CO/170/IMD/10/2003

SECURITIES AND EXCHANGE BOARD OF INDIA

ORDER

IN THE MATTER OF DIRECTIONS UNDER SECTION 11(4) (b) READ WITH SECTION 11B OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 TO INDO BIOTECH FOODS LIMITED

1.0 Indo Biotech Foods Ltd (hereinafter referred to as "the company") is a company incorporated/registered under the Companies Act, 1956 and having its registered office at 311/312, Merchant Chambers, 98A, Hill Road, Bandra (W), Mumbai 400 050. The following persons are the directors of the company: Dilip Dahanukar, Java H. Haresh, Save P. Ramesh and G.C. Bapna.

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 108 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 then under section 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 company was represented in the hearing before me and the representatives made their submissions in this regard.

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. Therefore, I proceed with the matter.

5.1 I note that as on 31.3.2002, a total of 108 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 also note that the company failed to comply with the order dated 14.10.2002 directing them to redress the grievances of investors. As on 27.8.2002, a total of 2 investor grievances remained not redressed.

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.

6.0 The company has failed to redress the grievances of investors despite being directed to do so by SEBI. Therefore, it is necessary in the interest of investors to issue directions to the company Therefore, in exercise of the powers conferred on me vide Section 11 94) (b) read with Section 11B of the SEBI Act, I hereby direct that Indo Biotech Foods Ltd. and its directors viz. Dilip Dahanukar, Java H. Haresh, Save P. Ramesh and G.C. Bapna shall dissociate themselves from the securities market for a period of 5 years and that the aforesaid persons shall not deal in securities in any manner whatsoever for a period of 5 years. This shall be without prejudice to the right of SEBI to take appropriate action against the company under the provisions of the SEBI Act and the Companies Act, 1956.

This order shall come into force immediately.

G.N. BAJPAI

Place : Mumbai

CHAIRMAN

Date : 10th Oct, 2003 **SECURITIES AND EXCHANGE BOARD OF INDIA**