

ORDER UNDER SECTION 11 READ WITH SECTION 11B AGAINST M/s HITEK INDUSTRIES (BIHAR) LTD.

CO/39/IES/05/2003/IES

- 1.0 M/s. Hitek Industries (Bihar) Ltd. (hereinafter referred to as Hitek) was incorporated as a Private Limited company on March 15, 1983 under the Companies Act, 1956 and was converted into a Public Limited Company on August 12, 1983. The Company came out with a public issue in 1984 which was followed by a rights issue in 1986. Subsequently, the company came out with another public issue on March 21, 1994.
- 1.1 Hitek informed the Stock Exchange, Mumbai (BSE) vide its letter dated December 13, 1995 that it received letters from some of their shareholders that they lost around 20 lakh share certificates and requested BSE to prohibit trading in the said shares. BSE vide their notice No. 160/96 dated January 6, 1996 declared that these 20 lacs shares would be considered as bad deliveries in the market.
- 1.2 The scrip of Hitek suddenly showed a spurt in volume and price during December 1995 and January 1996. The scrip witnessed a price rise from Rs.11.50 to 29.28 from Settlement 10 to 28 in December, 1995 and January, 1996. The price tumbled to Rs.8.20 on January 11, 1996. The scrip was suspended indefinitely by BSE on January 12, 1996, after the company informed the BSE of its intention to issue duplicate shares in view of the letter of the share holders regarding loss of the share certificates.
- 2.0 Vide order dated May 21, 1996, an investigation into the affairs of the dealings in the shares of public issue of Hitek was initiated by SEBI. A show cause notice dated October 16, 2002 was issued to Hitek to show cause as to why suitable directions under Section 11 and 11B of SEBI Act, 1992 including a direction to prohibit Hitek from entering the capital market for a particular duration should not be passed on the following grounds:
- 2.1 The issuer company cornered stock at the time of public issue, through financing arrangement this created an artificial scarcity of floating stock in the market which facilitated rigging the price of shares. The said act of Hitek is detrimental to the interests of the investors in capital market.
- 2.2 Hitek through financing arrangement aided and abetted in cornering shares which had led to artificial scarcity of floating stock in the market. As a result of which there was a spurt in the share price. Hitek refused the transfer of shares which were reported to be lost without any valid grounds though neither status quo was ordered by the court nor any police complaint was lodged.
- 2.3 Hitek acquired its own shares through Shri R.P. Sinha, by means of 'Power of Attorney'. The said act of Hitek is in violation of Section 77 of Companies Act, 1956.
- 2.4 The issue is undersubscribed if the shares allegedly got subscribed through the financial arrangement are excluded. The public issue of Hitek was for 63,00,000 equity shares of Rs.10/- each for cash at par, aggregating to Rs.6.30 crores. The amount of subscription allegedly received was Rs.5.70 crores approximately. Thus the issue was subscribed to the extent of approximately 0.9 times. As per the top 25 applications an amount of Rs.5.68 crores was mobilized through the financing arrangement. If the subscription received through the financing arrangement is excluded, the subscription received by the issue is well below the minimum 90% required as per SEBI guidelines issued on June 18, 1992 and Section 69, read with Clause 5 of Schedule II of Companies Act, 1956 and terms and conditions of the prospectus.
- 2.5 Hitek proceeded with the allotment of shares before the realization of stock invests which is not in conformity with the provisions of Section 69, Section 73 of Companies Act, 1956 and guidelines for disclosure and investor protection issued by SEBI on June 11, 1992.
- 3.0 Hitek did not reply to the above show cause notice. However, Shri P.P. Verma, MD & Promoter of Hitek vide letter dated 2.11.02 gave his reply, on the company's letter head, to the show cause notice dated 16.10.02 issued to him on similar grounds. During personal hearing Shri P P Verma represented company as well as for himself. Therefore, the submissions made by Shri P P Verma are also considered for the company. Shri P P Verma made the following submissions:
- 3.1 Regarding the public issue, the details of subscription received through cash and stock invests were submitted to Magadh Stock Exchange. The stock exchange after going through the submitted documents authorized dealing in the said shares and the company acted accordingly.
- 3.2 Regarding the market manipulation, the company was in no way involved in such dealings. The sharp fluctuation in prices led the stock exchange to stop the trading in shares, leading to great harm to the company's previous and present shareholders.
- 3.3 Regarding the reported loss of shares and the subsequent non transfer of lost shares, the company has only followed the laid down procedures and the court ruling in this regard.

4.0 An opportunity of personal hearing was given to Hitek twice on 18.1.2003 and on 27.2.2003. On both the occasions none representing Hitek attended the hearing. Subsequently, on request, another opportunity of hearing was given on 14.3.03. Shri P P verma, promoter and MD of Hitek attended the hearing. I have carefully examined the facts and circumstances of the case. I have also carefully considered the submissions made by Shri P P Verma before me during the personal hearing on 14.3.03 and also in his letter dated November 2, 2002. The findings are as under:

- 4.1 The company came out with a public issue on March 21, 1994 for 63,00,000 equity shares of Rs.10/- each for cash at par. The full amount of Rs.10/- per share was to be paid at the time of application. Out of this, 7,50,000 equity shares of Rs.10/- each at par was reserved for preferential allotment to NRI's/ persons of Indian origin residing abroad on a repatriation basis, 7,50,000 equity shares of Rs. 10/- each at par were reserved for preferential allotment to FIIs on repatriation basis and 12,60,000 equity shares of Rs.10/- each at par reserved for preferential allotment to Indian Mutual Funds on a competitive basis. Thus the net offer to the Indian public was 35,40,000 equity shares of Rs.10/- each at par. The paid up capital after the public issue was 99,30,648 equity shares of Rs.10/- each aggregating to Rs. 9,93,06,480. The public issue opened on March 21, 1994 and closed on the earliest closing date i.e. March 24, 1994.
- 4.2 M/s. Vatsa Finance Ltd. (now M/s. Vatsa Corporation Ltd.) acted as Lead Managers to the issue and M/s. Sriven Corporate Services Pvt. Ltd. acted as the Registrars to the Issue.
- 4.3 As per the 7 days post monitoring report, the provisional collection figures given by the Registrars to Issue was Rs.4,22,000/- . As per the 30 days post monitoring report, a total of 14 application have been received and the collection amount given by the Registrar was Rs.70,000/-. As per the 45 days post monitoring report, a total of 60 applications had been received and the collection amount received by the registrar was Rs.3,27,000/-.
- 4.4 The Magadh Stock Exchange Association Ltd. vide its letter dated June 6, 1994 permitted the company for compliance of the listing formalities before 120 days from the closure of subscription list, keeping in view the undersubscription of the issue.
- 4.5 As per the basis of allotment report submitted by the Lead Manager to the Magadh Stock Exchange Association Ltd. on July 22, 1994, the issue was subscribed to the extent of 90.25% of which 99.09% of the shares were through stock invest applications. A total of 123 applications were received applying for Rs.5,68,17,000/- worth of subscription. Of this, 25 applications were made through stock invests, amounting to Rs.5,63,00,000/- worth of subscription.

5.0 It was noted from the list of top 100 applicants that the top 25 applications were made by stock invests. These applications were from nine applicants applying for 56,30,000 shares, which amounted to 99.09% of the total subscription. The following are the nine applicants of the top 100 applicants :

Sr. No.	Name of the applicant	Shares Applied for
1.	Y. Srinivas	2,50,000
2.	Y. Venkataramanna	2,50,000
3.	T.P. Dangi	16,00,000
4.	S.K. Doshi	2,50,000
5.	K.G. Doshi	2,50,000
6.	D.K. Doshi	2,30,000
7.	Dharmesh Jain	50,000
8.	Vinod R. Rana	2,50,000
9.	G.A. Jain	25,00,000

- 5.1 The public issue was closed on earliest closing date on March 24, 1994 inspite of getting less than 0.5% subscription. Magadh Stock Exchange vide its letter dated June 6, 1994 approved compliance of listing formalities before 120 days from the closure of subscription, keeping in view the undersubscription of the issue. None of the shares allotted to the nine applicants mentioned above were delivered to them by the Registrar to the issue. The shares allotted to these persons (56,30,000 shares) were collected by one Shri Ramprasad Sinha. It is noted that Shri Ram Prasad Sinha is an employee of Hitek. P.P.Verma, during the hearing admitted this fact. All the above nine applicants had given authority letter authorizing the said Ramprasad Sinha to collect the share certificate from the Registrar. Further, all the above nine applicants had given irrevocable Powers of Attorney in favour of the said Ramprasad Sinha which were registered with the company.
- 5.2 With respect to the complaint received by the company, it is noted that it was Shri Ramprasad Sinha himself, who reported loss of 19,00,000 shares. These shares were originally in the names of Shri G.A. Jain, Shri D.S.Jain and Shri T.P. Dangi. They form part of the shares, for which these applicants had given irrevocable Power of Attorney to Ramprasad Sinha. The break up of the 19,00,000 shares in the name of original owners is as follows:

Name	Address	Folio	Quantity
G.A. Jain	M.G. Road, Opp. Rlwy Station, Santacruz(W), Bombay 400 054	G 0225	14,50,000
Dharmesh S. Jain	B 13/4, Mayur Pankh D. Road, Mulund, Bombay 400 080	031	50,000
T.P. Dangi	58/60, Mint Road, Fort, Bombay 400 023	T 0140	4,00,000

- 5.3 It is further noted that M/s. Mahalaxmi Investments reported loss of another 1 lac shares. Shri Sanjay Chakraborty was the authorized signatory and the partner of M/s. Mahalaxmi Investments at the relevant time. The address of both Shri R.P. Sinha and M/s. Mahalaxmi Investments is 10, Paramjyoti, Pestom Sagar, Plot No.9, Road No.4, Chembur, Bombay 400 089. The letters written, both by M/s. Mahalaxmi Investments and Shri R.P. Sinha were dated April 3, 1995. The Affidavit and Indemnity and Guarantee of both Shri R.P.Sinha and M/s. Mahalaxmi Investments were notarized by the same Notary, Shri S.B. Sonavane(Patil). I, therefore, hold that there was a nexus between M/s. Mahalaxmi Investments and Shri R.P. Sinha.
- 5.4 Hitek submitted a certificate from the Bank of America, Nariman Point Branch, confirming the credit of Rs.420 lacs to the company's account. The said amount was found to be credited between August 28, 1994 and October 21, 1994. I have further noted that this was much after July 22, 1994, the last to comply with the formalities required for listing as permitted by the Magadh Stock Exchange Association. Hitek also submitted a certificate from the Bank of Rajasthan Ltd., Overseas Branch, Nariman Point, confirming the credit of Rs.120 lacs into the company's account on September 20, 1994. Hitek stated that this credit was the application money of the public issue, which it received in its current account at the two Banks. This payment was made through stock invests. However, I have noted that despite repeated reminders the company failed to give the exact break up of the encashment of each of the 25 stock invests.
- 5.5 It was observed from the photocopies of the applications of the top 25 applicants that all the said applications were made through stock invests. Nine applicants applied for 56,30,000 shares, the details of which are given above. There were eight applications for 23,00,000 shares, the date on the application form being July 22, 1994. However, the approval for the basis of allotment was sent by the Lead Manager to the Magadh Stock Exchange Association vide their letter dated July 21, 1994. Therefore, I find that by the time the basis of allotment was completed, these nine applications for 56,30,000 shares were not there and allotment could not have been done. I hold that the issue was not subscribed upto statutory minimum level.
- 6.0 It was found that the stock invest no. 6732 accompanied with the shares application of G.A. Jain of Rs.80 lacs of State Bank of Patiala, Nariman Point Branch was purchased by Ispat Finance Ltd.
- 6.1 The stock invest no.31955 and 31956 accompanied with the share application of K.G. Doshi and S.K. Doshi respectively of Rs.25 lacs each of Bank of Baroda, Bombay Main Branch were found to have been purchased by Ms. Savitri Davyarami Panjwani on July 22, 1994 and were subsequently cancelled on August 20, 1994.
- 6.2 The stock invest nos. 169283, 169287, 165288 of Rs.25 lacs each and stock invest no.169288 of Rs.23 lacs of Indian Bank, Overseas Branch, were purchased by Shri N.J. Somaiya. Of these, stock invests no.169287 and 169288 were issued in favour of M/s. East West Travels and Trade Links Ltd. of which the issuer was allotted a subscription of Rs.7.12 lacs each. Stock invest no.169283 and 169285 were purchased on July 19, 1994 and were subsequently cancelled on July 26, 1994.
- 6.3 The stock invest nos. 158299 to 158303 of Rs.25 lacs each of Vysya Bank Ltd. C.R. Avenue Branch, of were purchased by Ispat Finance Ltd. Of this, stock invest no.158299 and 158302 were realized at the current account of the company, at Bank of America, Calcutta Branch, stock invest no.158303 was realized at Bank of Rajasthan Ltd., Overseas Branch, stock invest no.158300 and 158301 were realized in the current account of Bank of America, Nariman Point Branch.
- 6.4 The stock invest no.202549 to 202558 of Rs.20 lacs each, of Bank of Madura Ltd., Fort Branch were purchased by Shivalik Projects Ltd. (now Business India T.V. International Ltd.). Of this, stock invests no.202549 to 202553 were realized in the current account of Bank of Rajasthan Ltd., Overseas Branch on September 20, 1994, stock invests no.202554 to 202558 were realized at Bank of America, Nariman Point Branch, from September 26, 1994 to October 7, 1994.

All the above mentioned stock invests were either third party stock invests or were cancelled or were issued to some other company.

- 6.5 Stock invests no.392954 to 392956 of Rs.5 lacs each of Union Bank of India, Mulund Branch were purchased by Shri Dharmesh Jain on July 22, 1994 and were subsequently cancelled on September 13, 1994. Shri Dharmesh Jain stated that he had cancelled his stock invests. But shares were allotted in his name and were collected by Shri R.P. Sinha. It has been noted that he had not authorized anybody to collect shares on his behalf. It is further noted that out of 1,50,000 shares originally applied for by him, 50,000 shares were allotted to him. The rest of 1,00,000 shares were allotted to Shri G.A. Jain.
- 6.6 M/s. Business India T.V. International (erstwhile Shivalik projects Ltd) stated they were approached by a broker to provide a loan of Rs.200 lacs to Shri T.P. Dangi of M/s.TPD Finance Ltd. They extended the loan by providing them ten stock invests of Rs.20 lacs each, in the name of Hitek. These stock invests were issued by Bank of Madura, Fort Branch where the company had a current account. The company handed over the said stock invests to M/s. TPD Finance Ltd. through the broker. The company received an interest amounting to Rs.11,20,000/- on the loan given. M/s. Ispat Finance stated that they had provided a loan of Rs.1,20,00,000/- to TPD Finance by means of 5 stock invests issued by Vysya Bank Ltd., Calcutta Branch. The repayment was made by means of demand draft payable at Canara Bank and Vijaya Bank, Calcutta. However, no interest was paid by TPD Finance on the aforesaid loan.
- 6.7 Shri Raghunath Venkatachari, Joint Managing Director, Sriven Corporate Services Pvt. Ltd., (RTI) in his statement on November 29, 1996 submitted that the issue was not subscribed on the date of closure of the issue. He stated that since the issue was underwritten the lead manager closed the issue on the earliest closing day as there was no chance of devolvement While explaining the sequence of events after the closure of the issue he stated that the public issue of Hitek was closed on the earliest closing day despite the issue being subscribed to the extent of 5% the Lead Manager & Shri P. P. Verma had approached to submit a SIP report for the issue. He further stated that the Registrar has submitted USIP-I, USIP – II and USIP – III reports. Further, he stated that Shri P. P. Verma was trying to organize the subscription for the issue and on July 19, 1994, Hitek Industries furnished a Letter stating that they received 25 stock invests for 56,30,000 shares amounting to Rs, 5,63,00,000/- at the Registered office of the company and a certificate stating that they were retaining the original stock invests with them and had forwarded the original application forms, alongwith photocopies of stockinvests. As the issue was subscribed to the extent of 90.25% the allotment was made on firm basis without any rejection, the basis of allotment was sent Magadh Stock Exchange on July 21, 1994 and one of their representative was present in the Exchange at the time of finalization. Explaining, as to how the Lead Manager's stamp was missing on the Basis of Allotment, Shri chari submitted that M/s Vatsa Finance was informed about the Basis of Allotment to be finalized and Mg. SE approved the Basis of Allotment on July 25, 1994. After the 'Basis of Allotment', was finalized share certificates were printed and despatched. Out of the total 123 applications, share certificates to 98 applicants were dispatched on August 12, 1994 by Registered Post and the balance 25 shareholders could not be consigned by Registered Post as they as they were bulk in quantity. The delivery regarding the aforesaid 25 shareholders was made to one R P Sinha on production of Letter of Authority from the respective investors.
- 6.8 Shri Chari stated that he was unaware of the status of the stock invests as regards actual realization and Shri P. P. Verma, has stated, vide letter dated April 18, 1996 that he encashed all the stock invests at Bank of America, Nariman Point Branch. The said letter was furnished by Hitek Industries to the registrar. He admitted that the basis of allotment was finalized on the basis of photocopies of stock invests and not the original stock invests. The basis of allotment was drawn one day prior to the last day as given by Mg. SE, as the certificate issued by Hitek was dated 19.7.94. This was on the presumption that according to Companies Act, 1956 any public issue which is underwritten has to get subscription report 120 days from the date of first issue of prospectus which in this case was March 21, 1994 and the subscription should have been received before July 18, 1994. As stated earlier the 'Basis of Allotment' was approved By Mg. SE on July 21, 1994. However, 8 application forms are dated July 22, 1994. The Registrar admitted that he has failed to check the date of application.
- 6.9 The statements of Shri Kanaklal Gulabchand Doshi, Shri Y Srinivas and Shri G. A. Jain who are among the 9 applicants who have invested in stock invests were recorded. These 9 applicants held 56,30,000 shares which is more than 90% of the total subscription. The statements of Shri Kanaklal Gulabchand Doshi, Shri Y Srinivas and Shri G. A. Jain revealed that Shri Kanaklal Gulabchand Doshi, Shri Y Srinivas lent their names and Shri G. A. Jain was not aware of the lost shares and has not applied for any issue of duplicate shares.
- 6.10 With regard to the details of share holders who have informed M/s Hitek Industries for the loss of share certificates, Shri P P Verma in his statement stated that in case of share certificate belonging to G A Jain, Dharmesh S Jain and TP dangi, their 'Power of Attorney' holder Shri R P Sinha informed about the loss of share certificate and for Mahalaxmi investments Shri Sanjay Chakravorty informed about the loss of shares. Shri P P Verma has stated that based on the letter received declaring the loss of shares and the affidavits and the indemnity bonds, BSE was

informed about the loss of shares and the transferees were informed accordingly. Shri Verma admitted that no advertisement was issued about the loss of share certificates and he had called for the copy of FIR/Court order from the persons who reported the loss of shares. Further, Shri P P Verma in his said statement admitted that the issue was completed with help of Merchant Banker and Registrar who mobilized the necessary subscription. He stated that the Merchant Banker, Vatsa Finance Ltd., approached the broker Mr K.G. Doshi to help in getting the issue subscribed. Similarly, the Registrar Sriven Corporate Services approached Mr T. P. Dangi of M/s TPD Finance to help in getting the issue subscribed. The application made by the stock invest number 31956 and 31955 of Bank of Baroda main branch and stock invest number 169287, 169283, 169288 and 169285 of Indian Bank, Overseas Branch was brought in by Mr. KG Doshi all the rest of the 25 applications were brought in by Shri T P Dangi to get the issue subscribed. Shri P P Verma admitted that he was aware that the stock invest was arranged from Ispat Finance Ltd. and Shivalik Projects Ltd.

- 7.0 During the hearing on 14.3.03 Shri P P Verma admitted the lapses on part of the company during the issue and the alleged market manipulation and further that he along with the Registrar and the Lead Manager tried to bail out the issue by arranging loan disguised as subscription.
- 8.0 I am convinced that the issuer company has cornered stock at the time of public issue through financing arrangement which created an artificial scarcity of floating stock in the market and whereby rigging the price of shares was facilitated. This is evident from the statement of Shri P P Verma whereby he admitted that the issue was completed with help of Merchant Banker and Registrar who mobilized the necessary subscription. He stated that the Merchant Banker, Vatsa Finance Ltd., approached the broker Mr K.G. Doshi to help in getting the issue subscribed. Similarly, the Registrar Sriven Corporate Services approached Mr T. P. Dangi of M/s TPD Finance to help in getting the issue subscribed. The application made by the stock invest number 31956 and 31955 of Bank of Baroda main branch and stock invest number 169287, 169283, 169288 and 169285 of Indian Bank, Overseas Branch was brought in by Mr. KG Doshi all the rest of the 25 applications were brought in by Shri T P Dangi to get the issue subscribed. Shri P P Verma admitted that he was aware that the stock invest was arranged from Ispat Finance Ltd. and Shivalik Projects Ltd. Therefore, the said act of Hitek is detrimental to the interests of the investors in capital market.
- 8.1 With respect to the complaint received by the company regarding lost shares, it was Shri Ramprasad Sinha, who reported loss of 19,00,000 shares and not the original shareholders. These shares were originally in the name of Shri G.A. Jain, Shri D.S.Jain and Shri T.P. Dangi. These persons had given irrevocable Power of Attorney to Shri R.P. Sinha. It is clear from the facts that the majority of the aforesaid shares were handed over to Shri Sanjay Chakraborty. The shares were offloaded in the market and on not receiving the consideration for the shares a story of shares being lost was coined. This is evident from the statement of Shri P.P. Verma. Shri P.P. Verma in reply to the investigating team's query as to how the shares were off-loaded in the market which were acquired by means of financing arrangements, had stated that he has sold the shares to various brokers like Swastik Investment, Healol Finance, Tyche Securities but there was hardly any success. The total off-loaded shares could be only 7 to 8 lacs. Shri R.P. Sinha who was an employee till January 1996 pledged 20 lacs shares allotted to G.A. Jain, T.P. Dangi and Shri Dharmesh Jain with some Bombay based party. The promised money from the Bombay based party could not be received and hence we had requested to return the shares. The shares were neither returned nor the consideration was received. After a passage of approximately 6 months the shares which were off loaded in the market started coming out for transfer with forged signature on transfer deed, hence were treated as Bad Deliveries. In the meantime, Shri R.P. Sinha had lodged a police complaint alleging the loss of 20 lacs shares acquired by him under power of attorney till the book closure dated (December 24, 1996) only 7 to 8 lacs shares were received for transfer and the remaining shares are yet to be traced. This is also supported by the fact that Shri R P Sinha reported loss of 19 lakh shares and the address of Chembur given in the police record is the same address as that of Mahalaxmi Investments owned by Shri Sanjay Chakraborty. The shares were reported to be lost by Mahalaxmi Investments on April 3, 1995, which was the same day on which Shri R P Sinha reported the loss of shares at his Chembur address; the affidavits which have been filed by Shri R P Sinha and Shri Sanjay Chakraborty have been notarized by the same notary. No police complaint was lodged for a long time and Hitek had not transferred the alleged lost shares which came for transfer within the stipulated time period as prescribed in Section 113 of the Companies Act, 1956. Hence the involvement of Hitek in the episode of shares being lost is apparent.
- 8.2 Further, Hitek through financing arrangement aided and abetted in cornering shares which has led to artificial scarcity of floating stock in the market. As a result of which there was a spurt in the share price. Hitek has refused the transfer of shares which are reported to be lost without any valid grounds though neither status quo was ordered by the court nor any police complaint was lodged.
- 8.3 According to Section 77(2) of Companies Act, 1956, no company limited by shares and no company limited by guarantee and having a share capital shall have power to buy its own shares. In the said case Hitek has acquired the shares through Shri R.P. Sinha, who is an employee of Hitek, by means of 'Power of Attorney'. The said act of Hitek has resulted in violation of Section 77 of Companies Act, 1956.

8.4 It is clear that the requirement of minimum subscription of 90% will fall through if the shares allegedly got subscribed through the financial arrangement are excluded. The public issue of Hitek was for 63,00,000 equity shares of Rs.10/- each for cash at par, aggregating to Rs.6.30 crores. The amount of subscription received amounted to Rs.5.70 crores approximately. As per the top 25 applications an amount of Rs.5.68 crores was mobilized through the financing arrangement. If the subscription received through the financing arrangement is excluded, the subscription received by the issue would be far below the minimum 90% required as per SEBI guidelines issued on June 18, 1992 and Section 69, read with Clause 5 of Schedule II of Companies Act, 1956 and terms and conditions of the prospectus.

8.5 Further, Hitek has proceeded with the allotment of shares before the realization of stock invests which is not in conformity with the provisions of Section 69, Section 73 of Companies Act, 1956 and guidelines for disclosure and investor protection issued by SEBI on June 11, 1992.

9.0 Therefore, in the interest of the investors and safety and security of the capital market, in exercise of powers conferred on me under Section 4(3) read with Section 11 and 11B of SEBI Act I, hereby, direct M/s Hitek Industries (Bihar) Limited to disassociate itself in every respect from the capital market related activities and not to access the capital market for a period of five years.

Date: May 30, 2003

Place: MUMBAI

G.N.BAJPAI

CHAIRMAN

SECURITIES AND EXCHANGE BOARD OF INDIA