



भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

Deputy General Manager
Mukul Shukla

SEBI/HO/DDHS/DDHS-SEC-2/P/OW/2024/0000012523/3

March 28, 2024

By Speed Post Ack. Due

Noticees:

1. Noticee No. 1 Nandkishor Harikishan Attal (PAN No - ADBPA2424J) (DIN No - 00120538) G-1, 7 th floor, Padmavathinagar Housing Society, Dhankawadi, Pune - 411043	2. Noticee No. 2 Mayura Nandkishor Attal (PAN No - AESPA3803P) (DIN No. - 00120857) G-1, 7 th floor, Padmavathinagar Housing Society, Dhankawadi, Pune - 411043
3. Noticee No. 3 Mahesh Brij Gopal Bhattad (PAN No. - AIWPB7345K) (DIN No. - 02358078) G-1, 7 th floor, Padmavathinagar Housing Society, Dhankawadi, Pune - 411043	4. Noticee No. 4 Vasant Narayan Pinjan (PAN No.- ARNPP9853A) (DIN No. - 07583533) Flat No. 2, Rahul Apartment, S.no. 13/18, Sukhsagar Nagar, Ira Banakar Shale Smor, Pune - 411046
5. Noticee No. 5 Sahindra Jagannath Bhawale (PAN No - AIAPB7130Q) (DIN No - 07352920) B/2/14, Nirman Classic, Katraj Kondhwa Road, Gokul Nagar, Pune 411046	6. Noticee No. 6 Arati Sahindra Bhawale (PAN No.- AMDPB7441B) (DIN No. - 07352922) B/2/14, Nirman Classic, Katraj Kondhwa Road, Gokul Nagar, Pune 411046





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Sub: Show Cause Notice under Sections 11B and 11(4) of the Securities and Exchange Board of India Act, 1992 in the matter of Vaishno Devi Dairy Products Limited (CIN: U15203PN2007PLC130147)

1. Securities and Exchange Board of India (hereinafter referred to as 'SEBI') received a complaint in the matter of Vaishno Devi Dairy Products Limited (hereinafter referred to as "**VDDPL**" or "**the Company**") with regard to issuance and default of Non-Convertible Debentures (NCDs) issued by VDDPL during the Financial Year (FY) 2013-14. The company was earlier also known by other names viz. Shubhi Agro Industries Limited / Sahindra Vaishno Devi Dairy Products Ltd.
2. SEBI sought information with respect to issuance of NCDs by VDDPL from Registrar of Companies, Pune, vide letters dated February 01, 2018, February 16, 2018, March 09, 2018 and April 23, 2018. SEBI also sought information from VDDPL vide letters dated September 13, 2017 and October 24, 2017. VDDPL vide letter dated November 02, 2017 sought some time to submit the requisite information. However, no further communication was received from the company in this regard despite various reminders vide letters dated November 08, 2017, December 08, 2017 and January 16, 2018 and email dated January 21, 2019. Since the company did not provide the information that was sought, SEBI officers visited the registered office of the company on March 11, 2019 and met the Managing Director of the Company (viz. Shri. Nandkishor Harikishan Attal). The Managing Director was asked to provide the requested information sought in the aforesaid SEBI letters and email in the matter. Shri Nandkishor Harikishan vide letter dated March 11, 2019 handed over the following during the meeting:
 - Letter dated January 23, 2019 of the company, addressed to SEBI.
 - Information memorandum related to the issuance, copy of Debenture Trustee Agreement.





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- Copy of one application form and copy of written submissions of the company made before the Hon'ble National Company Law Tribunal, Mumbai Bench with respect to the insolvency application filed by the debenture trustee.

Further, additional clarifications related to allotment of debentures were sought from the company vide emails dated March 19, 2019, March 29, 2019 and December 11, 2020 to which the company replied vide emails dated March 29, 2019, April 19, 2019, October 17, 2019 and December 14, 2020.

- From the replies submitted, it was *inter-alia* observed that during the period February 04, 2014 to March 31, 2014 VDDPL had issued Non-Convertible Debentures initially to Karvy Capital Limited ("**KCL**") and raised INR 25 crore. KCL further down-sold the NCDs allotted to it to 185 investors.
- In view of the same, an examination was conducted to ascertain whether the fund raising by VDDPL was in violation of Companies Act, 1956 and SEBI (Issue and Listing of Debt Securities) Regulations 2008 (hereinafter referred to as "**ILDS Regulations**"). [SEBI (Issue and Listing of Debt Securities) Regulations, 2008 have been repealed from the date of the coming in force of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 i.e. with effect from August 16, 2021.]
- The details of Directors and Promoters of VDDPL and their tenure since inception of VDDPL are as follows:

Sr. No.	Name of the directors	Present Residential Address	Current Designation	Date of appointment	Date of cessation
1	Nandkishor Harikishan Attal DIN – 00120538 PAN - ADBPA2424J	G-1, 7 TH floor, Padmavathinagar housing society, Dhankawadi, Pune - 411043	Managing Director/ Promoter	15/11/2007	-





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Sr. No.	Name of the directors	Present Residential Address	Current Designation	Date of appointment	Date of cessation
2	Mayura Nandkishor Attal DIN – 00120857 PAN - AESPA3803P	G-1, 7 TH floor, Padmavathinagar housing society, Dhankawadi, Pune - 411043	Director/ Promoter	15/11/2007	01/10/2010
				01/11/2013	27/07/2016
				08/03/2017	02/04/2018
3	Navneet Lal Kakani DIN – 01220258 PAN - AEDPK3670B	Flat No. E 89, 3 rd Floor, E building Padmavathi, Nagar Society, Dhankawadi, Pune - 411043	Managing Director	18/05/2007	15/11/2007
4	Mahesh Brij Gopal Bhattad DIN – 02358078 PAN - AIWPB7345K	G-1, 7 TH floor, Padmavathinagar housing society, Dhankawadi, Pune - 411043	Director	01/10/2010	01/11/2013
				30/09/2015	02/04/2018
5	Nilesh Shankar Indani DIN – 03271027 PAN - Not Available	Not Available	Not Available	01/10/2010	01/11/2013
6	Vasant Narayan Pinjan DIN – 07583533 PAN - ARNPP9853A	Flat No. 2, Rahul Apartment, S.no. 13/18, Sukhsagar Nagar, Ira Banakar Shale Smor, Pune - 411046	Director	27/07/2016	08/03/2017
7	Sahindra Jagannath Bhawale DIN – 07352920 PAN - AIAPB7130Q	B/2/14, Nirman Classic, Katraj Kondhwa Road, Gokul Nagar,	Director	02/04/2018	08/05/2018
8	Arati Sahindra Bhawale DIN – 07352922 PAN - AMDPB7441B	B/2/14, Nirman Classic, Katraj Kondhwa Road, Gokul Nagar,	Director	02/04/2018	08/05/2018

The data w.r.t. period of directorship of the directors of VDDPL have been compiled from various forms including Form 32, Form DIR-2, DIR-8, DIR-11 and DIR-12 filed by VDDPL with RoC.





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6. KCL vide email dated June 7, 2019 informed SEBI that IL&FS Trust Company Limited, Debenture Trustee for the said NCD issuances of the company, had filed application before Hon'ble National Company Law Tribunal ("NCLT"), Mumbai bench, for initiation of insolvency proceedings against the company. In this regard, KCL and the company vide emails dated October 17, 2019 *inter alia* informed that Hon'ble NCLT, Mumbai bench, vide its order dated September 03, 2019 has admitted the insolvency petition and has appointed an Interim Resolution Professional to carry out the functions as mentioned under Insolvency & Bankruptcy Code ("IBC").
7. After examination by SEBI, it was observed that VDDPL has made issuance of NCDs to more than 49 persons in F.Y. 2013-14 in violation of public issue norms laid out in Companies Act, 1956 and SEBI (Issue and Listing of Debt Securities) Regulations, 2008. As the NCDs issued by VDDPL in 2013-14 are *void-ab-initio* as the funds are raised by the company in an unlawful way without following public issue norms. Accordingly, SEBI has written to the Resolution Professional (RP) to cancel these NCDs and refund the monies on investors on priority after following due process under the applicable laws and regulations.
8. On examination of the submission by the VDDPL vide letters/email dated January 23, 2019, March 11, 2019, March 19, 2019, March 29, 2019, April 19, 2019 October 17, 2019 and December 14, 2020 the following is observed:
- 8.1. VDDPL allotted Non-Convertible Debentures (hereinafter referred to as "NCDs") during the financial year 2013-14. The details of said allotment are as under:

Financial Year	Date of allotment	Type	Initial Allotment	Down-sold to No. of Investors	Amount (in INR Crores)
2013-14	February	Non-	NCDs were	Karvy Capital	25





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	04, 2014 to March 31, 2014.	Convertible Debentures (NCDs)	initially allotted to Karvy Capital Limited	sold the NCDs to 185 investors	
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8.2. Details of down-selling of NCDs by Karvy Capital Limited in FY2013-14 is as under:

S. No.	No. of NCDs allotted by Karvy to investors	No. of investors	Date of Allotment by Company to Karvy	Dates of down selling by Karvy to investors
1	650	47	February 4, 2014	February 10 & 19, 2014
2	619	49	February 10, 2014	February 26, 2014
3	408	35	February 24, 2014	March 3, 10, 11 & 13, 2014
4	252	22	March 10, 2014	March 18 & 19, 2014
5	571	32	March 19, 2014	March 24 & 31, 2014
TOTAL	2500	185	-	-

8.3. An Information Memorandum ("IM") dated January 13, 2014 was issued by VDDPL for issuance of debentures on private placement basis. In terms of the IM, KCL was specified to act as Sole Book Runner and Lead Arranger and Karvy Computershare Private Limited as Registrar to the issue. The IM, *inter-alia*, provided the following

- Page 39 of the IM provided the following disclaimer clause:
'The issue is being made strictly on a private placement basis and is not intended to be circulated to more than 49 persons nor intended to be listed on a stock exchange at any time.'
- The role of the Sole Arranger in the assignment is confined to marketing and placement of the NCDs on the basis of IM. The IM also provides for use of IM by the sole arranger for the purpose of soliciting subscription from qualified institutional investors in the NCDs.





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- Minimum no. of NCDs to be applied for were to be 10 and in multiple of 1 NCD thereafter.

8.4. It is observed that the information memorandum pertaining to the issue contained a disclaimer clause which, *inter alia*, prohibited circulation of the IM to more than 49 persons. However, NCDs were issued to more than 49 investors in contravention to the terms set out in the IM.

8.5. VDDPL had filed Form 20B (form for Annual Return) for the financial year ending March 31, 2014 with Registrar of Companies ("RoC") which was digitally signed by its Managing Director i.e. Mr. Nandkishor Harikishan Attal. The aforesaid form enclosed a list of 185 debenture holders who were allotted NCDs of the company during the year which, *inter alia*, contain details of series, date of agreement with investors, total investments and DP ID of the investors.

8.6. Moreover, KCL vide its email dated June 7, 2019 *inter alia*, indicated that BENPOS statements reflecting the transfers to the buyers and recording the beneficial ownership of the debentures as on any particular date was regularly being submitted to VDDPL.

8.7. The extant modus/ scheme adopted by VDDPL and KCL, wherein it issued NCDs to KCL initially, which were then down sold to the public, is an 'offer of securities to the public' and part of a design to circumvent the regulatory framework for deemed public issue norms. This is substantiated by the fact that KCL received money from the investors in most of the cases before the series dates, and it further strengthens the impression that the NCDs were issued by VDDPL to KCL with a view to ultimately offer them to the public through the intermediation of KCL.





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- 8.8. Further, in the reply dated January 23, 2019 of VDDPL, it is *inter alia*, stated that the company was planning to opt for a public issue of securities to meet its fund requirements as well as timely redemption of the series of debentures thus allotted.
- 8.9. It is also observed that 'Debenture Holder Representative' is not a recognized intermediary either under the SEBI Act, any of the Regulations or the Companies Act, 1956/ Companies Act, 2013. In view of the same, the onus of ensuring that the number of allottees in a private placement does not breach the number prescribed under the Companies Act lies with the company issuing NCDs.
9. As per the submissions of the company, VDDPL has issued NCDs to KCL and raised INR 25 Crores that were down-sold by KCL to 185 investors (i.e. more than 49 persons) during FY 2013-14. As per Section 67(3) of Companies Act, 1956 and Hon. Supreme Court Judgement in the matter of Sahara, any issue of share or debentures to more than forty-nine persons would be deemed to be public issue even if the original issue is made as a private placement. Further, as per Section 25(2) of Companies Act, 2013, if the any offer or sale of shares and debentures is made to public within six months from the date of original allotment, then the original allotment will be termed as a public issue. In other words, if a company allots share or debentures on private placement basis, however, if the allottees sell the shares to public within six months of allotment then the original issue would be termed as a public issue. Therefore, reading Section 25(2) of Companies Act, 2013 with Section 67(3) of Companies Act, 1956, it is inferred that if that securities are sold to more than 49 persons within 6 months of original allotment, then the original allotment will be termed as deemed to be public issue.
10. In the instant case it is observed that in FY2013-14, VDDPL allotted NCDs amounting to INR 25 Crores to KCL. However, KCL down sold the NCDs to the public (185 investors) within six months from various dates of allotment by





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VDDPL to KCL. Therefore, in terms of Section 25 of the Companies Act, 2013 read with Section 67 of Companies Act 1956, the issue of NCDs by VDDPL in FY2013-14 is 'an issue of debentures, with a view of it being offered to the public' and thus, is 'deemed public issue'.

11. Section 56(1) and 56(3) read with section 56(4) of the Companies Act, 1956 imposes the liability on the company, every director, and other persons responsible for the prospectus for the compliance of the said provisions. The liability for non-compliance of Section 60 of the Companies Act, 1956 is on the company and every person who is a party to the non-compliance of issuing the prospectus as per the said provision. In view of the same, it is alleged that:

- 11.1. Company failed to make disclosures in the Prospectus and attach abridged prospectus as prescribed under Section 56(1) and 56(3) of the Companies Act, 1956.
- 11.2. Company did not file any prospectus with ROC as prescribed under Section 60 of the Companies Act, 1956.
- 11.3. Company did not obtain prior approval of the Stock Exchanges to get their securities listed and failed to return the money to the investors as required under Section 73 of the Companies Act, 1956 read with Section 40 of Companies Act, 2013.
- 11.4. Company failed to comply with the public issue requirements specified in SEBI (ILDS) Regulations, 2008.

12. The relevant regulatory provisions alleged to have been violated by the Noticees are as follows:

I. Companies Act, 1956:

"2. DEFINITIONS

In this Act, unless the context otherwise requires, -

...

(36) "prospectus" means any document described or issued as a





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prospectus and includes any notice, circular, advertisement or other document inviting deposits from the public or inviting offers from the public for the subscription or purchase of any shares in, or debentures of, a body corporate;"

"5. MEANING OF "OFFICER WHO IS IN DEFAULT"

For the purpose of any provision in this Act which enacts that an officer of the company who is in default shall be liable to any punishment or penalty, whether by way of imprisonment, fine or otherwise, the expression "officer who is in default" means all the following officers of the company, namely:

- (a) the managing director or managing directors;*
- (b) the whole-time director or whole-time directors;*
- (c) the manager;*
- (d) the secretary;*
- (e) any person in accordance with whose directions or instructions the Board of directors of the company is accustomed to act;*
- (f) any person charged by the Board with the responsibility of complying with that provision:*

Provided that the person so charged has given his consent in this behalf to the Board;

(g) where any company does not have any of the officers specified in clauses (a) to (c), any director or directors who may be specified by the Board in this behalf or where no director is so specified, all the directors:

Provided that where the Board exercises any power under clause (f) or clause (g), it shall, within thirty days of the exercise of such powers, file with the Registrar a return in the prescribed form.

Section 67 of the Companies Act, 1956

CONSTRUCTION OF REFERENCES TO OFFERING SHARES OR DEBENTURES TO





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67(1) Any reference in this Act or in the articles of a company to offering shares or debentures to the public shall, subject to any provision to the contrary contained in this Act and subject also to the provisions of sub-sections (3) and (4), be construed as including a reference to offering them to any section of the public, whether selected as members or debenture holders of the company concerned or as clients of the person issuing the prospectus or in any other manner.

(2) Any reference in this Act or in the articles of a company to invitations to the public to subscribe for shares or debentures shall, subject as aforesaid, be construed as including a reference to invitations to subscribe for them extended to any section of the public, whether selected as members or debenture holders of the company concerned or as clients of the person issuing the prospectus or in any other manner.

(3) No offer or invitation shall be treated as made to the public by virtue of sub-section (1) or sub-section (2), as the case may be, if the offer or invitation can properly be regarded, in all the circumstances-

(a) as not being calculated to result, directly or indirectly, in the shares or debentures becoming available for subscription or purchase by persons other than those receiving the offer or invitation; or

(b) otherwise as being a domestic concern of the persons making and receiving the offer or invitation ...

Provided that nothing contained in this sub-section shall apply in a case where the offer or invitation to subscribe for shares or debentures is made to fifty persons or more:





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Provided further that nothing contained in the first proviso shall apply to non-banking financial companies or public financial institutions specified in section 4A of the Companies Act, 1956 (1 of 1956)."

"Supreme Court Judgement in the matter of Sahara

.....85. The first proviso to Section 67(3) was inserted by the Companies (Amendment) Act, 2000 w.e.f. 13.12.2000, which clearly indicates, nothing contained in Sub-section (3) of Section 67 shall apply in a case where the offer or invitation to subscribe for shares or debentures is made to fifty persons or more. Resultantly, after 13.12.2000, any offer of securities by a public company to fifty persons or more will be treated as a public issue under the Companies Act, even if it is of domestic concern or it is proved that the shares or debentures are not available for subscription or purchase by persons other than those receiving the offer or invitation....

90. I may, therefore, indicate, subject to what has been stated above, in India that any share or debenture issue beyond forty nine persons, would be a public issue attracting all the relevant provisions of the SEBI Act, regulations framed thereunder, the Companies Act, pertaining to the public issue. ..."

"Section 25 of the Companies Act, 2013 [which came into effect from September 12, 2013, except Section 25(3)] (Corresponding Section 64 of Companies Act, 1956)

25. Document containing offer of shares or debentures for also to be deemed prospectus.





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(1) Where a company allots or agrees to allot any shares in or debentures of the company with a view to all or any of those shares or debentures being offered for sale to the public, any document by which the offer for sale to the public is made shall, for all purposes, be deemed to be a prospectus issued by the company; and all enactments and rules of law as to the contents of prospectuses and as to liability in respect of statements in and omissions from prospectuses, or otherwise relating to prospectuses, shall apply with the modifications specified in sub- sections (3), (4) and (5), and have effect accordingly, as if the shares or debentures had been offered to the public for subscription and as if persons accepting the offer in respect of any shares or debentures were subscribers for those shares or debentures, but without prejudice to the liability, if any, of the persons by whom the offer is made in respect of misstatements contained in the document or otherwise in respect thereof.

(2) For the purposes of this Act, it shall, unless the contrary is proved, be evidence that an allotment of, or an agreement to allot, shares or debentures was made with a view to the shares or debentures being offered for sale to the public if it is shown-

(a) that an offer of the shares or debentures or of any of them for sale to the public was made within six months after the allotment or agreement to allot; or

(b) that at the date when the offer was made, the whole consideration to be received by the company in respect of the shares or debentures had not been received by it.”

“Section 40 of the Companies Act, 2013 which is effective from September 12, 2013, except for Section 40(6)] (Corresponding provision - Section 73 of the Companies Act, 1956)





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40. (1) Every company making public offer shall, before making such offer, make an application to one or more recognised stock exchange or exchanges and obtain permission for the securities to be dealt with in such stock exchange or exchanges.

(2) Where a prospectus states that an application under sub-section (1) has been made, such prospectus shall also state the name or names of the stock exchange in which the securities shall be dealt with.

(3) All monies received on application from the public for subscription to the securities shall be kept in a separate bank account in a scheduled bank and shall not be utilised for any purpose other than—

(a) for adjustment against allotment of securities where the securities have been permitted to be dealt with in the stock exchange or stock exchanges specified in the prospectus; or

(b) for the repayment of monies within the time specified by the Securities and Exchange Board, received from applicants in pursuance of the prospectus, where the company is for any other reason unable to allot securities....”

“Section 60 of the Companies Act, 1956 read with Section 2(36) of Companies Act, 1956

60. REGISTRATION OF PROSPECTUS

(1) No prospectus shall be issued by or on behalf of a company or in relation to an intended company unless, on or before the date of its publication, there has been delivered to the Registrar for registration a copy thereof signed by every person who is named therein as a director or proposed





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director of the company or by his agent authorised in writing, and having endorsed thereon or attached thereto -

(a) any consent to the issue of the prospectus required by section 58 from any person as an expert ; and

(b) in the case of a prospectus issued generally, also -

(i) a copy of every contract required by clause 16 of Schedule II to be specified in the prospectus, or, in the case of a contract not reduced into writing, a memorandum giving full particulars thereof; and

(ii) where the persons making any report required by Part II of that Schedule have made therein, or have, without giving the reasons, indicated therein, any such adjustments as are mentioned in clause 32 of that Schedule, a written statement signed by those persons setting out the adjustments and giving the reasons therefor.

(2) Every prospectus to which sub-section (1) applies shall, on the face of it,

-

(a) state that a copy has been delivered for registration as required by this section; and

(b) specify any documents required by this section to be endorsed on or attached to the copy so delivered, or refer to statements included in the prospectus which specify those documents.

(3) The Registrar shall not register a prospectus unless the requirements of sections 55, 56, 57 and 58 and subsections (1) and (2) of this section have been complied with and the prospectus is accompanied by the consent in writing of the person, if any, named therein as the auditor, legal adviser, attorney, solicitor, banker or broker of the company or intended company, to act in that capacity.





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(4) No prospectus shall be issued more than ninety days after the date on which a copy thereof is delivered for registration; and if a prospectus is so issued, it shall be deemed to be a prospectus a copy of which has not been delivered under this section to the Registrar.

(5) If a prospectus is issued without a copy thereof being delivered under this section to the Registrar or without the copy so delivered having endorsed thereon or attached thereto the required consent or documents, the company, and every person who is knowingly a party to the issue of the prospectus, shall be punishable with fine which may extend to fifty thousand rupees. sign the prospectus depending on the circumstances of each case.

Section 56 of the Companies Act, 1956 (Corresponding provision – Section 33(1) of the Companies Act, 2013 which is effective from September 12, 2013) read with Section 23(1) of the Companies Act, 2013 (Effective from September 12, 2013)

56. MATTERS TO BE STATED AND REPORTS TO BE SET OUT IN PROSPECTUS

(1) Every prospectus issued -

(a) by or on behalf of a company, or

(b) by or on behalf of any person who is or has been engaged or interested in the formation of a company, shall state the matters specified in Part I of Schedule II and set out the reports specified in Part II of that Schedule; and the said Parts I and II shall have effect subject to the provisions contained in Part III of that Schedule.

(2) A condition requiring or binding an applicant for shares in or debentures of a company to waive compliance with any of the requirements of this





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section, or purporting to affect him with notice of any contract, document or matter not specifically referred to in the prospectus, shall be void.

(3) No one shall issue any form of application for shares in or debentures of a company, unless the form is accompanied by a memorandum containing such salient features of a prospectus as may be prescribed which complies with the requirements of this section:

Provided that a copy of the prospectus shall, on a request being made by any person before the closing of the subscription list, be furnished to him:

Provided further that this sub-section shall not apply if it is shown that the form of application was issued either -

(a) in connection with a bona fide invitation to a person to enter into an underwriting agreement with respect to the shares or debentures ; or

(b) in relation to shares or debentures which were not offered to the public.

If any person acts in contravention of the provisions of this sub-section, he shall be punishable with fine which may extend to fifty thousand rupees.

(4) A director or other person responsible for the prospectus shall not incur any liability by reason of any noncompliance with, or contravention of, any of the requirements of this section, if -

(a) as regards any matter not disclosed, he proves that he had no knowledge thereof ; or

(b) he proves that the non-compliance or contravention arose from an honest mistake of fact on his part ; or

(c) the non-compliance or contravention was in respect of matters which, in the opinion of the Court dealing with the case, were immaterial, or was otherwise such as ought, in the opinion of that Court, having regard to all the circumstances of the case, reasonably to be excused :

Provided that no director or other person shall incur any liability in respect of the failure to include in a prospectus a statement with respect to the matters





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specified in clause 18 of Schedule II, unless it is proved that he had knowledge of the matters not disclosed.

...

A public company may issue securities to public through prospectus by complying with the provisions of Part I (sections 23 to 41) of Chapter III of Companies Act, 2013. Further, as per section 33 (1) of the Companies Act, 2013, "No form of application for the purchase of any of the securities of a company shall be issued unless such form is accompanied by an abridged prospectus....."

"Section 117C of the Companies, Act 1956

LIABILITY OF COMPANY TO CREATE SECURITY AND DEBENTURE REDEMPTION RESERVE

(1) Where a company issues debentures, it shall create a debenture redemption reserve for the redemption of such debentures, to which adequate amounts shall be credited, from out of its profits every year until such debentures are redeemed."

"SEBI (Issue and Listing of Debt Securities), Regulation, 2008 (ILDS Regulations)

- (i) Regulation 4(2)(a) – Application for listing of debt securities*
- (ii) Regulation 4(2)(b) – In-principle approval for listing of debt securities*
- (iii) Regulation 4(2)(c) – Credit rating has been obtained*
- (iv) Regulation 5(2)(b) – Disclosure requirements in the Offer Document*
- (v) Regulation 6 – Filing of draft Offer Document*
- (vi) Regulation 7 – Mode of disclosure of Offer Document*
- (vii) Regulation 8 – Advertisements for Public Issues*
- (viii) Regulation 9 – Abridged Prospectus and application forms*





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- (ix) Regulation 12 – Minimum subscription
- (x) Regulation 14 – Prohibition of mis-statements in the Offer Document
- (xi) Regulation 15 – Trust Deed
- (xii) Regulation 16(1) – Debenture Redemption Reserve
- (xiii) Regulation 17 – Creation of security
- (xiv) Regulation 19 – Mandatory Listing
- (xv) Regulation 26 – Obligations of the Issuer, etc.”

It may be noted that SEBI (Issue and Listing of Debt Securities) Regulations, 2008 have been replaced by SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021

13. In view of above, Noticees No. 1 to 6 are hereby called upon to show cause as to why appropriate direction(s) including debarment from accessing securities market for a period of at least 2 years, under Sections 11B and 11(4) of SEBI Act, 1992, should not be issued against them for the alleged violations.
14. This notice is without prejudice to the rights of SEBI to issue a supplementary notice and to initiate any other proceedings/actions for the aforesaid violations in terms of the SEBI Act and rules or regulations made there under.
15. The written submissions, if any, of the Noticees should reach the undersigned, at the address given below and at mukuls@sebi.gov.in and trivikramn@sebi.gov.in (in MS-Word format) within 21 days from the date of receipt of this notice, failing which it shall be construed that Noticees have no reply to submit and SEBI shall be free to proceed with on the basis of documents available on record in terms of the provisions of SEBI Act and other applicable laws.

**Securities and Exchange Board of India
SEBI Bhawan I, Plot No. C-4, G Block,**





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Board of India**

Bandra Kurla Complex, Bandra (E), Mumbai – 400 051

E-mail: mukuls@sebi.gov.in

16. The noticees may also indicate in their reply, whether they are desirous of a personal hearing before the Quasi-Judicial Authority, SEBI.
17. The Noticees are further advised to keep SEBI informed about the change in their correspondence address, if any, and provide updated email ID and phone numbers, till the proceedings in the extant matter are complete.
18. You are also advised to submit a photocopy of your Income Tax Permanent Account Number Card (PAN card), bank account details, demat account details, mutual fund investment details, etc. alongwith details of other moveable and immovable assets for our records.
19. You may also note that a settlement mechanism is provided under the SEBI (Settlement Proceedings) Regulations, 2018. If you wish to opt for the settlement process, you may apply for the same in the manner given in the aforesaid regulations under intimation to the undersigned. Further, it may be noted that filing of settlement application does not confer any right to seek the settlement of the proceedings.
20. All documents relied upon in the notice have been annexed as per the list of enclosures.

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**Mukul Shukla
Deputy General Manager**





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Enclosures:

Annexure No.	Particulars
1.	Document available on MCA21 portal and information provided by RoC-Pune: Form 20B (2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2013-14), MGT 7 (2014-15, 2015-16), Form 32 (for resolutions dated 15/11/2007, 01/09/2011) Form 12 (for resolutions dated 27/07/2016, 01/04/2018) Form 11 (dated 08/03/2017) and Certificate of Incorporation.
2.	Copy of Complaint received by SEBI
3.	Copy of reply of Vaishno Devi Dairy Products Limited dated January 23, 2019, March 11, 2019, March 29, 2019, April 19, 2019, October 17, 2019 and December 14, 2020
4.	Copy of KCL reply dated October 05, 2018, October 17, 2018, April 24, 2019, May 14, 2019, June 07, 2019, October 17, 2019, November 13, 2019
5.	Copy of Debenture Trustee Agreement
6.	Copy of the statement of the bank account indicating transfer of funds from KCL to SVDDPL for subscription of debentures
7.	Copy of Demat transaction statement of KCL for the relevant period
8.	Copy of statement of collection of funds from the public.
9.	Copy of Vistra (ITCL) India emails dated July 20, 2020, July 28, 2020, August 04, 2020 and December 03, 2020.
10.	Copy of Hon'ble NCLT, Mumbai bench, order dated September 03, 2019 admitting insolvency petition.

Note: All the above annexures are enclosed as soft copies with the CD attached with the notice.

