

SECURITIES AND EXCHANGE BOARD OF INDIA
DIRECTIONS UNDER SECTION 11B OF THE SEBI ACT, 1992 TO
ARYAN FINEFAB LTD., MEHSANA & ITS DIRECTORS

Securities and Exchange Board of India (SEBI) has received several complaints from investors against Aryan Finefab Limited (hereinafter referred to as AFL) over a period of time. The same were forwarded to AFL for redressal. As on September 30, 2002, AFL has a total of 76 investor grievances pending against it.

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

Subsequently, SEBI vide letter dated May 23, 2002 called upon AFL 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 AFL 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 AFL.

Now, therefore, in exercise of the powers conferred upon me under Section 11B of the SEBI Act, 1992, I hereby direct AFL to redress the investor's grievances pending against AFL 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. AFL/its directors would be debarred from dealing in and/or 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