



In the Court of Mr. Acha Mahesh  
IN THE COURT OF ADDITIONAL CHIEF METROPOLITAN

MAGISTRATE, DELHI

CC NO: 110 OF 2004

14/01/04

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 Mittal Court, B – Wing, 224  
Nariman Point, Mumbai 400 021  
represented by its Legal Officer, Shri  
Sharad Bansode.

02401RS1708/2004

12/1/12  
MAM/AM

Iw/3654/2012.

...Complainant

VERSUS.

1. KDK Agro Pvt. Ltd., a Company  
incorporated Under the Companies  
Act, 1956, having its Regd. Office at :  
BD-45, Pitampura, Delhi-110034 and  
having its head office at : 21/22, West  
Patel Nagar, New Delhi.
2. Shri Kiran Chand Goyal S/o Kaniya Lal,  
Promoter/Director of Accused No.1,  
R/o: 21/22, West Patel Nagar, New  
Delhi.
3. Ms. Dimple Goyal D/o Shri Kiran  
Chand Goyal, Promoter/Director of  
Accused No.1, R/o: 21/22, West Patel  
Nagar, New Delhi.
4. Shri Mukesh Goyal S/o Shri Kiran

P.O.

P.O.

P.O.

13

P.O.

12/1/12



(2)

Chand Goyal, Promoter/Director of Qo

Accused No.1, R/o: 21/22, West Patel

Nagar, New Delhi. And also at:

Santosh Bhavan, Gandhi Bagh,

Nagpur, Maharashtra.

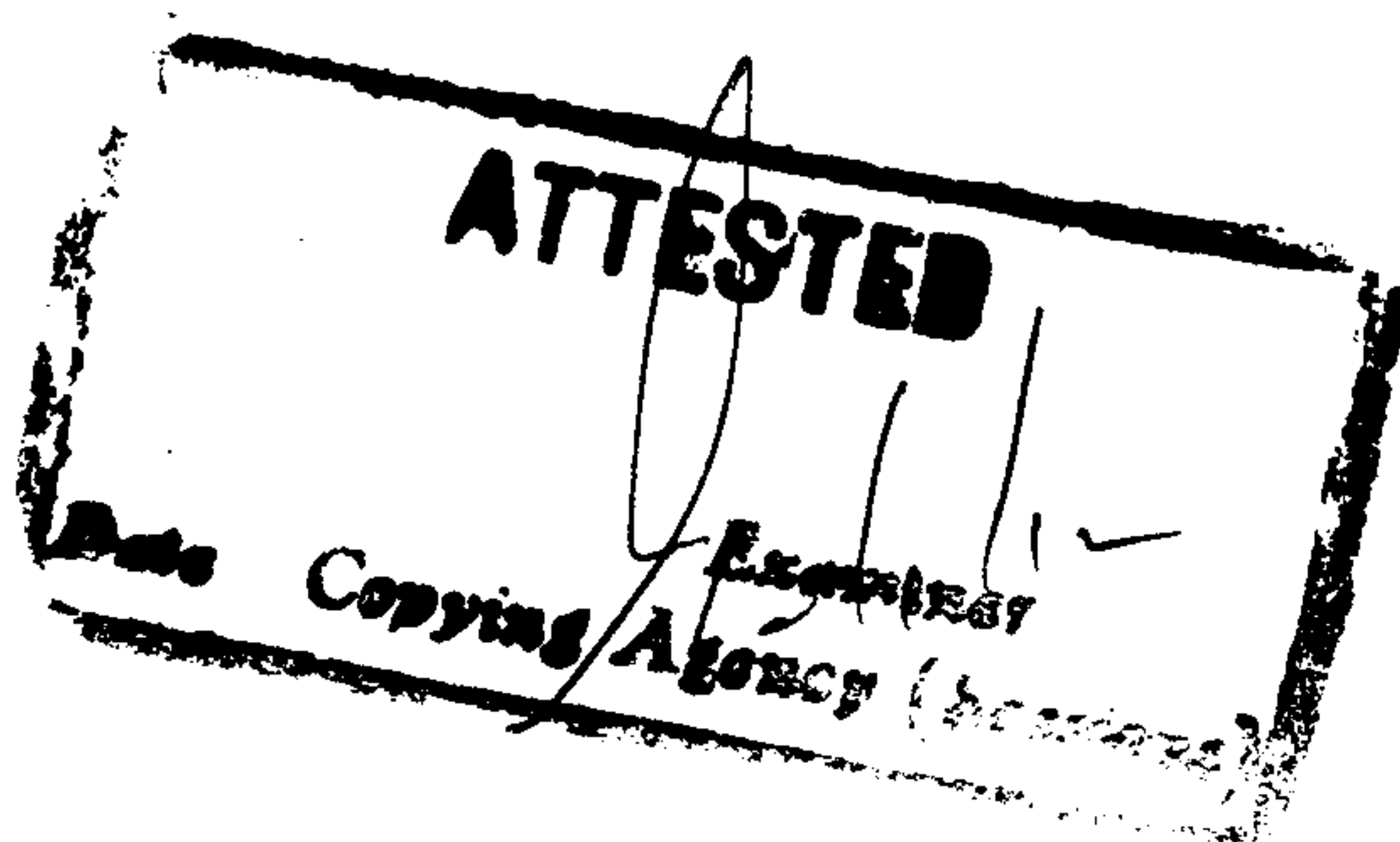
.....Accused

COMPLAINT UNDER SECTION 190 AND SECTION 200 OF THE CODE OF CRIMINAL

PROCEDURE, 1973 READ WITH SEC. 24(1), 27 OF SECURITIES AND EXCHANGE

BOARD OF INDIA ACT, 1992

May It Please Your Honour:



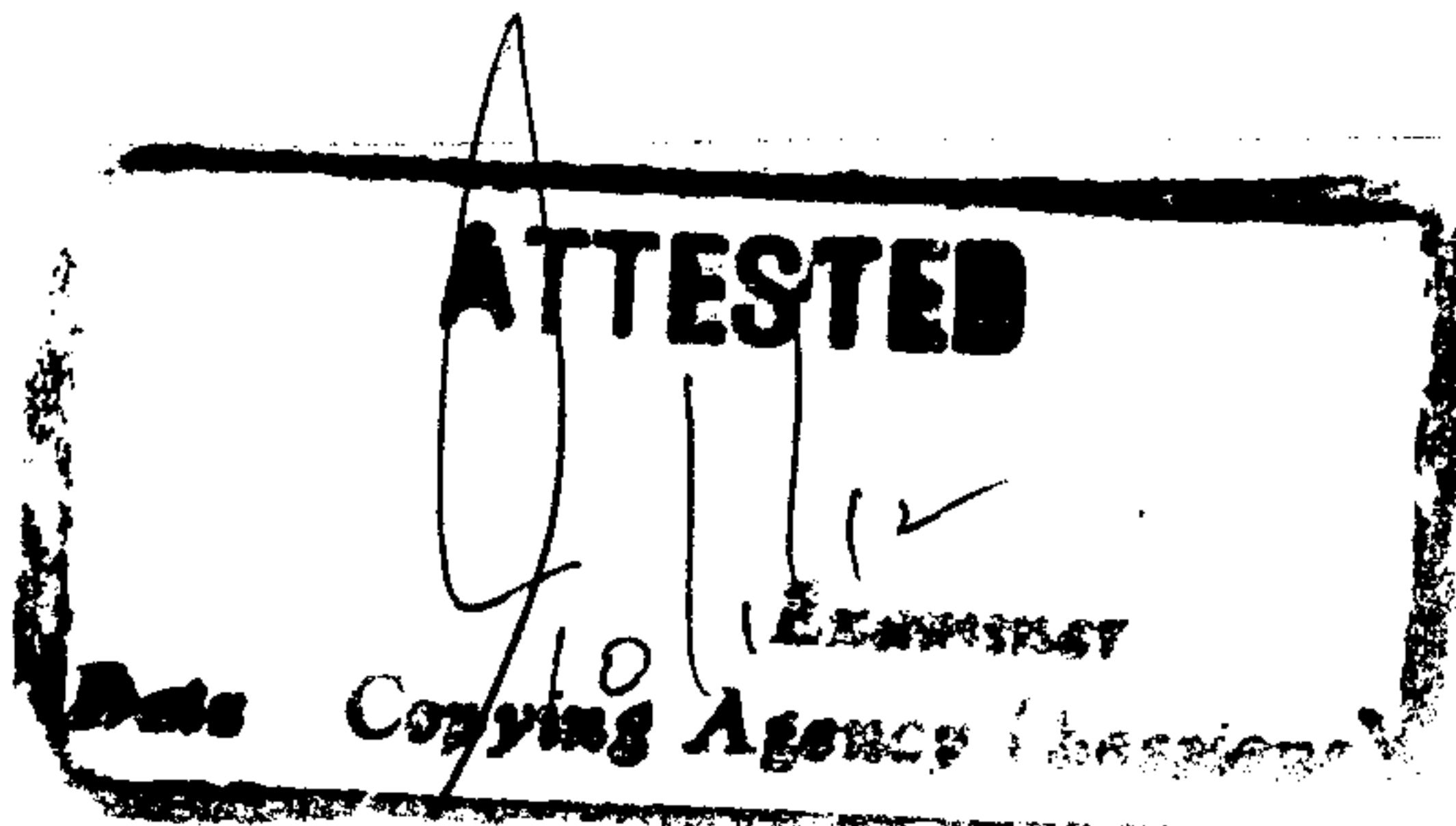


1-12-06.

Dr. Sh Rakesh Singh for SEBI.  
All accused are P.O.  
Passed over for the  
witness.

Dr.  
RS.

Taken up again  
Dr Sh Rakesh Singh with  
Mrs Radhika Verma for SEBI.  
Application for substitution  
moved. As the same is





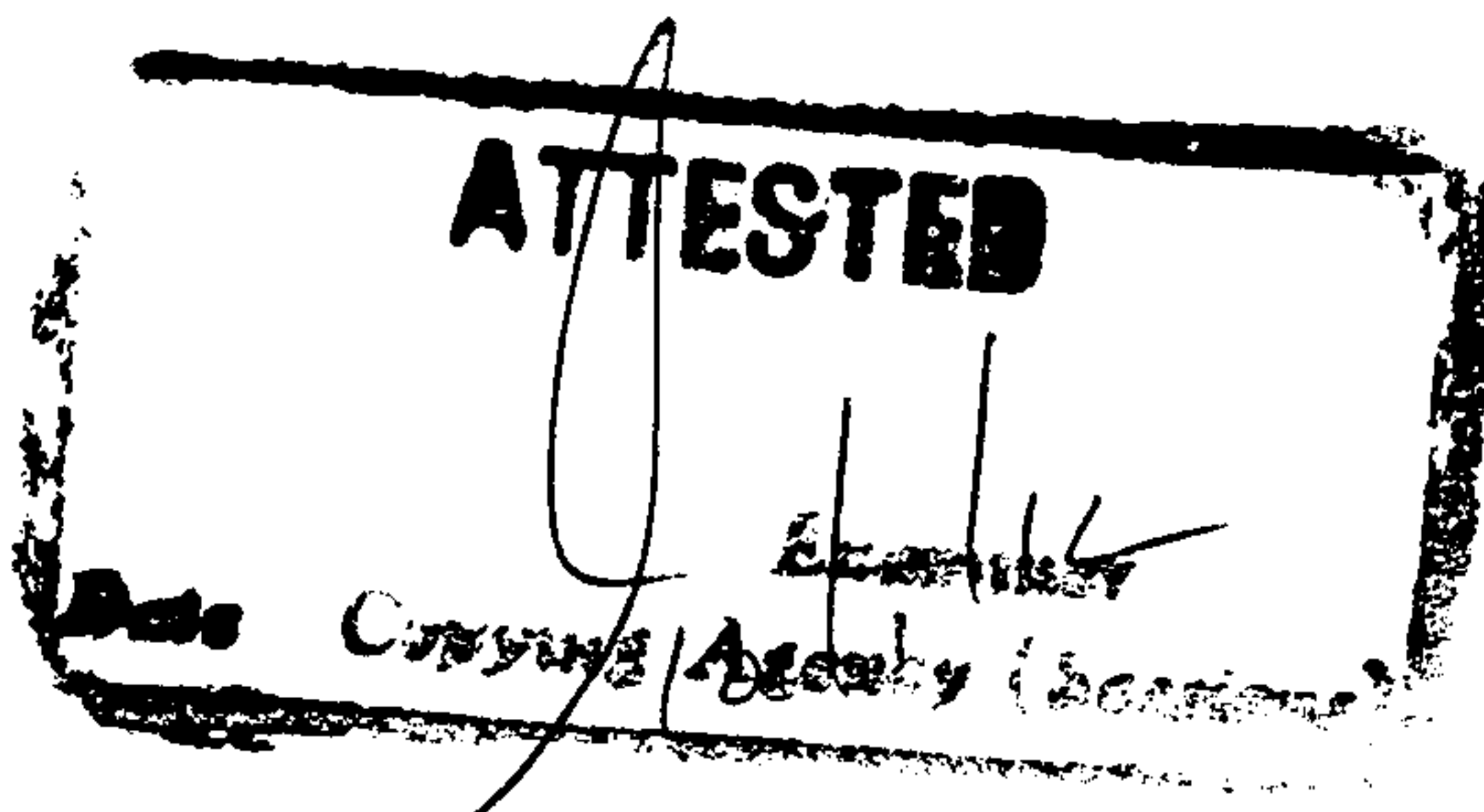


a formal one, occasioned by the non-availability of Sh. Sharad Bhansode who is on study leave and is at Mumbai, the application is allowed. Ms Radhika Verma, Manager SEBI Delhi is substituted in place of Sh. Sharad Bhansode and is permitted to continue this complaint.

CW, examined. The evidence recorded v/s 299 CRC is closed. The file be consigned to the records to be served upon the apprehension of any one of or all of the accused.

Dehatkenay  
A.S.S.

Announced in  
open court on  
1.12.06.



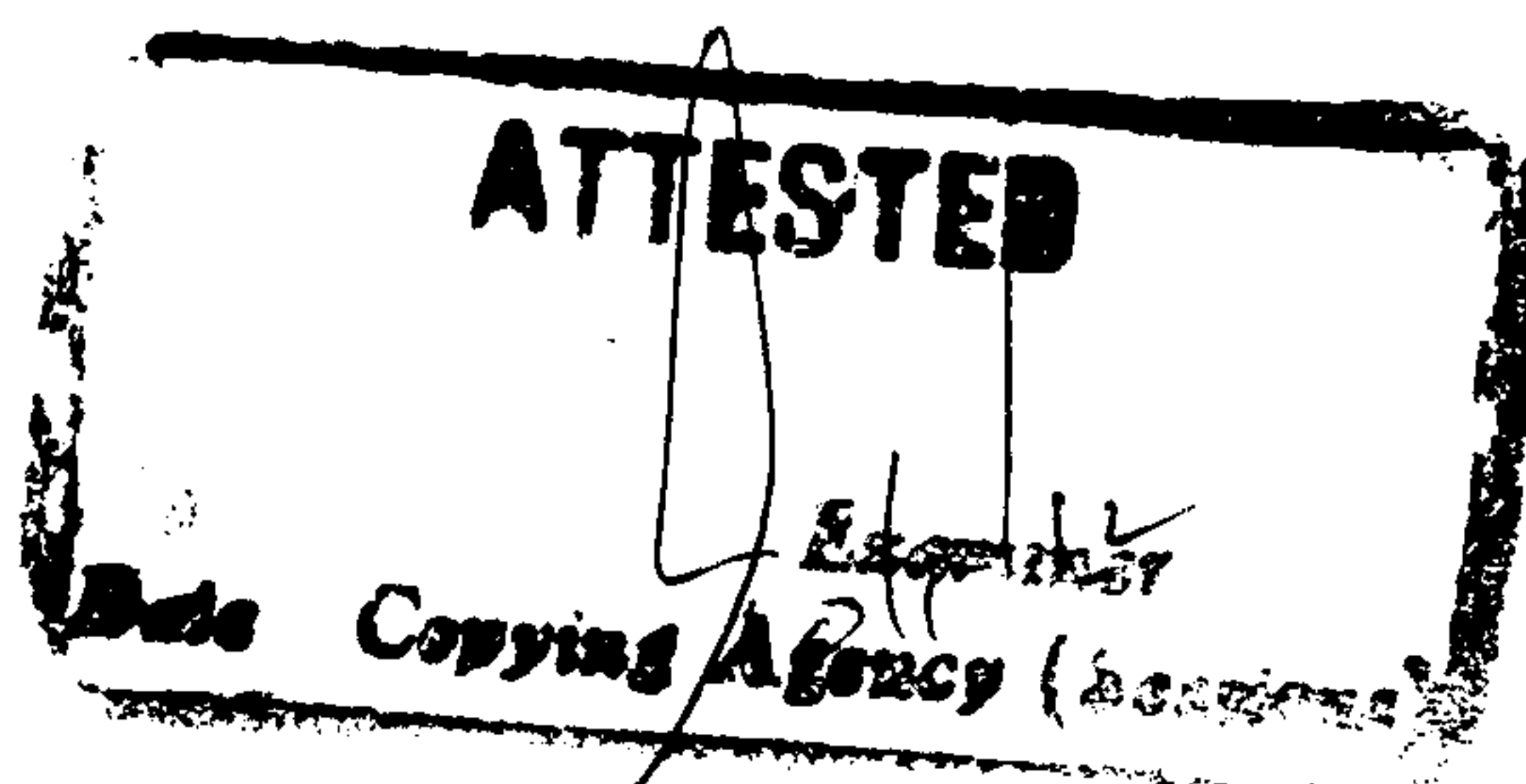
CC No.152/05

SEBI Vs. KDK Agro Pvt. Ltd and Others

Statement of CW1 Ms. Radhika Varma, Manager, SEBI.

On SA.

SEBI vide press released dated November 26, 1997 and December 18, 1997 issued directions to the effect that if any CIS wished to continue availing of the benefits under Section 12 of the SEBI Act, it would be required to furnish information regarding its activities by January 15, 1998 to the SEBI. This was in line with the directions issued by the Government of India vide press release dated November 18, 1997 wherein it was stated that all companies issuing Agro Bonds/Plantation Bonds would fall within the purview of the CIS as defined under the SEBI Act. The company vide letter dated December 12, 1997 received on December 27, 1997 Ext.CW1/1 submitted that it had mobilized a total of Rs.12,44,000/- and that the following persons were its Promoters: Sh. Kiran Chand Goyal, Ms. Dimple Goyal and Sh. Mukesh Goyal. Further the company also submitted information/documents regarding the terms and conditions as well as returns of its schemes. Copies of certain brochures regarding the nature of the company's schemes wherein Sh. Kiran Chand Goyal was shown to be the Chairman and Ms. Dimple Goyal and Sh. Mukesh Goyal were shown to be the directors were also submitted. The head office of the company was stated to be located at 21/22, West Patel Nagar, New Delhi-110008. Thereafter, SEBI received the copy of a letter dated July 15, 1999 which is Ext.CW1/2. From ICRA Ltd which had originally been addressed to Sh. Kiran Chand Goyal wherein it was stated inter alia that the accused company was claiming to be rated CS2 by ICRA and that as per ICRA records no such rating had been awarded to any of the company's scheme. The copy of a leaflet issued by the company wherein it had claimed to have obtained CS2 rating from ICRA had also been enclosed. On a perusal of the said leaflet wherein Sh. Kiran Chand Goyal was shown to be the Chairman and Managing Director of the company it was observed that in addition to the claims of having obtained CS2 rating from ICRA the company was also





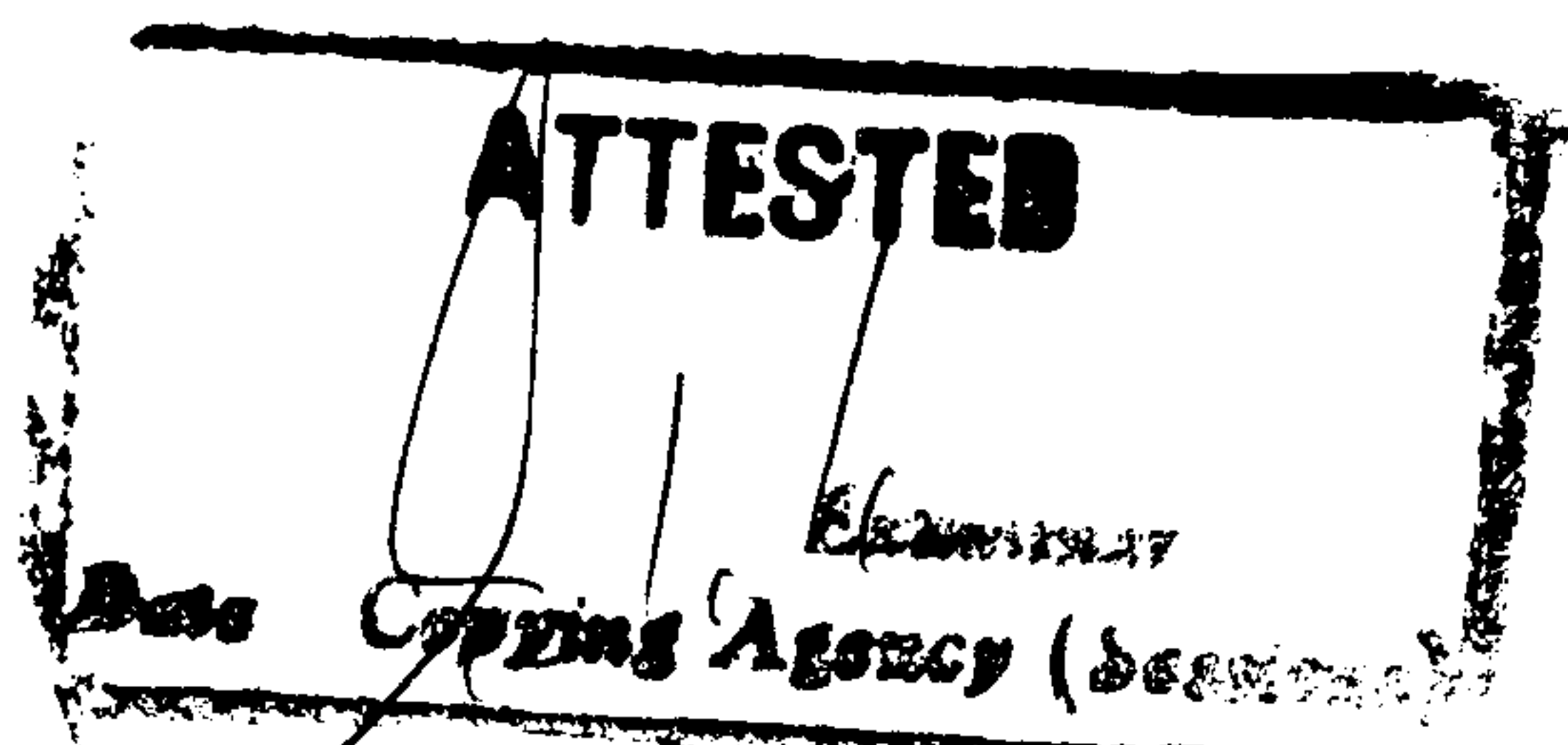
claiming incorrectly to have been accorded the status of "security" by SEBI after inquiries from time to time". The registered office of the company was stated to be BD45, Pitam Pura, Delhi. It was evident therefore, that the company was defrauding and cheating the investors by mis representing facts. Hence a reference was made to police authority to initiate action against the company and its directors.



The SEBI CIS Regulations, 1999 were notified on October 15, 1999. A press release regarding notification of the regulations were issued by SEBI on October 20, 1999, a copy of this press released was enclosed alongwith letter dated October 21, 1999 which was sent to the company at the addresses of its head office and registered office in Delhi regarding the notifications of these regulations by registered post. However, both the letters came back undelivered, the one sent to the company's registered office returning undelivered with the comments "no such person in this NO.BD45" and the one sent to the company's head office returning undelivered with the comments "no such person in 21/22".. The envelope containing the said letter sent to the company's registered office is Ext.CW1/3 and the undelivered letter is Ext.CW1/4. The envelope containing to the letter sent to the company's head office is Ext.CW1/5 and the undelivered letter is Ext.CW1/6. A public notice dated December 10, 1999 Ext.CW1/7 (OSR) regarding the requirements and provisions of the regulations was published by SEBI in various newspapers. Further vide letter dated December 10, 1999 the company was specifically informed of the requirements and provisions of the regulations. The said letter came back undelivered with the comments " no such person in this number 21/22". The envelope containing the said letter is Ext.CW1/8 and the undelivered letter is Ext.CW1/9. Thereafter, vide another letter dated December 29, 1999 the company was once again specifically informed of the provisions of the regulations. The said letter came back undelivered with the comments " no such person in this number BD45". The envelope containing the said letter is Ext.CW1/10 and the letter taken out of it is Ext.CW1/11. The company failed to apply for registration as per the provisions of the SEBI CIS regulations

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and hence was required to wind up its Scheme as per the provisions of the regulations and submit a report to SEBI in this regard. A show cause notice dated May 12, 2000 was issued to the company by registered post regarding its failure to comply with the provisions of the regulations wherein it was advised to show cause as to why action should not be initiated against it u/S 11B of the SEBI Act, 1992. The said letter also came back undelivered.. The envelope containing the said letter is Ext.CW1/12 and the letter taken out of it is Ext.CW1/13. Vide letter dated July 31, 2000 Ext.CW1/14 the format of the winding up and repayment report (WRR) which was required to be submitted to SEBI was forwarded to the company by registered post. The said letter came back undelivered. In view of the company's failure to comply with the provisions of the regulations Chairman SEBI vide order dated December 7, 2000 directed the company to refund all the money collected under its various Schemes alongwith the returns due to the investors as per the terms of the offer within one month from the date of the said order. The contents of the said order were also specifically brought to the company's notice vide letter dated December 18, 2000. However, the said letter returned undelivered with the comments "no such person in 16/22 in EPN return to original addressee". The envelope containing the said letter is Ext.CW1/15 and the letter taken out of it is Ext.CW1/16. The directions issued to the company vide the aforesaid order also brought to the notice of the company and its directors vide a public notice dated December 7, 2000 where the company's name is placed at serial no.242 which is mark A. The public notice dated 7.12.2000 is Ext.CW1/17 (OSR). However, the company failed to comply or submit any status of compliance with the said directions and therefore, other actions including the present prosecution proceedings were initiated against the company for failure to comply with the provisions of the SEBI Act, 1992 and the SEBI CIS Regulations. Chairman SEBI vide delegation of power dated 21<sup>st</sup> April, 2003 has authorized a Manager of the SEBI to represent the SEBI in prosecution proceedings. I am posted with the SEBI's Northern Regional Office as a Manager.

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RO&AC

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ASJ/Delhi//1.12.06

Office of the District & Sessions Judge	
Delhi	
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Date	Copied by
Authorised under Section 173 of the Indian Evidence Act-1973	