CO/196/IMD/01/2004

SECURITIES AND EXCHANGE BOARD OF INDIA

DIRECTIONS UNDER SECTION 11B READ WITH SECTION 11 OF THE SEBI ACT 1992, READ WITH REGULATION 65 OF THE SEBI (COLLECTIVE INVESTMENT SCHEMES) REGULATIONS, 1999 IN THE MATTER OF M/S LA MARK FARMS LIMITED

1. M/s La Mark Farms Limited, (hereinafter referred to as the company) mobilised around Rs 1.75 crores from the investors/public under the collective investment schemes being operated by it. Pursuant to the press release and the public notice issued by Securities and Exchange Board of India (hereinafter referred to as SEBI) on November 26, 1997 and December 18, 1997 respectively, the company filed certain information/details in respect of its schemes with SEBI regarding its collective investment schemes.

2. Subsequent to the notification of the SEBI (Collective Investment Schemes) Regulations, 1999 (hereinafter referred to as the said Regulations) on October 15, 1999, the company applied for registration under the provisions of the said Regulations. The application for registration and other details connected with the application were examined by SEBI. As the details submitted by the company were found to be unsatisfactory, further information/clarifications were sought from the company in order to process the said application. Thereafter a personal hearing was granted to the company on September 20, 2000. In view of the submissions made on behalf of the company during the personal hearing held on September 20, 2000 and on the basis of the declarations and undertakings given by the company, the company was granted provisional registration subject to complying with various requirements stipulated in Regulation 71 of the said Regulations and the same was communicated to the company by SEBI vide letter dated February 23, 2001.

3. Subsequent to the grant of provisional registration, the company was advised by SEBI vide letters dated May 21, 2002 and September 16, 2002 for submitting in writing, an interim report on the status of compliance of the conditions specified in regulation 71 of the said Regulations, such as getting the existing schemes appraised and rated and the creation of a Trust. Further, SEBI also called upon the company to redress the investors complaints, received against the company, regarding non payment of money or the assured returns to the investors and report the compliance thereof. However both the letters dated May 21, 2002 and September 16, 2002 sent by SEBI to the company were returned undelivered.

4. As the company failed to comply with the conditions specified in Regulation 71 of the said Regulations and also failed to submit the interim report on the current status regarding compliance with the provisions of the said Regulations, SEBI granted the company an opportunity of personal hearing on November 30, 2002, before proceeding with further action against it. However as the company failed to appear for the said hearing, another opportunity was granted to it on December 28, 2002. On the said date, Shri Ramesh Patil, Director and a representative of Shri Himanshu Patil, Director appeared before me and submitted that the registered office of the company had been shifted to Mangaon. Upon a request made by the company, some more time was granted to it for submitting a report to SEBI as regards compliance of the conditions specified in the Regulations as well as the state of redressal of the pending investor grievances. Further, copies of the pending investor grievances were handed over to the Directors present during the hearing who were further informed that in case the company failed to comply with the requirements of Regulation 71 by February 28, 2003 (i.e. the last date of the validity of the provisional registration) the company would be required to wind up its schemes in terms of Regulation 73 of the said Regulations. Despite the same, the company failed to fulfill the requirements of Regulation 71(1) of the said Regulations within the stipulated period of two years from the date of grant of the provisional registration. In fact as on September 30, 2003, 43 investor complaints were awaiting redressal by the company. Further, the company also failed to intimate SEBI about the change of address of the company, which amounts to violation of Regulation 11(b) read with Regulation 71(1)(h) of the said Regulations.

5. The provisional registration is granted to an entity subject to the said entity complying with the conditions stipulated in Regulation 71(1) of the said Regulations. An existing collective investment scheme which, having obtained provisional registration, fails to comply with the provisions of Regulation 71(1) of the said Regulations, has to, under Regulation 73(1)(c) of the said Regulations, wind up the existing schemes in accordance with the procedure stipulated in regulation 73(2) to (9) of the said Regulations.

6. The company failed to comply with several requirements specified in regulation 71(1) of the said Regulations such as getting the existing schemes rated, appraised, formation of a trust etc within the stipulated period of two years from the date of grant of the provisional registration. Therefore, the company was, vide letter dated April 4, 2003, called upon by SEBI to wind up the existing schemes and make repayment to the investors. Accordingly, the company was directed to send information memorandum to the investors, who had subscribed to the schemes, within two months from the date of receipt of the aforesaid intimation from SEBI in terms of Regulation 73(2) of the said Regulations. Further, on completion of the winding up and repayment to the investors in terms of Regulation 73 of the said Regulations, the company was called upon to file a detailed report in the format prescribed by SEBI, so as to reach SEBI within three and half months from the date of the Information Memorandum. The said order was published by SEBI in the SEBI website http://www.sebi.gov.in/ and a press release regarding passing of the said order was also issued. Accordingly, the company was required, upon the completion of the winding up of the schemes of the company and repayment to the investors in the manner specified in Regulation 73 of the said Regulations, to file a "Winding up and Repayment Report" in the format prescribed by SEBI which was to reach SEBI within three and half months from the date of Information Memorandum.

7. The company has failed to comply with the directions conveyed by SEBI vide its letter dated April 4, 2003 i.e. to wind up its existing schemes and make repayment to the investors in the manner specified in Regulation 73 of the said Regulations. It has also failed to submit the required report to SEBI in terms of the provisions of Regulation 73 of the said Regulations and therefore violated the provisions of Regulation 73 of the said Regulations. Thereafter, SEBI

vide its order dated18.11.03 directed M/s La Mark Farms Ltd to refund the money collected under the schemes with returns to the investors within a period of one month from the date of the order.

8. However, the company has failed to comply with the directions contained in the order dated 18.11.03. In view of the non-compliance of the orders / directions issued by SEBI, I, in exercise of the powers conferred upon me under Section 11B read Section 11 and Section 4(3) of the SEBI Act, 1992 and Regulation 65 of the SEBI (Collective Investment Schemes) Regulations, 1999, hereby prohibit the company/its promoters/ its directors / its managers / persons in charge of business of its schemes (whose names and addresses are mentioned in Annexure A enclosed herewith) from dealing in the securities market and also from accessing the securities market for a period of five years from the date of this order.

9. In case any aggrieved person whose name is mentioned in the enclosed annexure was not aware of the order dated 18.11.03 and the warning issued vide the said order and was not responsible for the conduct of the business of the company, may apply in writing within 15 (fifteen) days from the date of this order with all supporting documents to SEBI.

This is without prejudice to SEBI's right to take any other action as it may deem fit.

G.N BAJPAI

PLACE : MUMBAI

CHAIRMAN

DATE : 22nd January, 04

SECURITIES AND EXCHANGE BOARD OF INDIA

Annexure A

Names and addresses of Directors/Promoters/Managers/Persons in charge of the business of the schemes of M/s. La Mark Farms Ltd., Mumbai

1. Mr. Sukhminder Singh Sodhi

   Address 1-

   C-3, Phase III, Golden Nest

   Mira Bhayander Road

   Mira Road (E)

   Dist- Thane

   Address 2-

   702, A1/11, Bahar

   Yashodham, Film City Road

   Goregaon (E)

   Mumbai- 400 063.

2. Mr. Vinod Savlaram Pawar

   Address 1-

   202, Sahara Apartment

   Morba Road, Mangaon

   Dist- Raigad

   Maharashtra

   Address 2-

   10, Wangare Building

   Kacheri Road

   Mangaon- Raigad

3. Mr. Jaywant Bala Vichare

   B-2/31, Mira Co-operative Hsg. Soc.

   A/4, Post Mira Village, Dist Thane

   Maharashtra- 401 104.

4. Mr. Himanshu Shivaji Patil

   601/A-1/10, Ashoka

   Yasodham, Goregaon (E)

   Mumbai- 400 063.

5. Mr. Ramesh Amrut Patil

   B/8/2, Doodh Sagar Co-op Hsg. Cos.

   Ciba Road, Goregaon (E)

   Mumbai- 400 065.

6. Ms. Vaishali Shingre

   303, Jawahar Industrial Estate

   55, Jawahar Nagar, Road No.1

   Goregaon(W)

   Mumbai- 400 062.

7. Mr. Anil Bitle

   303, Jawahar Industrial Estate

   55, Jawahar Nagar, Road No.1

   Goregaon(W)

   Mumbai- 400 062.

8. Mr. Gulzan Singh Cheema

   303, Jawahar Industrial Estate

   55, Jawahar Nagar, Road No.1

   Goregaon(W)

   Mumbai- 400 062.

9. Mr. Dhanaraj Sodhi

   Address 1-

   C-3, Phase III, Golden Nest

   Mira Bhayander Road

   Mira Road (E)

   Dist- Thane

   Address 2-

   702, A1/11, Bahar

   Yashodham, Film City Road

   Goregaon (E)

   Mumbai- 400 063.

10. Mr. Manish Gakkhar

606 B Wing, Gautam,

Raheja Township

Malad (E)

Mumbai- 400 097.

11. Mr. Lalit Prakash Gakkhar

606-B Gautam,

Raheja Township

Malad (E)

Mumbai- 400 097.

12. Ms. Prabha Gakkhar

B-606, Gautam,

Raheja Township

Malad (E)

Mumbai- 400 097.

13. Mr. Karnial Singh Cheema

602, Manisha,

Rishi, Complex

I.C. Colony

Borivali (West)

Mumbai- 400 103.