

SECURITIES AND EXCHANGE BOARD OF INDIA
DIRECTIONS UNDER SECTION 11B OF THE SEBI ACT, 1992 TO
DHARNENDRA INDUSTRIES LTD., AHMEDABAD & ITS DIRECTORS

Securities and Exchange Board of India (SEBI) has received several complaints from investors against Dharnendra Industries Limited (hereinafter referred to as DIL) over a period of time. The same were forwarded to DIL for redressal. As on September 30, 2002, DIL has a total of 129 investor grievances pending against it.

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

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

Now, therefore, in exercise of the powers conferred upon me under Section 11B of the SEBI Act, 1992, I hereby direct DIL to redress the investor's grievances pending against DIL 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. DIL/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