

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 RANE COMPUTERS CONSULTANCY LIMITED AND ITS DIRECTORS

1. Rane Computers Consultancy Limited (hereinafter referred to as the Company) is a company incorporated under the Companies Act, 1956, having its registered office at B-14, Borivali Shopping Centre, Chandavarkar Lane, Borivali (W), Mumbai-400 092. The directors of the Company are Mr. Adi Meherji Sethana, Mr. Mohan Laxman Kaktikar, Mr. Vora Haribhai Vora, Mr. Rane Ujwala Dinesh, Mr. M. C. Jayaraman, Dr. Jagmohan Grover and Mr. Rane Dinesh Anant. The Securities and Exchange Board of India (hereinafter referred to as SEBI) received several complaints against the Company from the investors. As on September 24, 2008, a total of seventy eight 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 advised the Company 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 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 such steps, SEBI had not received any response from the Company or its directors.

3. In view of the above, a show cause notice dated November 6, 2009 was sent to the Company by SEBI under Section 11B and 11(4)(b) 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 the Company are resolved. Similar notices dated November 11, 2009 were also sent to directors, Mr. Adi Meherji Sethana, Mr. Mohan Laxman Kaktikar, Mr. Vora Haribhai Vora, Mr. Rane Ujwala Dinesh, Mr. M. C. Jayaraman, Dr. Jagmohan Grover and Mr. Rane Dinesh Anant. No response was received from Dr. Jagmohan Grover and Mr. M. C. Jayaraman, though the notices were acknowledged by them. Thereafter, an opportunity of personal hearing was granted by SEBI to the Company and all its aforesaid directors, on August 5, 2010. As the show cause notices issued to the Company and its other directors (except Dr. Jagmohan Grover and Mr. M. C. Jayaraman) had returned undelivered from the last known address and since no replies were received from the directors to whom it was delivered, a copy of the same along with the notice of hearing was sent for pasting as substitute service. With respect to the Company, the notice returned with a remark "Office shifted & not allowed to paste" as the Company was not present in the said premises. Further, except in the case of Mr. Mohan Laxman Kaktikar for whom it was pasted, the notices returned without being pasted in the case of all the other directors with the "Office shifted, not allowed to paste". In the case of Mr. Adi Meherji Sethana, the notice returned with a remark "returned due to lack of premise number". As the show cause notices issued to the Company and its directors had returned undelivered (except in the case of Dr. Jagmohan Grover and Mr. M. C. Jayaraman) from the last known address and no replies were

received from the directors to whom it was delivered, a paper publication was 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 Edition) 'Sandesh' (Rajkot Edition) and 'Gujarat Samachar' (Vadodara Edition). Despite taking all possible measures, neither the Company nor the aforesaid directors attended the said hearing on August 5, 2010.

4. I have considered the facts of the matter and the material available on record. There are seventy eight complaints pending against the Company as stated 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, as stated above in this Order. However, the Company not only failed to resolve the pending investor grievances but also failed to give 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 directors of the Company have also responded to the letters/show cause notice issued by SEBI. Therefore, it would be against the interests of the investors to permit such a Company and the directors who are in-charge and responsible for its affairs to access or deal in the securities market. In this regard, I note from the copy of the Form-32 (received from the Registrar of Companies, Maharashtra), that Dr. Jagmohan Grover, Mr. Vora Haribhai Vora and Mr. Mohan Laxman Kaktikar had resigned from the directorship of the Company, before the letter of SEBI dated September 25, 2008. In view of their ceasing to be the directors of the Company, no responsibility can be fixed on the said directors for the failure of

the Company in redressing the investor complaints, as alleged in the show cause notices. In view of the above, I find it appropriate to pass necessary direction against the Company and its directors, Mr. Adi Meherji Sethana, Mr. Rane Ujwala Dinesh, Mr. M. C. Jayaraman and Mr. Rane Dinesh Anant who are in charge and responsible for the affairs of the Company for their failure to redress 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 Rane Computers Consultancy Limited and its directors, Mr. Adi Meherji Sethana, Mr. Rane Ujwala Dinesh, Mr. M. C. Jayaraman and Mr. Rane Dinesh Anant 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. The show cause notices dated November 11, 2009 issued to Mr. Jagmohan Grover, Mr. Vora Haribhai Vora and Mr. Mohan Laxman Kaktikar is disposed off without any directions, for the reasons stated above.

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 13, 2010