

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 D R SOFTECH & INDUSTRIES LIMITED (FORMERLY KNOWN AS D R INDUSTRIES LIMITED) AND ITS DIRECTORS

1. D R Softech & Industries Limited (hereinafter referred to as the Company), previously known as D R Industries Limited, is a company incorporated under the Companies Act, 1956 and having its registered office at Zampan Bazar, Surat-395003, Gujarat. The directors of the Company are Mr. Dhirubhai R. Desai, Mrs. Manjulaben D. Desai and Mr. Vasu Pushpan. The Securities and Exchange Board of India (hereinafter referred to as SEBI) received several complaints against the Company from investors. As on September 24, 2008, a total of ninety four investor grievances were pending unresolved by the Company. The investor complaints received against the Company were forwarded to it for redressal and periodical reminders were also sent to it for resolving such pending complaints. The complaints and reminders sent to the Company were returned undelivered.

2. Thereafter, SEBI, vide letter dated September 25, 2008 (sent to the registered office of the Company and also to another address of the Company at 707, GIDC Industrial Estate, Ankleshwar, Bharuch 393002) advised the Company to resolve all the pending grievances within thirty days from the date of receipt of the said letter and to submit a status report. In the said letter, SEBI made a reference to Sections 15C and 24 of the Securities and Exchange

Board of India Act, 1992 (hereinafter referred to as the SEBI Act). The said letter which was sent to the Company by registered post was returned undelivered. Thereafter, a public notice was given on January 23, 2009 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 and the public notice, the Company or its directors failed to submit any response.

3. In view of the above, a show cause notice dated November 6, 2009 was issued by SEBI under Sections 11(4)(b) and 11B of the SEBI Act requiring the Company 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 the Company are resolved. The said notice was issued to the Company at its registered office address also to its address at 707, GIDC Industrial Estate, Ankleshwar, Bharuch 393002. Similar notices dated November 16, 2009 were also sent to the directors, Mr. Dhirubhai R. Desai, Mrs. Manjulaben D. Desai and Mr. Vasu Pushpan. Thereafter, an opportunity of personal hearing was granted by SEBI to the Company and its aforesaid directors on August 5, 2010. As the show cause notices issued to the Company and its directors had returned undelivered from the last known address, a copy of the same along with the notice of hearing were sent for pasting as substitute service. 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 statewide circulation including 'Hindustan Times' (Mumbai, New Delhi & Kolkata Editions) 'Sandesh' (Rajkot Edition) and 'Gujarat Samachar' (Vadodara Edition). Despite taking all possible measures, neither the Company nor its directors, Mr. Dhirubhai R. Desai, Mrs. Manjulaben D. Desai and Mr. Vasu Pushpan attended the said hearing scheduled on August 5, 2010.

4. I have considered the facts of the case and the material available on record. According to the SEBI letter dated September 25, 2008, there are ninety four investor complaints pending unresolved by the Company. I note that sufficient opportunities have been provided to the Company and its directors to redress the pending investor grievances by SEBI, as stated above in this Order. However, the Company not only failed to resolve the pending investor grievances but also failed to provide any response on the action taken by it, if any, in resolving the complaints. The Action Taken Report was also not submitted by the Company. 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. None of the existing directors of the Company have also responded to the letters/notices issued by SEBI. Therefore, it would be against the interest of the investors and the securities market to permit such Company and its directors to access or deal in the securities market. In view of the above, I find it appropriate to issue necessary directions against the Company and its aforesaid directors who are in charge and responsible for the affairs of the Company, for the failure in redressing the grievances of the investors.

5. In view of the foregoing, 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) and 11B thereof, hereby restrain the Company, D R Softech & Industries Limited (previously known as D R Industries Limited) and its directors, Mr. Dhirubhai R. Desai, Mrs. Manjulaben D. Desai and Mr. Vasu Pushpan from accessing the securities market and prohibit them from buying, selling or otherwise dealing in securities, directly or indirectly, till all the pending investor grievances against the aforesaid company are resolved and the same

is reported to and confirmed by the Securities and Exchange Board of India.

6. 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 13, 2010**