

**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 BHUVAN TRIPURA INDUSTRIES LIMITED AND ITS DIRECTORS**

1. Bhuvan Tripura Industries Limited (hereinafter referred to as the Company) is a company incorporated under the Companies Act, 1956, having its registered office at 23/24, G I D C, Nandesari, 39134 Baroda, Gujarat-391340, as per the records of the Bombay Stock Exchange Limited. The directors of the Company are Mr. Apurva R. Hathi, Mr. Bangalore Krishnamurty Achutha and Mr. Vaishnav Tribhuvan Nayankumar. The Securities and Exchange Board of India (hereinafter referred to as SEBI) had received several complaints against the Company from investors. As on September 24, 2008, a total of sixty nine investor grievances were pending unresolved by the Company. Thereafter, SEBI, vide letter dated September 25, 2008, forwarded the list of such sixty nine investor grievances to the Company for redressal. The Company was 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) and informed the Company of the consequent action that may be taken by SEBI in view of such non-redressal. However, as the said letter returned undelivered, a public notice dated January 23, 2009 was given in the website of SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) advising the Company to resolve the pending investor grievances and to submit the Action Taken Report. Despite taking such steps,

the Company had not informed SEBI of the steps taken by it, if any, for redressing such complaints.

2. In view of the above, a show cause notice dated November 6, 2009 was issued 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 against it are resolved. Similar notices dated November 11, 2009 were also sent to the directors of the Company, namely, Mr. Vaishnav Tribhuvan Nayankumar (Chairman), Mr. Banglore Krishnamurty Achutha (Whole Time Director) and Mr. Apurva R. Hathi (Director). The aforesaid notices issued to the Company, Mr. Vaishnav Tribhuvan Nayankumar and Mr. Banglore Krishnamurty Achutha returned with an endorsement “*left*” and “*closed & left*”. Mr. Apurva R. Hathi, vide letter dated November 26, 2009, replied to the notice and *inter alia* submitted that he had resigned from the Company on January 6, 2003 and no way associated with the Company and was not aware of the present state of affairs of the Company. Subsequently, as advised by SEBI, Mr. Apurva R. Hathi, vide letter dated March 26, 2010 filed the copy of Form 32 submitted to the Registrar of Companies (RoC). As per said document, Mr. Apurva R. Hathi was not associated with the Company as a director with effect from January 6, 2003.

3. Thereafter, an opportunity of hearing was granted to the Company and its directors, Mr. Banglore Krishnamurty Achutha and Mr. Vaishnav Tribhuvan Nayankumar on August 5, 2010. As the show cause notices issued to the Company and the said directors (Mr. Banglore Krishnamurty Achutha and Mr. Vaishnav Tribhuvan Nayankumar) had returned undelivered from the last known address, a copy of the same along with the notice of hearing were pasted on their respective premises as substituted service. A paper publication

was also issued by SEBI on June 13, 2010, in respect of the said show cause notices and hearing in various newspapers having nationwide and statewide circulation including 'Sandesh' (Rajkot Edition) and 'Gujarat Samachar' (Vadodara Edition). Despite taking all possible measures, neither the Company nor the aforesaid directors attended the hearing scheduled on August 5, 2010. However, the Company, vide letter dated August 2, 2010 sought adjournment for a period of four weeks. From the letter so received from the Company, it was noticed that there was a change of the registered office to 3<sup>rd</sup> Floor Pushkar Chamber, Opp. Apsara Appt., Prof. Manekrao Road, Dandia Bazar, Vadodara-390001. Another opportunity of hearing was afforded to the Company and its aforesaid directors on September 7, 2010. The hearing notice was sent to the new address mentioned in the Company's letter dated August 2, 2010, through registered post, which was duly acknowledged by the Company. Thereafter, SEBI was in receipt of another letter dated September 3, 2010 from the Company seeking adjournment of the hearing. In view of the said request, another opportunity of hearing was granted to the Company on October 12, 2010. The aforesaid hearing notice sent by a registered post, though duly acknowledged by the Company, no representation was made on behalf of the Company on the said date.

4. I have considered the facts of the case and the material available on record. There were sixty nine complaints pending against the Company as mentioned in the letter dated September 25, 2008. I note that sufficient opportunities have been provided to the Company and its directors to redress the pending investor grievances by SEBI. However, the Company had failed to redress such grievances. No Action Taken Report was submitted by the Company to SEBI, as advised. Therefore, the Company and directors and persons who were in-charge and responsible for the affairs of the Company as on the date of the issuance of the notices are liable for the failure in redressing

the investor grievances. The repeated request from the Company for adjournment of the hearing appears to be merely to delay the proceeding without any seriousness to resolve the grievances of the investors. 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, in the facts and circumstances, it would be against the interests of the investors to permit such Company and its directors who were in-charge and responsible for its affairs, to access or deal in the securities market. Except Mr. Apurva R. Hathi, none of the other two directors, Mr. Banglore Krishnamurty Achutha and Mr. Vaishnav Tribhuvan Nayankumar, responded to the letters/show cause notice issued by SEBI. As stated above in this Order, it has been submitted by Mr. Apurva R. Hathi that he had resigned from the board of directors of the Company before September 25, 2008. I also note that SEBI was in receipt of a letter dated July 3, 2009 from the Office of the Registrar of Companies, Gujarat *inter alia* furnishing a certified copy of the Annual Return of the Company in respect of its annual general meeting held on December 27, 1999. From the said document, it is noted that Mr. Banglore Krishnamurty Achutha had ceased to be the whole time director of the Company from January 1, 1999. Therefore, Mr. Apurva R. Hathi and Mr. Banglore Krishnamurty Achutha cannot be held responsible for the inaction of the Company in failing to redress the complaints, as advised by SEBI. In view of the above, I find it appropriate to pass necessary direction against the Company and its director, Mr. Vaishnav Tribhuvan Nayankumar, who was in-charge and responsible for the affairs of the Company for its failure to redress the grievances of the investors and the same is reported to and confirmed by the Securities and Exchange Board of India.

5. 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, Bhuvan Tripura Industries Limited and its director, Mr. Vaishnav Tribhuvan Nayankumar from accessing the securities market and further prohibit them from buying, selling or otherwise dealing in securities, directly or indirectly, till all pending investor grievances against the said company are resolved.

6. The show cause notices dated November 11, 2009 issued to Mr. Apurva R. Hathi and Mr. Bangalore Krishnamurty Achutha in the matter are disposed of without any directions, for the reasons stated above in this Order.

7. 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**