

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI

CONSENT ORDER

(CONSENT APPLICATION No. 204/2007)

ON THE APPLICATION SUBMITTED BY

WALLFORT SHARE & STOCK BROKERS PVT. LTD.

MEMBER OF BSE

REGISTRATION NO. INB011037539 (CASH)

(PAN No. AAACW0750G)

IN THE MATTER OF MAZDA FABRICS & PROCESSORS LIMITED

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1. Securities and Exchange Board of India (hereinafter referred to as 'SEBI') conducted investigations in the scrip of Mazda Fabrics & Processors Ltd. (hereinafter referred to as 'MFPL'). Pursuant to such investigation, proceedings under section 11B of the Securities & Exchange Board of India Act, 1992 was initiated against M/s. Wallfort Share & Stock Brokers Pvt. Ltd. (hereinafter referred to as the 'applicant'). Investigations *prima facie* revealed that the applicant was involved in the bailing out of the public issue of MFPL by way of fictitious subscription in the public issue. It further revealed that after the listing of the shares of MFPL on the BSE, there was sharp price rise in the said scrip starting from Rs. 8.50 on June 6, 1996 to Rs. 112.50 on August 30, 1996.
 2. A Show Cause Notice (hereinafter referred to as 'SCN') dated March 23, 2007 bearing Ref. no. IVD/ID-6/BM/DM/MZDA/89517/2007 was issued to the applicant asking him to show cause as to why action should not be taken up against it in the matter of MFPL for the alleged violations of regulation 6(a) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 1995 read with regulation 13 of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003. The applicant replied to

the SCN vide letter dated July 23, 2007. Subsequently, an opportunity of hearing was given to the applicant on September 10, 2009.

3. While the above proceedings were in progress, the applicant filed an application dated October 05, 2007 along with an affidavit of “undertakings and waivers” in terms of SEBI Circular No. EFD/ED/Cir.-1/2007 dated April 20, 2007 for settlement of the proceedings through Consent Order. The applicant vide its letter dated September 17, 2009 proposed revised consent terms for the proceedings mentioned above. The High Powered Advisory Committee (HPAC) constituted by SEBI, considered the consent terms proposed by the applicant and recommended the case for settlement on payment of Rs.10,00,000/- (Rupees Ten Lakh only) towards settlement charges along with a voluntary moratorium of one year on proprietary trading. SEBI accepted the said recommendations and communicated the same to the applicant vide letter dated July 15, 2010.
4. Accordingly, the applicant, without admitting or denying the charges, has remitted a sum of Rs.10,00,000/- (Rupees Ten Lakh only), vide demand draft No. 599724 dated July 21, 2010, drawn on HDFC Bank towards the terms of consent in the matter. Vide their letter dated September 17, 2009, the applicant has also agreed to undergo a voluntary moratorium on their proprietary trading for a period of 1 year.
5. In view of the above, it is hereby ordered that this consent order disposes of the aforesaid proceedings initiated against the applicant in the matter of Mazda Fabrics & Processors Ltd.
6. This order is without prejudice to the rights of SEBI to take enforcement actions including commencing/ reopening of the pending proceedings 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 in this consent proceeding.

7. A copy of this order shall be served on all recognized Stock Exchanges & the Depositories to ensure that the applicant namely M/s. Wallfort Share & Stock Brokers Pvt. Ltd. (PAN No. AAACW0750G) is not allowed to buy, sell or deal in securities in any manner, directly or indirectly, in its proprietary capacity, for a period of one year from August 12, 2010.
8. This consent order is passed on the 12th day of August 2010 and shall come into force with immediate effect.

Dr. K.M. ABRAHAM

WHOLE TIME MEMBER

PRASHANT SARAN

WHOLE TIME MEMBER