

SECURITIES AND EXCHANGE BOARD OF INDIA

Coram: Dr. T. C. Nair, Whole Time Member

ORDER

UNDER SECTION 11B READ WITH SECTION 11(4) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH REGULATIONS 11 AND 12 OF SEBI (PROHIBITION OF FRAUDULENT AND UNFAIR TRADE PRACTICES RELATING TO SECURITIES MARKET) REGULATIONS, 1995 READ WITH REGULATION 13 OF SEBI (PROHIBITION OF FRAUDULENT AND UNFAIR TRADE PRACTICES RELATING TO SECURITIES MARKET) REGULATIONS, 2003 AGAINST

- 1) M/s. GUJARAT TEXSPIN LIMITED AND ITS DIRECTORS SHRI TAUFIK HAJI GAFFAR, SHRI TARIK HAJI GAFFAR, SHRI JIVRAJBHAI M PATEL, SHRI MUKUND KRISHNASWAMI RAO AND SHRI KRISHNAKANT D PAREKH**
 - 2) M/s. FERRARI TEXTILES PRIVATE LIMITED AND ITS DIRECTOR SHRI TOHID HAZI GAFFAR**
 - 3) SHRI ATUL RATILAL SHAH**
 - 4) SHRI NEERAV BHAGAT, PROPRIETOR OF M/s. D. K. CONSULTANCY**
- IN THE MATTER OF M/s. GUJARAT TEXSPIN LIMITED**

WTM/TCN/ID3/58/08/2007

1.0 BACKGROUND OF THE CASE

- 1.1 M/s. Gujarat Texspin Limited ('GTL' or the 'company') is a company listed in the Bombay Stock Exchange Limited (herein after referred to as 'BSE'), Vadodara Stock Exchange and the Hyderabad Stock Exchange. The directors of GTL during 1995-97 were -
 - i. Shri Taufik Haji, Chairman and Managing Director
 - ii. Shri Tarik Haji Gaffar, Director
 - iii. Shri Jivrajbhai M Patel, Director
 - iv. Shri Mukund Krishnaswami Rao, Director
 - v. Shri Krishnakant D Parekh, Director
- 1.2 The Securities and Exchange Board of India (herein after referred to as 'SEBI' or 'the Board') conducted an investigation into the dealing in the scrip of GTL. The investigation revealed that M/s. Ferrari Textiles Private Limited (herein after referred to as 'FTPL') is a group company of GTL and that Shri Tohid Hazi Gaffar, Director; FTPL is the brother of Shri Taufik Haji Gaffar, one of the directors of GTL. FTPL had entered into an agreement with one Shri Atul Ratilal Shah for sale and assignment of 40,20,000 shares of GTL at the rate of Rs.9/- per share for a total consideration of Rs. 3,61,80,000. The shares of the company were allotted to FTPL during February 1994. These shares were off-loaded by Shri Atul Ratilal Shah in the market. When the shares were sought to be transferred in their names by the buyers, GTL sent them back with objections like 'signature difference' and in a few cases 'fake and forged'. When the buyers again sent them after rectification, they were returned with the reason 'court order for stop transfer'. FTPL after selling the shares had filed a suit vide RCS No. 671/96 before the Hon'ble Court of the District Judge, Surat, praying for an order directing the company to stop transfer of shares sold through Shri Atul Shah on the ground of non-payment of money by Shri Atul Shah to FTPL. The company was alleged to have delayed the transfer of shares to aid and abet FTPL, for the reasons stated above. It appears that after having sold the shares through M/s. Anantrai A. Parekh, member, BSE, Shri Atul Shah disappeared from the scene and because of this reason the member had to make good the payment arising out of bad deliveries.
- 1.3 The investigations alleged that D. K. Consultancy through its proprietor, Shri Neerav Bhagat had sold the shares of GTL through M/s. Nagindas Parekh and Son securities Private Limited (now known as M/s. Trambaklal Ratilal Parekh and Sons securities Private Limited). It was found that such shares had been returned by GTL on the ground that they were fake and forged. On questioning, M/s. Nagindas Parekh and Son securities Private Limited had submitted that Shri Neerav Bhagat did not replace those fake shares and further did not make good the money due on it. The investigations had alleged that Shri Neerav Bhagat had circulated fake shares of GTL in the market through M/s. Nagindas Parekh and Son Securities Private Limited and had suspected that Shri Neerav Bhagat was acting for FTPL, since the company's shares were largely held by its management/directors and FTPL.

1.4 The investigations in the matter were hindered because of the non-furnishing of information by the company. All steps taken by SEBI to track GTL were in vain. It was alleged that the directors of the company (GTL) were absconding only to evade furnishing the information sought by the investigations. The investigations also alleged that the company did not comply with the requirements of the stock exchange (BSE), where the shares of the company were listed. The instances of non-compliance in this regard were:

- i) Clause 31- annual report not filed for the years 2002 and 2003
- ii) Clause 35 – shareholding pattern not submitted for any quarter since March 2001
- iii) Clause 38 – annual listing fees not paid for 2003-04
- iv) Clause 41 – quarterly results not submitted since September 2002
- v) Clause 47(a) – compliance officer not appointed by the company
- vi) Clause 47(c) – half yearly certificate from practising company secretary not submitted since half year ending September 2001
- vii) Clause 47(e) – copy of agreement signed with RTA not submitted
- viii) Clause 49 – quarterly report on corporate governance not submitted since March 2002
- ix) 3 investor complaints pending for more than 1 year

The summons sent to GTL and its directors returned undelivered. The details of the summons/letters sent to the company and its directors are tabulated below, for easy reference:

DATE	SENT TO	CALLING FOR	REMARKS
9/8/2000	GTL, Begumpura, Surat	Explanation for duplicate shares introduced in the market	No reply
12/2/2001	GTL	Reminding GTL to submit their reply	No reply
22-02-2001	GTL	Reminder	No reply
1/3/2001	GTL- sent to Begumpura and Ankleshwar address	Reminder	Incomplete reply
13-05-2003	GTL	TO FURNISH INFORMATION	No reply
2/6/2003	Summons sent to GTL	TO FURNISH DOCUMENTS	RETURNED UNDELIVERED
23-06-2003	Summons sent to GTL	TO FURNISH DOCUMENTS	RETURNED UNDELIVERED
2/7/2003	Summons sent to GTL at their new address at Super Yarn Market, Zampa Bazaar, Surat	TO FURNISH DOCUMENTS	RETURNED UNDELIVERED WITH AN ENDORSEMENT THAT "OFFICE CLOSED"
2/11/2003	Summons to GTL		The company nor its directors were found available

The above table would reveal that all steps by SEBI to call for information from GTL proved futile.

1.5 In view of the above said allegations levelled against the entities, it was thought fit to call for explanation from them.

2.0 SHOW CAUSE NOTICE, REPLY AND HEARING TO THE ENTITIES

SHOW CAUSE NOTICE TO GTL AND ITS DIRECTORS:

- 2.1 A show cause notice (SCN) dated 21-05-2004 in terms of Section 11B read with Section 11(4) of SEBI Act, 1992 was issued to the company and its directors, Shri Tauffik Hazi Gaffar, Shri Tarik Hazi Gaffar, Shri Jivrajbhai Patel, Shri Mukund Krishnaswami Rao and Shri Krishnakant D. Parekh. Since the noticees were not found in their last known address, a press notification was issued in the local newspapers as well as in a national daily about the show cause notice and requiring the noticees to come and receive the show cause notices. The press notification was issued as a substituted service, on the noticees. Pursuant to the advertisement, I note that Shri Mukund Krishnaswami Rao and Shri Krishnakant D. Parekh had contacted SEBI and taken steps to receive the show cause notices.
- 2.2 Shri K. D. Parekh had replied vide his reply dated 17-06-2004. The important submissions in his reply are as follows:
- a) that he ceased to be a director of the company with effect from 11-08-1995. (he has enclosed a copy of Form 32 filed before the Registrar of Companies, Gujarat at Ahmedabad notifying his cessation)
 - b) that the execution of the agreement dated 07-09-1995 between the company and FTPL was made after he ceased to be a director of the company and that he was not aware of any transaction relating to any sale and transfer of shares.
 - c) that he was not aware of the suit filed in the District Court, Surat.
 - d) that he was residing at the address mentioned in the reply for the last 20 years and none of the letters/summons was addressed to him in that address and therefore it was incorrect to allege that summons sent to him were returned undelivered.
 - e) that the non-compliance of the requirements of stock exchange also relates to the period when he was not a director of the company.
 - f) and that in view of the submissions made, the show cause issued to him was illegal and not maintainable as he was not involved in anyway in the fraudulent trade practices relating to the stock market. Shri K D Parekh has in view of the submissions has requested to drop the proceedings.
- 2.3 Shri Mukund K. Rao has replied to the show cause notice vide his undated reply received on 06-08-2004. The important submissions made by him have been listed below:
- a) that he was not connected with FTPL or Atul Shah in any capacity
 - b) that he was a director of the company at the relevant period but had not attended any board meeting of the company.
 - c) that he has not received any agenda for the board meetings nor has he participated in any of the meetings.
 - d) that he was not aware of the activities mentioned in the show cause notice or the investigations conducted by SEBI.
 - e) that on seeing the advertisement published in Gujarat Samachar he immediately came and collected the show cause notice and that the allegation that the directors of Gujarat Texspin are absconding should not be applied to him. Shri M. K. Rao has further submitted that since he is unaware of the matter he would not be in a position to co-operate with the investigation.
- 2.4 On receipt of the replies, a notice dated 12-08-2004 for personal hearing was sent to Shri Mukund Krishnaswami Rao and Shri Krishnakant D. Parekh requiring them to attend the hearing scheduled on 30-8-2004 before Shri A. K. Batra, the then Whole Time Member (WTM), SEBI. On receipt of a request for adjournment, the hearing was postponed to 07-09-2004 on notice to the parties. I note from the records that Shri Mukund Krishnaswami Rao and Shri Krishnakant D. Parekh had failed to turn up on the date of the hearing and because of this reason the hearing was again adjourned to 29-09-2004. I note from the records, that on 29-09-2004, Shri K. D. Parekh had appeared before the erstwhile WTM. The case could not be proceeded with as Shri A. K. Batra had laid down office before completion of the proceedings. When the case was entrusted to me for consideration, I thought it fit to issue a fresh notice for hearing. In view of this, a notice dated 05-05-2006 was sent to Shri Mukund Krishnaswami Rao and Shri Krishnakant D. Parekh requiring them to attend a personal hearing before me on 19-05-2006. Shri K. D. Parekh repeated his earlier submissions vide his letter dated 16-05-2006 and requested for some other date for hearing, if he is required to appear again. As the noticees have again failed to appear on the date of the hearing and since enough opportunity had been given to present their case, I proceed to pass the order based on the material on hand on merits.

SHOW CAUSE NOTICE TO FTPL AND ITS DIRECTOR, SHRI TOHID HAZI GAFFAR:

- 2.5 A show cause notice dated 21-05-2004 was issued to FTPL and its director Shri Tohid Hazi Gaffar under Section 11B read with 11(4) of the SEBI Act, 1992. The show cause notice alleged that fake shares were introduced by FTPL in connivance with GTL and that FTPL and its director had committed fraud and are guilty of violating Regulation 3 of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 1995. Since they were not available in their

last known address, a newspaper notification was issued and made known that the entities may collect a copy of the show cause notice from SEBI's office.

- 2.6 I note that FTPL and its director had failed to collect the show cause notice, inspite of the newspaper publication. Therefore, this order against FTPL and Shri Tohid Hazi Gaffar is made on the available material on record, on merits.

SHOW CAUSE NOTICE TO SHRI ATUL RATILAL SHAH

- 2.7 A show cause notice dated 21-05-2004 was issued to Shri Atul Ratilal Shah under Section 11B read with 11(4) of the SEBI Act, 1992. The allegation against Shri Atul Ratilal Shah was that he had created a payment crisis to M/s. Anantrai A. Parekh because of the payment arising out of the bad delivery in the scrip of GTL, thereby contravening Regulation 3 of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 1995. I note that Shri Atul Ratilal Shah had failed to collect the show cause notice, inspite of the newspaper publication. Therefore, this order against Shri Atul Ratilal Shah is made on the available material on record, on merits.

SHOW CAUSE NOTICE TO SHRI NEERAV BHAGAT

- 2.8 A show cause notice dated 21-05-2004 was issued to Shri Neerav Bhagat, Proprietor, D. K. Consultancy under Section 11B read with 11(4) of the SEBI Act, 1992. The show cause notice alleged that by selling shares not belonging to him, Shri Neerav Bhagat has aided and abetted GTL and FTPL in attempting to create scarcity of shares of GTL in the market and defrauded the market. I note that Shri Neerav Bhagat had also failed to collect the show cause notice, inspite of the newspaper publication. Therefore, this order against Shri Neerav Bhagat is made on the available material on record, on merits.

3.0 CONSIDERATION OF ISSUES

- 3.1 I note that the company and its directors have not responded to the numerous summons addressed to them. Except Shri Mukund Krishnaswami Rao and Shri Krishnakant D. Parekh, the others have also not shown themselves inspite of the paper publication by SEBI. In this connection, I have no other way except to proceed ex-parte and to pass suitable directions against them. I have perused the show cause notice issued to the directors, their replies and submissions made thereunder. The issues that arise for consideration in the instant case are:

- a) Whether the directors of GTL delayed in transferring the share certificates in order to aid and abet FTPL
- b) Whether the company and its directors were non-compliant with the requirements of the Bombay Stock Exchange (one of the exchanges where the scrip was listed)
- c) Whether FTPL and its director had contravened the provisions of Regulation 3 of the SEBI (Prohibition of Unfair and Fraudulent Trade Practices relating to Securities Market) Regulations, 1995
- d) Whether Shri Atul Ratilal Shah and Shri Neerav Bhagat, proprietor of M/s. D. K. Consultancy had contravened the provisions of Regulation 3 of the SEBI (Prohibition of Unfair and Fraudulent Trade Practices relating to Securities Market) Regulations, 1995

- 3.2 I note that the investigation was triggered from a complaint received from M/s A. A. Parekh and Sons, alleging irregularities committed by the company by causing delays and stopping transfers, which resulted in bad deliveries in the market. The complainant had requested SEBI to direct BSE not to accept bad delivery of share by the company until the disposal of case filed by the complainant against GTL and FTPL. SEBI took up the case for investigation and sent numerous summons/notices/letters to the company in order to seek explanation from it. I note that the investigations were hampered because of the reason that neither the company nor its directors responded to the summons.

- 3.3 The investigation department could not advance in its investigations for various reasons listed below:

- i) the company did not respond to the summons sent by SEBI
- ii) FTPL was not available at their address, so comments from them could not be elicited.
- iii) Shri Atul Shah, who entered into an agreement with FTPL was also not available at his last known address.

Neither the company nor its directors could be traced at their known address. Therefore, a newspaper advertisement was published in order to give them notice of the show cause notice issued by SEBI. I note that only two of the directors (Shri Mukund Krishnaswami Rao and Shri Krishnakant D. Parekh) responded to the advertisement, took steps to collect the show cause and reply to it.

- 3.4 I note that the show cause notice issued to GTL and its directors charge them for violating the provisions of Regulation 3 and Regulation 6 (c) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 1995. The said provisions have been reproduced herein, for convenience sake -

"Prohibition of certain dealings in securities

3. No person shall buy, sell or otherwise deal in securities in a fraudulent manner

Prohibition on unfair trade practice relating to securities

6. No person shall -

(a) _____

(b) _____

(c) intentionally and in contravention of any law for the time being in force delays the transfer of securities in the name of the transferee or the despatch of securities or connected documents to any transferee;"

I note that the company and its directors have not taken steps to redress the grievance in the nature of non-transfer of the shares of the company. They have also not responded to the summons sent by SEBI. The details were needed in order to probe into the allegations levelled against the company by the complainant. By not responding to the summons, the investigations received a set back. I note that the company on receiving requests for share transfers from the purchasers did not transfer the same and have returned the same for lame reasons as alleged by the investigations. Thus GTL by not transferring the securities as required by its shareholders has contravened Regulation 6(c) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 1995. The company has, by not effecting the transfers (in order to aid FTPL, as alleged by the investigations) has dealt in securities in a fraudulent manner thereby attracting Regulation 3 of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 1995, for which the company and its directors shall be liable.

- 3.5 The company and its directors (excluding Shri Mukund Krishnaswami Rao and Shri Krishnakant D. Parekh) have not responded inspite of the publication of the proceedings against them in newspapers. I note that the steps taken to locate them proved futile and that they have not shown themselves even after serving them by substituted service in the newspaper.

- 3.6 I note that Shri K. D. Parekh, vide his reply dated 17-06-2004 had submitted that he ceased to be a director of the company with effect from 11-08-1995 and had enclosed a copy of Form 32 filed before the Registrar of Companies, Gujarat at Ahmedabad notifying his cessation as the director of the company. He had also submitted that the execution of the agreement dated 07-09-1995 between the company and FTPL was made after he ceased to be a director of the company and that he was not aware of any transaction relating to any sale and transfer of shares. He had also submitted that the non-compliance of the requirements of stock exchange also relates to the period when he was not a director of the company. Since he has submitted a certified copy of Form 32 filed with the Registrar of Companies, Ahmedabad, I find that he was not in charge of the affairs of the company at the relevant period and therefore, the benefit of doubt has to be given to him. The charges against Shri K. D. Parekh in the show-cause notice are thus dropped.

- 3.7 I note that Shri Mukund K. Rao had replied to the show cause notice submitting that he was a director of the company at the relevant time but had not attended any board meeting of the company nor has he received any agenda for the board meetings. He had also submitted that he did not participate in any of the meetings nor was he connected with FTPL or Atul Shah in any capacity. He has further submitted that he was not aware of the activities mentioned in the show cause notice or the investigations conducted by SEBI. I find that the submissions of Shri Mukund K. Rao cannot hold good since a director of a company cannot plead ignorance of what had happened within the company. At this juncture I wish to rely on Section 27(1) of the SEBI Act, 1992 which is reproduced below -

"Where an offence under this Act has been committed by a company, every person who at the time the offence was committed was in charge of, and was responsible to, the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in sub-section shall render any such person liable to any punishment provided in this Act, if he proves that the offence was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such offence."

As provided in the above provision, the said director has not proved that he had no knowledge of the alleged acts of the company. Mere rebuttal is not enough and has to be supported by proof. In the absence of any specific rebuttal supported with documents, the charge against him cannot be diluted. Thus, I find that Shri Mukund K. Rao is responsible for the lapses and the non-compliance spelt out in the show cause notice and is therefore jointly and severally liable along with the other directors of the company.

- 3.8 Thus, I hold that the company as well as its directors in-charge at the time of the said contraventions are jointly and severally liable for having violated the provisions of Regulations 3 and Regulation 6 (c) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 1995.
- 3.9 The next consideration would be to determine whether FTPL and its director Shri Tohid Hazi Gaffar had contravened Regulation 3 of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 1995. I note that FTPL acting through its director Shri Tohid Hazi Gaffar had entered into an agreement dated 07-09-1995 with Shri Atul Ratilal Shah wherein FTPL had agreed to sell and assign 40,20,000 shares of GTL at the rate of Rs. 9/- per share for a total consideration of Rs. 3,61,80,000/-. I note that Shri Atul Ratilal Shah had sold the shares through a BSE broker M/s. Anantrai A. Parekh. When the shares bought by genuine investors were sent to GTL for name transfers, the same were returned with objections like 'signature difference' and 'fake and forged'. Again, when the shares were sent to the company after rectification, they were again returned this time with a remark 'court order for stop transfer'. FTPL after having sold the shares through Shri Atul Ratilal Shah, had filed a suit vide RCS No. 671/96 before the Hon'ble Court of the District Judge, Surat, praying for an order directing the company to stop transfer of shares sold through Shri Atul Shah on the ground of non-payment of money by Shri Atul Shah. I also note that FTPL and its director Shri Tohid Hazi Gaffar had also wilfully abstained from furnishing any information to SEBI in the matter. All this would go to prove that the arrangement of selling shares could be a much thought out plan of GTL, FTPL and Shri Atul Ratilal Shah. The investigations have also alleged that FTPL in connivance with GTL had introduced fake shares in the market after pledging the original shares with ITC. The bad deliveries in the market would be proof for this. The nexus between GTL and FTPL would be that Shri Tohid Hazi Gaffar is the brother of Shri Taufik Hazi Gaffar, who is one of the directors in GTL. Thus based on the above discussions, I find that FTPL and its director Shri Tohid Hazi Gaffar have contravened Regulation 3 of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 1995.
- 3.10 With regard to the allegations against Shri Atul Ratilal Shah, I note that he had sold the shares assigned to him vide an agreement entered with FTPL through M/s Anantrai A. Parekh (broker at BSE) and had disappeared. The sale of the said shares resulted in bad deliveries and because of this reason the broker had to make good the payment obligations arising out of bad deliveries which would amount to defrauding the broker. This act of Shri Atul Ratilal Shah would have destabilised the market by denying the investors their respective shares and would be in contravention of Regulation 3 of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 1995.
- 3.11 With regard to the allegations against Shri Neerav Bhagat, proprietor of M/s. D. K. Consultancy, I note that the investigations have revealed that Shri Neerav Bhagat had sold the shares of GTL through M/s. Nagindas Parekh and Son securities Private Limited (now known as M/s. Trambaklal Ratilal Parekh and Sons securities Private Limited). It was found that such shares had been returned by GTL on the ground that they were fake and forged. On questioning, M/s. Nagindas Parekh and Son securities Private Limited had submitted that Shri Neerav Bhagat did not replace those fake shares and further did not make good the money due on it. I further note from the investigation report that the above said broker has filed a first information report with the local police alleging cheating and forgery on the part of Shri Neerav Bhagat and had also filed a complaint under Section 138 of the Negotiable Instruments Act for the dishonour of the cheque submitted by Shri Neerav Bhagat. I further note that Shri Neerav Bhagat has also delivered fake and forged shares in the scrips of M/s. Castrol India Limited, Hindustan Sanitaryware Industries Limited and Colgate Palmolive. Shri Neerav Bhagat could not be traced as all the correspondence addressed to him returned undelivered. Thus in the absence of any material to deny the charges, I hold that Shri Neerav Bhagat had played fraud on the exchange and the investors by delivering bad shares which would be in contravention of Regulation 3 of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 1995.
- 3.12 In the end, I therefore hold all the entities/individuals above named to have acted in a manner not desirable in the interest of the smooth working of the capital market. The entities/individuals above named have contravened the provisions of Regulations 3 and 6(c) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 1995 for which necessary directions need to be issued against them in the interest of the securities market.

4.0 ORDER

- 4.1 In view of the above findings, I, in exercise of powers conferred upon me by virtue of Section 19 and Section 11(4) read with Section 11B of the SEBI Act, 1992 further read with Regulations 11 and 13 of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, hereby direct that M/s. Gujarat Texspin Limited and its directors Shri Taufik Haji Gaffar, Shri Tarik Haji Gaffar, Shri Jivrajbhai M Patel and Shri Mukund Krishnaswami Rao, M/s. Ferrari Textiles Private Limited and its director, Shri Tohid Hazi Gaffar, Shri Atul Ratilal Shah and Shri Neerav Bhagat, proprietor of M/s. D. K. Consultancy be restrained from dealing in securities market in any manner for a period of five (5) years. The proceedings against Shri Krishnakant D Parekh, erstwhile director of M/s. Gujarat Texspin Limited are hereby dropped.
- 4.2 The order shall come into force with immediate effect.

DATE: 27.08.2007
PLACE: MUMBAI

T. C. NAIR
WHOLE-TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA