

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

Securities and Exchange Board of India (SEBI) has received several complaints from investors against Lesha Steels Limited (hereinafter referred to as LSL) over a period of time. The same were forwarded to LSL for redressal. As on September 30, 2002, LSL has a total of 58 investor grievances pending against it.

On failure to redress the pending investor grievances by LSL, SEBI vide letter dated April 5, 2002 advised LSL to meet SEBI's officials in connection with redressal of investor's grievances pending against it. However, LSL failed to remain present.

Subsequently, SEBI vide letter dated May 24, 2002 called upon LSL 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 LSL 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 LSL.

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