

SECURITIES AND EXCHANGE BOARD OF INDIA**ORDER****IN THE MATTER OF DIRECTIONS UNDER SECTIONS 11(1) AND 11(4) (b) READ WITH SECTION 11B OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 TO GOODVALUE MARKETING CO. LIMITED**

1.0 Goodvalue Marketing Co. Ltd (hereinafter referred to as "the company") is a company incorporated/registered under the Companies Act, 1956 and having its registered office at 311, Merchant Chambers, Hill Road, Bandra, Mumbai 400050.

2.0 The Securities and Exchange Board of India (hereinafter referred to as "SEBI") received several complaints against the company from investors and as on 31.3.2002, a total of 74 investor grievances which were not resolved or acted upon were pending with the company. Therefore, SEBI, vide letter dated 3.4.2002 advised the company to meet officials of SEBI in connection with redressal of investor grievances pending against them. However, the company failed to do so.

3.0 Subsequently, SEBI, vide Show Cause Notice dated 24.5.2002 called upon the company to show cause why appropriate action/proceedings should not be taken against them under sections 11B and 27 of the SEBI Act read with section 621 of the Companies Act, 1956 for violation of Section 73 and 113 of the Companies Act, 1956. Since no reply was received from the company, I had in exercise of the powers conferred on me under section 11B of the SEBI Act, vide order dated 14.10.2002, directed the company to redress the investors' grievances pending against them within a period of one month from date of the order. The company was also informed vide the said order that in case of failure to redress investor grievances, the following actions would be initiated against them without further notice:

- a) Prosecution under section 621 of the Companies Act
- b) The company and its directors would be debarred from dealing in and/or accessing the capital market for a period of 5 years.

4.0 The company failed to redress the grievances of investors within the time specified in the order dated 14.10.2002. Subsequently, though it was not required to do so, SEBI vide letter dated 9.5.2003, granted an opportunity to be heard before me. The hearing was fixed for 31.5.2003. The representatives of the company appeared before me and made their submissions that they shall redress all the grievances.

5.0 I have considered the facts of the matter and material on record. I note that adequate opportunity has been granted to the company to appear before me and make submissions. However, they have chosen not to do so. Therefore, I proceed with the matter.

5.1 I note that as on 31.3.2002, a total of 74 complaints were pending against the company and when the company was directed to meet officials of SEBI in this regard, they failed to do so and also failed to redress the grievances of investors.

5.2 I note that the company has redressed all the grievances submitted to it.

5.3 The mandate of SEBI as laid down in the SEBI Act is to protect the interest of investors and to promote the development of and to regulate, the securities market and for matters connected therewith or incidental thereto. Further, vide Section 11(1) of the SEBI Act, it is the duty of SEBI to protect the interest of investors in securities and to promote the development of and to regulate, the securities market, by such measures as it thinks fit.

The company has redressed the grievances of all investors and has therefore complied with my order dated 14.10.2002. In view of the above, no further action is being taken against Goodvalue Marketing Co. Ltd. However, Goodvalue Marketing Co. Ltd. are advised to be more careful in the future and redress grievances of investors without delay.

G.N. BAJPAI**Place : Mumbai****CHAIRMAN****Date : 10th Oct, 2003****SECURITIES AND EXCHANGE BOARD OF INDIA**