

SECURITIES AND EXCHANGE BOARD OF INDIA

DIRECTIONS UNDER SECTION 11B OF THE SEBI ACT, 1992 READ WITH REGULATIONS 65,73 & 74 OF SEBI (COLLECTIVE INVESTMENT SCHEMES) REGULATIONS, 1999 TO:-

M/S. GREENAGE AGROTECH LTD., KOLKATA

You had filed information/details with SEBI regarding your Collective Investment Schemes pursuant to SEBI public notice. Subsequent to the notification of SEBI (Collective Investment Schemes) Regulations, 1999 (hereinafter referred to as the Regulations) dated October 15, 1999, any person who immediately prior to the commencement of the Regulations was operating a Collective Investment Scheme(s), shall make an application to SEBI for grant of registration within a period of two months from the date of notification , under the provisions of the Regulations.

SEBI having regard to the interest of the investors and requests received from various entities, extended the last date for submitting application by existing entities upto March 31, 2000 and the same was intimated by SEBI vide a press release and a public notice. However , you did not apply for grant of registration with SEBI as provided under the Regulations.

As per regulation 73(1) of the Regulations, an existing Collective Investment Scheme which has failed to make an application for registration with SEBI, shall wind up the existing scheme(s) and repay the investors. Further, as per regulation 74, an existing Collective Investment Scheme which is not desirous of obtaining provisional registration from SEBI shall formulate a scheme of repayment and make such repayment to the existing investors in the manner specified in regulation 73.

SEBI vide letter dated December 29, 1999 and also by way of a public notice dated December 10, 1999, had given individual intimation in terms of regulation 73(2) which casts an obligation on you to send an Information Memorandum to all the investors detailing the state of affairs of the scheme(s), the amount repayable to each investor and the manner in which such amount is determined. Accordingly, you were required to send the Information Memorandum to the investors latest by February 28, 2000.

You have neither applied for registration under the Regulations nor have taken any steps for winding up of the schemes in the manner provided under the Regulation for repayment to the investors. It is, therefore, noted that you have prima facie violated the provisions of section 12(1B) of SEBI Act, 1992 and regulations 5(1) read with regulations 68(1), 68(2), 73 & 74 of the Regulations.

SEBI also issued a public notice dated March 31, 2000 in the newspapers inviting your attention to the aforesaid position.

Further, a notice dated May 12, 2000 was issued to you asking you to show cause as to why the action as stated therein be not initiated against you. Although you have replied to the show-cause notice, you have failed to submit the "Winding Up and Repayment Report" to SEBI in accordance with the Regulations.

Now, therefore, in exercise of the powers conferred upon me under section 11B of the SEBI Act, 1992 , in terms of Regulation 65 of the Regulations, I hereby direct you to refund the money collected under the scheme(s) with returns which is due to the investors as per the terms of the offer within a period of one month from the date of this Order failing which the following actions would follow:

1. Initiation of prosecution under section 24 of SEBI Act, 1992 which prescribes imprisonment for a term which may extend to one year, or with fine, or with both against you/your promoters/your directors/your managers/persons in charge of the business of your scheme.
2. You/your promoters/your directors/your managers/persons in charge of the business of your scheme would be debarred from operating in the capital market and from accessing the capital market for a period of 5 years.
3. Writing to the state governments/local police to register civil/criminal cases against you for apparent offences of fraud, cheating, criminal breach of trust and mis-appropriation of public funds.
4. Writing to the Department of Company Affairs to initiate the process of winding up of your company.

Date: 5th August,2002

Place:Mumbai

G.N. BAJPAI
CHAIRMAN
SECURITIES AND EXCHANGE BOARD OF INDIA