the shares issued through Initial Public Offerings (IPO's) during 2003-05 before these shares were listed on the Stock Exchanges. The preliminary investigations, *prima facie*, revealed that few entities, including Masat Texturising & Twisting Pvt. Ltd. (hereinafter referred to as the 'applicant'), had acted as financier to key operator Roopalben Panchal who transferred 42700 shares of FCS Software in off market to the applicant. The applicant, thereafter, sold these shares immediately on listing and made unjust profits of Rs. 58,40,671 (Rupees fifty eight lakh forty thousand six hundred and seventy one only). It is, therefore, alleged that the applicant has violated Section 12 A of SEBI Act, 1992 read with Regulation 3 of the SEBI (Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.
2. SEBI passed an ad interim *ex parte* Order dated April 27, 2006, under sections 11 and 11B of the SEBI Act, 1992 directing the applicant not to buy, sell or deal in the securities market, till further orders. A confirmatory order was passed on January 12, 2009. Show Cause Notice No. ISD/SR/SISIR/SCN/150017/2009 dated January 7, 2009 was issued

under Section 11B of the SEBI Act, 1992. SEBI also initiated adjudication proceedings against the applicant. The adjudicating officer issued a Show Cause Notice No. A&E/BS/69369/2006 dated June 15, 2006. The applicant availed an opportunity of personal hearing before the adjudicating officer.

3. While the above proceedings were in progress, the applicant, vide letter dated August 21, 2009, 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. 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 disgorge an amount of Rs. 58,40,671 (Rupees fifty eight lakh forty thousand six hundred and seventy one only) being the unjust profits made and further pay a sum of Rs. 17,52,201 (Rupees seventeen lakh fifty two thousand two hundred and one only) towards settlement charges. SEBI had accepted the said recommendations and communicated the same to the applicant vide letter dated November 10, 2009.
4. Accordingly, the applicant, vide letters dated September 24, 2009 and November 26, 2009 has remitted the following amounts without admitting or denying the charges:

Sl. No.	Demand Draft No.	Amount
1	Demand draft No. 100963 dated September 24, 2009 drawn on Axis Bank Ltd payable at Mumbai.	Rs. 70,08,805
2	Demand draft No. 007674 dated November 26, 2009 drawn on Axis Bank Ltd payable at Mumbai.	Rs. 5,84,067

5. In view of the above, it is hereby ordered that this consent order disposes of the pending proceedings under section 11B of the SEBI Act, 1992, as well as the adjudication proceedings against the applicant.
6. This order is without prejudice to the right of SEBI to initiate enforcement actions, including commencing or reopening of the proceedings pending 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. This consent order is passed on this the 3<sup>rd</sup> day of December 2009 and shall come into force with immediate effect.

**M. S. SAHOO**  
**WHOLE TIME MEMBER**

**K. M. ABRAHAM**  
**WHOLE TIME MEMBER**