

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 NEON RESINS & INDUSTRIES LIMITED (FORMERLY KNOWN AS BINACA SYNTHETIC RESINS LIMITED) AND ITS DIRECTORS

1. Neon Resins and Industries Limited, formerly known as Binaca Synthetic Resins Limited (hereinafter referred to as the Company) is a company incorporated under the Companies Act, 1956, having its registered office at Meeraj Complex, Nathubhai Circle, Race Course, Baroda, Gujarat-390005, as per the records of the Bombay Stock Exchange Limited. The directors of the Company are Mr. Shekar Jain, Ms. Rashmi Oza, Mr. Ravindra J Ranade, Mr. Harish Agarwal, Mr. Sanjay Jain, Mr. Sandeep Mittal, Dr. V.S. Rathore and Mr. G P Sureka. 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 said Company were forwarded to it for redressal and periodical reminders were also sent to the Company for resolving the pending complaints (fifty seven in number as on September 24, 2008).

2. Thereafter SEBI, vide letter dated September 25, 2008 had 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). As the said letter returned undelivered, a public notice dated January 23, 2009 was given on the website of SEBI (www.sebi.gov.in) advising the Company to resolve all the pending investor grievances and to submit the Action Taken Report. Despite taking all necessary steps, SEBI did not receive any response from the Company.

3. In view of the above, a show cause 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 against the Company are resolved. Similar notices dated November 16, 2009 were also sent to the directors, Mr. Shekar Jain, Ms. Rashmi Oza, Mr. Ravindra J Ranade, Mr. Harish Agarwal, Mr. Sanjay Jain, Mr. Sandeep Mittal, Dr. V.S. Rathore and Mr. G P Sureka. Subsequently, Mr. Ravindra J Ranade, vide letter dated nil (received by SEBI on December 4, 2009), *inter alia*, submitted that he had resigned from the Company and is no longer responsible for the affairs of the Company. He enclosed a copy of his resignation letter dated November 11, 1998 and Form-32 filed by the Company with the Registrar of Companies, in support of his submissions.

4. Thereafter, an opportunity of hearing was granted to the Company and its directors, Mr. Shekar Jain, Ms. Rashmi Oza, Mr. Harish Agarwal, Mr. Sanjay Jain, Mr. Sandeep Mittal, Dr. V.S. Rathore and Mr. G P Sureka on August 5, 2010. As the show cause notice issued to the Company returned undelivered from the last known address, a copy of the same along with the notice of hearing was pasted at the registered address of the Company. In the case of Mr. Shekar Jain and Mr. Sandeep Mittal, the notices were delivered to their last known address. However, the same were returned by one Mr. Mehul Mehta stating that he is the holder of the residential flat (to which the notices for Mr. Shekar Jain and Mr. Sandeep Mittal were sent) since 1996 and requested SEBI not to send any correspondence pertaining to the said persons in the said address. As regards Mr. G. P. Sureka, the showcause notice and the notice for personal hearing was not allowed to be pasted as he was not staying in the last known address. With respect to the other directors, the show cause notice and the notice for personal hearing were pasted at their last known address as substituted service. A paper publication was also made by SEBI on June 13, 2010, in respect of the said show cause notices and notices for personal 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 said hearing scheduled on August 5, 2010.

5. I have considered the facts of the matter and material on record. As per SEBI letter dated September 25, 2008, there were fifty seven investor complaints pending unresolved by the Company. In spite of affording sufficient opportunities, the Company failed to redress the pending investor grievances. The Company had not only failed to redress the pending investor grievances but also failed to provide any response on the action taken by it for resolving such complaints. 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/notices issued by SEBI. Therefore, the Company and the directors who were in-charge and responsible for the affairs of the Company as on the date of issuance of the notice, are liable for the failure to redress the said investor complaints. As Mr. Ravindra J Ranade has submitted with necessary documentary evidence that he had resigned from the Company in the year 1998 and is no longer responsible for the affairs of the Company, no directions need to be issued against him. None of the other existing directors of the Company have responded to the show cause notices issued to them by SEBI in the matter. Therefore, it would not be in the interest of the investors to permit such a company and its directors to access or deal in the securities market. In view of the above, appropriate direction needs to be issued to the Company and its directors, Mr. Shekar Jain, Ms. Rashmi Oza, Mr. Harish Agarwal, Mr. Sanjay Jain, Mr. Sandeep Mittal, Dr. V.S. Rathore and Mr. G P Sureka, who are in charge and are responsible for the affairs of the Company, for their failure to redress the grievances of the investors.

6. In view of the foregoing, I, in exercise of the powers conferred upon me under Sections 19 of the Securities and Exchange Board of India Act, 1992 read with Sections 11(4)(b) and 11B thereof, hereby restrain the company, Neon Resins & Industries Limited (formerly known as Binaca Synthetic Resins Limited)

and its directors, Mr. Shekar Jain, Ms. Rashmi Oza, Mr. Harish Agarwal, Mr. Sanjay Jain, Mr. Sandeep Mittal, Dr. V.S. Rathore and Mr. G P Sureka 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 said company are resolved and the same is reported to and confirmed by the Securities and Exchange Board of India.

7. The show cause notice dated November 16, 2009 issued to Mr. Ravindra J. Ranade in the matter is disposed of without any directions, for the reasons stated above.

8. 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**