

IN THE COURT OF SH. SANJAY BANSAL ADDITIONAL CHIEF  
METROPOLITAN MAGISTRATE-02 (NORTH) DELHI

SEBI Vs. KRIEX GLOBAL PLANTATIONS LTD. & Ors.

ORDER ON SENTENCE

12.4.2009

Present : Sh. Sanjay Mann, Counsel for complainant.

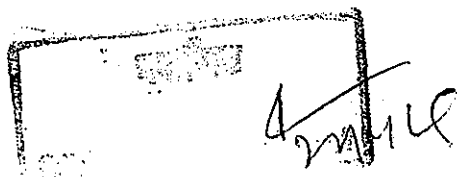
Sh. Sandeep Gutpa, Counsel for accused with all the  
accused.

Vide my separate judgment all the accused are convicted for violation of Sec.11-B, 12(1B) of SEBI Act and Regulations 5(1) r/w 68(1), 68 (2), 73 and 74 of CIS Regulations which are punishable u/s. 24(1) and 27 of the SEBI Act.

Heard on sentence.

Ld. Counsel for complainant prays for harshest sentence. Ld. Counsel has placed on record copy of sentence orders passed in other SEBI matters. Ld. Counsel argued that the convicts have violated provisions of SEBI Act and they were running the scheme without following provisions of the said Act. He submitted that money worth crores were at stake. On the other hand Ld. Counsel for convicts prayed for leniency. He also filed on record copy of sentence of order passed in similar matter. He submitted that the company has filed for winding up. He also submitted that many of the investors have been paid back the money as per settlement scheme. Ld. Counsel for convicts also submitted that convicts are left with around Rs.1,98,000/- which is the money of the remaining investors but same could not be disbursed as the investors have not approached them. He submitted that convicts are ready to deposit the amount with this court.

I have considered the submissions.

*Sanjay*  


There is no doubt that provisions of SEBI Act have been violated. However, convicts are entitled for leniency as they have repaid many of the investors. They have also applied for winding up. Convicts are not hardened criminals. They are from well of families. Tara Devi is a lady and entitled for leniency, convict K.K. Verma is 53 years old. Therefore, considering all the facts and circumstances I sentence the convicts as follows: Convict No.1 company is sentenced to pay a fine of Rs.10,000/-. Convict No.2 K. K. Gupta, Convict No.3 K.K. Verma and Convict No.4 Tara Devi are sentenced to pay a fine of Rs.10,000/- each ID of payment of fine one month SI each.

Convicts are also directed to deposit Rs.1,98,000/- lying with them in this court within 15 days from today. This amount of Rs.1,98,000/- will be disbursed to the remaining investors who approach this court.

Fine paid.

At this stage Ld. Counsel for complainant prays that cost of proceedings be also awarded in favour of complainant. However, in the facts and circumstances, I am not inclined to order for any cost.

Now put up on 30.4.2009.

Copy of judgment and this order on sentence be given to complainant and convicts free of cost.

*Sanjay Bansal*

(SANJAY BANSAL)

ACMM-02/NORTH/DELHI

13.4.2009

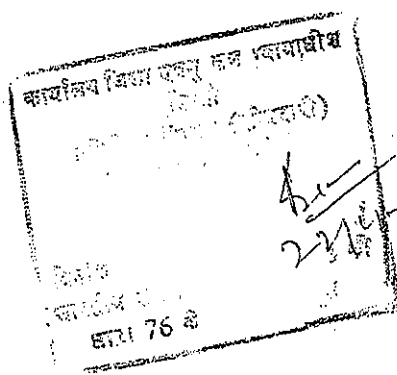
*Received by*

*(K.K. Verma)*

*K.K. Verma*

*नारा देवी*

*Deposit Rs. 1,98,000/-  
vide pro. 0000625581 to 84.  
dt. 13.4.09  
13.4.09*



11

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IN THE COURT OF THE CHIEF METROPOLITAN  
MAGISTRATE,

TEES HAZARI, DELHI

CC NO:

17/11/1991

7233

Securities and Exchange Board of India,  
a statutory body established under the  
provisions of Securities and Exchange  
Board of India Act, 1992, having its  
Head Office at 221, Nariman Point,  
Mittal Court, "B" Wing, Nariman Point,  
Mumbai- 400 072 and represented by its  
Asst. Legal Adviser (Prosecutions) Shri  
A. Chandra Sekhar Rao.

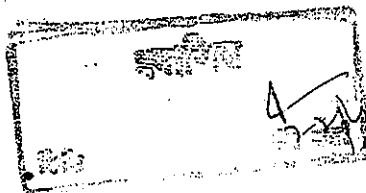
A Chandra Sekhar Rao with  
present counsel  
Made over to Sh. J. P. S. Malik Asst.  
Magistrate  
Today  
17/11/1991

...Complainant

Vs.

1. Kriex Global Plantations Ltd., a  
company incorporated under the  
provisions of Companies Act, 1956  
and having its office at Krishi Export  
Plaza, Sigra, Varanasi- 221 010.
2. Shri K. K. Gupta, S/o Late Shri  
Muralidhar; Occupation: Director of  
the Accused No.1; address : D- 64/  
47- 1A, Maa Rajeshwari Nagar,  
Sigra, Varanasi.

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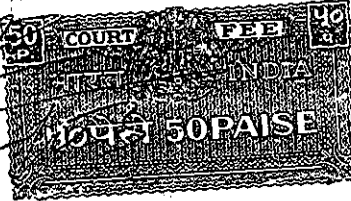
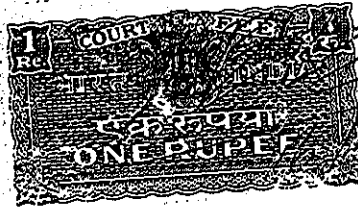
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3. Shri K. K. Verma, S/o Not Known to the Complainant; Occupation: Director of the Accused No.1; address : No. 10/ 79, R- 26A, R. K. Puram, DLW, Varanasi.
4. Smt. Tara Devi, W/o. K. K. Gupta, Occupation: Director of the Accused No.1; address : D- 64/ 47- 1A, Maa Rajeshwari Nagar, Siga, Varanasi.

....Accused

COMPLAINT UNDER SECTION 200 OF THE CODE OF  
CRIMINAL PROCEDURE, 1973 READ WITH SEC. 24(1)  
AND 27 OF SECURITIES AND EXCHANGE BOARD OF  
INDIA ACT, 1992

42746



IN THE COURT OF MS. MADHU JAIN, C.M.M. TIS HAZARI, DELHI.

COMPLAINT NO. 203/2003.

IN THE MATTER OF:

SECURITIES AND EXCHANGE BOARD OF INDIA,  
a statutory body established under the  
provisions of Securities and Exchange  
Board of India Act, 1992, having its  
Regional Office at New Delhi, represented  
by its Legal Officer/Manager/Asst.  
General Manager Ms./Mr. Rakesh Bhaust.

COMPLAINANT

VERSUS

1. KDK FINVEST.  
543, Hiwari Layout,  
Vaishnavdevi Chowk,  
Wardhman Nagar,  
Nagpur-440008.
2. Shri. Kiran Chand Goyal,  
S/o. Shri. Kaniya Lal,  
R/o. 543, Hiwari Layout,  
Vaishnavdevi Chowk,  
Wardhman Nagar,  
Nagpur-440008.
3. Shri. Mukesh Goyal,  
S/o. Shri. Kiran Chand Goyal,  
R/o. 543, Hiwari Layout,  
Vaishnavdevi Chowk,  
Wardhman Nagar,  
Nagpur-440008.

ACCUSED

COMPLAINT UNDER SECTION 200 OF THE CODE OF CRIMINAL  
PROCEDURE, 1973 READ WITH SECTION 24(1), 27 OF SECURITIES  
EXCHANGE BOARD OF INDIA ACT, 1992.

MOST RESPECTFULLY SUBMITTED:

208/0109

CC no. 51/05

SEBI Vs. KDK Finvest

24.09.2009

Present : Sh. Sanjay Mann, counsel for SEBI.

Accused no. 1 is company.

Remaining accused are PO.

Statement of CW 1 Sh. Rakesh Bhanot AGM SEBI Northern  
Regional office, recorded.

In view of the statement of CW 1, I am of the view that there  
is sufficient evidence on record against all the accused. File is consigned to  
Record Room u/s 299 Cr. P.C. to be revived as and when the accused are  
arrested. *appear*

*Poonam Chaudhary*

(POONAM CHAUDHARY)  
AS (Central-01)/DELHI.  
24.09.2009

*08/10/09*

51/09  
CC No. 105/05  
BI Vs. KDK FINVEST

CW-1 Rakesh Bhanot, AGM, Northern Regional Office, SEBI.

On SA

I am working as Assistant General Manager and I am competent to file prosecution cases on behalf of the complainant SEBI. SEBI Chairman vide letter of authority dated 21.05.2001 authorized me to file prosecution against accused. The copy of the letter of authority dated 21.05.2001 is Ex.CW1/1. In the mid nineties, various entities/companies initiated plantation activities at a very large scale and mobilized substantial amount from general public and since, thousand of crores Rupees mobilized by the companies the Government of India directed the SEBI to frame regulations to govern these activities. Government of India vide press release dated 18.11.1997 conveyed that these schemes would be treated as collective investment schemes coming under the purview of SEBI Act. SEBI vide public notice dated 18.12.1997 and press release dated 26.11.1997 asked the various entities who had sponsored and caused to be sponsored various plantation bonds schemes etc. and were mobilizing funds from general public, were asked to furnish information regarding the amount mobilized details of the promoters/directors of the companies and details of the various schemes floated. The accused no.1 firm was operating the collective investment schemes. The accused no.1 firm vide letter dated 12.12.1997 received by the SEBI on 22.12.1997 informed the SEBI that the accused had mobilized a fund

Rakesh Bhanot

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ATTESTED  
07/10/09

of Rs.74,000/- under various schemes and also interalia submitted the investors terms and conditions and also furnished the details of partners of the accused firm that are Shri Kiran Chand Goyal and Shri Mukesh Goyal. The letter dated 12.12.1997 along with its annexures is Ex.CW1/2. SEBI collective investment schemes 1999 were notified on 15.10.1999 and the same was also intimated to the accused vide letter dated 21.10.1999. The same letter returned undelivered with the remarks "left". The letter dated 21.10.1999 is Ex.CW1/3. The statutory provisions required to be complied with by the accused firm and the partners of accused firm were intimated to them through public notice dated 10.12.1999 and also through a specific letter addressed to the accused firm dated 10.12.1999, the letter dated 10.12.1999 is Ex.CW1/4 and again vide letter dated 29.12.1999 is Ex.CW1/5. The said letters returned undelivered with remarks "left". Since, the accused no.1 firm did not comply with the statutory provisions as enumerated in the CIS Regulations 1999, the SEBI issued show cause notice dated 12.05.2000 which was returned undelivered with remarks "left". The show cause notice dated 12.05.2000 is Ex.CW1/6. Since, the accused did not file any reply to the show cause notice, SEBI issued format of winding and repayment report to accused no.1 firm vide letter dated 31.07.2000. The letter dated 31.07.2000 is Ex.CW1/7. The same also returned undelivered with the remarks "left". Since, the accused no.1 firm did not comply with the SEBI regulations and did not file the prescribed winding and repayment report, SEBI vide directions under Section 11B of SEBI Act directed the accused to wind up the

*Rakesh Kumar*

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*AS5*  
*24/11*

ATTACHED  
*28/10/99*  
SEBI  
Securities and Exchange Board of India



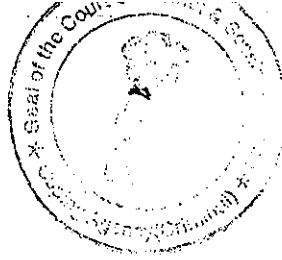
scheme and repay the investors under the terms of the offer within one month of those directions. The directions are Ex.CW1/8. The directions forwarded to the accused vide letter dated 18.12.2000. The said letter returned undelivered with remarks "puchne par is naam ka koi nahi hai". This envelope is Ex.CW1/9. The contents of the directions also communicated vide public notice dated 07.12.2000 which were published in all leading national Dailies and also in vernacular language. The same was also published in Hindustan Times 14.01.2001. Despite the directions, we issued to accused, the accused did not comply with SEBI regulations and the directions therein till date.

RO & AC  
*[Signature]*

*ll*  
 (POONAM CHAUDHARY)  
 ASJ(Central - 01)/Delhi.  
 24.09.2009.

Office of the District & Sessions Judge
D.M.
<i>[Signature]</i> 23/10/09
Date
Copy sent to, every (Section)
And the (Section) of the
India

SEBI V Kriex Global Plantations Ltd.



File taken up today as 3.4.09 was declared holiday.

4.4.2009

Present: Ld. Counsel for complainant.

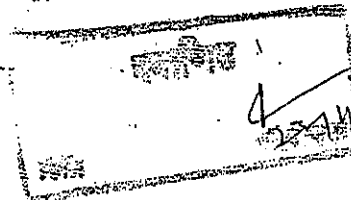
All accused with Counsel.

All accused have filed application for pleading guilty. As such prosecution evidence is closed.

Statement of all the accused recorded.

Put up for orders on 13.4.09 at 2.30 PM.

(SANJAY BANSAL)  
ACMM-02/NORTH/DELHI  
4.4.09



CC No.03/09

28.08.2009.

Present: Sh. Yogesh Chauhan counsel for SEBI.

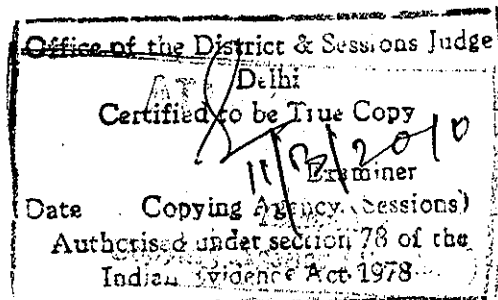
Accused no.1 is a company.

None has appeared on behalf of accused no.1 to 5 despite the execution of process under section 82/83 Cr.P.C against them in the 'Statesman' accordingly accused no.2 to 5 are declared PO. Accused no.1 is a company.

Evidence of CW 1 tendered by way of affidavit. There is sufficient evidence on record against all the accused. File is consigned to Record Room u/s 299 Cr.P.C. to be revived as and when accused no. 2 to 5 are arrested.

*Poonam Chaudhary*

(POONAM CHAUDHARY)  
ASJ(Central-01)/DELHI.  
28.08.2009.



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