

SECURITIES AND EXCHANGE BOARD OF INDIA

DIRECTIONS UNDER SECTION 11B OF THE SEBI ACT, 1992 TO

KANEL OIL & EXPORT IND. LTD., AHMEDABAD & ITS DIRECTORS

Securities and Exchange Board of India (SEBI) has received several complaints from investors against Kanel Oil & Export Industries Limited (hereinafter referred to as KOE) over a period of time. The same were forwarded to KOE for redressal. As on September 30, 2002, KOE has a total of 104 investor grievances pending against it.

On failure to redress the pending investor grievances by KOE, SEBI vide letter dated April 3, 2002 advised KOE to meet SEBI's officials in connection with redressal of investor's grievances pending against it. However, KOE failed to remain present.

Subsequently, SEBI vide letter dated May 24, 2002 called upon KOE to show cause as to why appropriate action/proceedings under Sections 11B & 27 of SEBI Act, 1992 read with Section 621 of the Companies Act, 1956 should not be initiated against KOE for the alleged violation of the provisions of Section 73 and 113 of the Companies Act, 1956.

However, till date SEBI has not received any reply to the show cause notice from KOE.

Now, therefore, in exercise of the powers conferred upon me under Section 11B of the SEBI Act, 1992, I hereby direct KOE to redress the investor's grievances pending against KOE within a period of one month from the date of this order failing of which SEBI would be constrained to initiate actions as under without giving any further notice:

1. Prosecution under Section 621 of the Companies Act, 1956 for the alleged violation of the provisions of Section 73 and 113 of the aforesaid Act.
2. KOE/its directors would be debarred from dealing in/or and accessing the capital market for a period of 5 years.

Place : Mumbai

Date : October 14, 2002

G.N. BAJPAI

Chairman

Securities and Exchange Board of India