

SECURITIES & EXCHANGE BOARD OF INDIA

DIRECTIONS UNDER SECTION 11B OF THE SEBI ACT 1992 READ WITH REGULATIONS 65 & 73 OF SEBI (COLLECTIVE INVESTMENT SCHEMES) - REGULATIONS, 1999 ISSUED IN THE MATTER OF**M/S OCEAN AGRO FARMS LTD., CHANDIGARH**

M/s Ocean Agro Farms Ltd., Chandigarh (formerly Endowment Investments (India) Ltd., hereinafter referred to as the company) filed information/ details with SEBI regarding its Collective Investment Schemes (hereinafter referred to as CIS) pursuant to SEBI Press Release dated 26.11.1997 and / or Public Notice dated 18.12.1997.

Pursuant to the notification of SEBI (Collective Investment Schemes) - Regulations, 1999 (hereinafter referred to as the Regulations), on 15.10.1999 the company applied for registration under the provisions of the Regulations. On the basis of the application, the details submitted therein and other details available on record, it was found that the company did not fulfil all the requirements of the Regulations for the grant of registration and therefore, its application was rejected on 11.4.2002. This was communicated to the company vide SEBI letter dated 24.4.2002 addressed to its registered office address made available to SEBI by the company. In the said communication the grounds of rejection of application were mentioned. The company was also advised vide the said letter dated 24.4.2002 that consequent to the rejection of application for registration it is required to wind up its existing scheme(s) in the manner specified in Regulation 73.

Accordingly, the company was required to send an Information Memorandum to its investors, who had subscribed to its scheme(s), within two months from the date of intimation from SEBI. Further, on completion of the winding up and repayment to the investors in terms of Regulation 73, the company was required to file a "Winding Up & Repayment Report" in the format prescribed by SEBI so as to reach SEBI within three and half months from the date of the Information Memorandum.

However, the aforesaid letter dated 24.04.2002 communicating the rejection of the application to the company could not be delivered and was received back by SEBI with endorsement "No consignee at given address". Pursuant thereto the said communication was again forwarded to the new registered office address of the company which was also received back by SEBI with an endorsement "shifted".

In view of the aforesaid, I am constrained to take a view that the company and its promoters directors, in order to avoid the statutory obligations, are absconding as they do not have any intention to wind up their schemes and repay the investors in compliance with the legal requirements.

Therefore, in order to protect the interest of the investors and to give the company and its directors one last opportunity to comply with the statutory requirements, in exercise of powers conferred upon me under section 11B of the SEBI Act read with Regulation 65 of the Regulations, I hereby direct the company 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 failing which the following action would follow:

1. Initiation of prosecution proceedings under Section 24 of the SEBI Act, 1992 against the company/its promoters/its directors/its managers/persons in charge of the business of its scheme(s).
2. The company/its promoters/its directors/its managers/persons in charge of the business of its scheme(s) 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 government/local police to register civil/criminal cases against the company and its promoters / directors for apparent offences of fraud, cheating, criminal breach of trust and misappropriation of public funds.
4. Writing to the Department of Company Affairs to initiate the process of winding up of the company.

G.N. Bajpai
Chairman
Securities and Exchange Board of India.

Place: Mumbai

Date: 3rd December, 02