

SECURITIES AND EXCHANGE BOARD OF INDIA

ORDER

DIRECTIONS UNDER SECTIONS 11(4) (b) AND 11B OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AGAINST CHICAGO SOFTWARE INDUSTRIES LIMITED AND ITS DIRECTORS

1. Chicago Software Industries Limited (hereinafter referred to as the Company), previously known as Chicago Futures Markets and Financials Limited, is a company incorporated under the Companies Act, 1956, having its registered office at 28 Hajoori Chambers, Zampa Bazar, Surat, Gujarat-395003, as per records of the Bombay Stock Exchange Limited. The directors of the Company are Mr. Aravindbhai V. Shah, Ms. Manjulaben D Desai, Mr. Dhirubhai R Desai and Dr. Ketanbhai S. Mehta. The Securities and Exchange Board of India (hereinafter referred to as SEBI) received several complaints against the Company from investors. The investor complaints received against the Company were forwarded to it for redressal and periodical reminders were also sent to it for resolving the pending complaints. Thereafter, SEBI, vide letter dated September 25, 2008 forwarded a list of eighty three such grievances to the Company for its redressal. The Company was further advised to resolve all the grievances within thirty days from the date of receipt of the said letter and to submit a status report. In the said letter, SEBI had also made reference to Sections 15C and 24 of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as SEBI Act). As the said letter returned undelivered, a public notice dated January 23, 2009 was given in the website of SEBI (www.sebi.gov.in) advising the Company to resolve the pending investor grievances and to submit the Action Taken Report. Despite taking such steps,

SEBI had not received any response from the Company.

2. In view of the above, a notice dated November 6, 2009 was sent to the Company by SEBI under Sections 11(4)(b) and 11B of the SEBI Act requiring it to show cause as to why it should not be restrained from accessing the securities market and prohibit it from dealing in securities till such time the pending investor grievances are resolved by the Company. Similar notices dated November 16, 2009 were also sent to the directors of the Company, Dr. Ketanbhai S Mehta, Mr. Aravindbhai V Shah, Ms. Manjulaben D Desai and Mr. Dhirubhai R Desai. The notices issued to the Company, Ms. Manjulaben D Desai and Mr. Dhirubhai R Desai returned undelivered. Though, the notice was delivered on Mr. Aravindbhai V Shah, no response was received from him. Subsequently, SEBI received a letter dated December 3, 2009 from Mrs. Malvika K. Mehta, wherein she, while acknowledging the notice dated November 16, 2009, informed that her husband Dr. Ketanbhai S. Mehta had expired on March 17, 2001. She had also enclosed a copy of the death certificate dated March 28, 2001 issued by Surat Municipal Corporation. Thereafter, an opportunity of hearing was granted to the Company, Mr. Aravindbhai V Shah, Ms. Manjulaben D Desai and Mr. Dhirubhai R Desai on August 5, 2010. As the show cause notices issued to the Company, Ms. Manjulaben D Desai and Mr. Dhirubhai R Desai returned undelivered from the last known address, a copy of the same along with the notice of hearing was pasted as substituted service on them. A paper publication was also made by SEBI on June 13, 2010, in respect of the said show cause notice and hearing in various newspapers having nationwide and state wide circulation including 'Sandesh' (Rajkot Edition) and 'Gujarat Samachar' (Vadodara Edition). The hearing notice was also served on Mr. Aravindbhai V Shah. Despite taking all possible measures, neither the Company nor the aforesaid directors attended the said hearing scheduled on August 5, 2010. I note that sufficient

opportunities have been provided by SEBI to the Company to redress the pending investor grievances. There are various complaints pending against the Company as stated in the letter dated September 25, 2008. However, it failed to redress the investor grievances, as advised by SEBI. No Action Taken Report was submitted by the Company to SEBI, as required. The protection of the investors in the securities market is one of the paramount duties of SEBI and the present case involves a listed company that not only failed to redress the investors' grievances but also failed to respond to the letters/show cause notice issued by SEBI. Therefore, the Company as well as its directors who were in-charge and responsible for the affairs of the Company, are liable for not redressing the investor grievances. In view of the same, suitable directions needs to be issued against the Company and its directors, Mr. Aravindbhai V Shah, Ms. Manjulaben D Desai and Mr. Dhirubhai R Desai, who are in charge and are responsible for the affairs of the Company, as aforesaid, for the failure of the Company to redress the grievances of the investors. As it has been informed that Dr. Ketanbhai S Mehta had expired in the year 2001, the present proceeding initiated against him vide show cause notice dated November 16, 2009, would abate.

3. In view of the above, I, in exercise of the powers conferred upon me under Section 19 of the Securities and Exchange Board of India Act, 1992 read with Sections 11(4)(b) and 11B thereof, hereby restrain the company, Chicago Software Industries Limited (previously known as Chicago Futures Markets and Financials Limited) and its directors, Mr. Aravindbhai V Shah, Ms. Manjulaben D Desai and Mr. Dhirubhai R Desai from accessing the securities market and are further prohibited from buying, selling or otherwise dealing in securities, directly or indirectly, till all pending investor grievances against the said company are resolved and the same is reported to and confirmed by the Securities and Exchange Board of India.

4. The proceeding initiated against Dr. Ketanbhai S Mehta, vide the show cause notice dated November 16, 2009 is disposed of without any directions, for the reasons stated above.

5. This Order shall come into force with immediate effect.

**DR. K. M. ABRAHAM
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA**

**PLACE: MUMBAI
DATE: DECEMBER 8, 2010**