

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

ORDER

UNDER SECTION 11B OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 FOR NON-REDRESSAL OF INVESTOR GRIEVANCES.

In respect of:-

Company	Directors
West Coast Breweries and Distilleries Ltd	1. Mr. Lal Goel 2. Mr. Avi Prakash Mittal 3. Mr. Virendra Kumar Singh

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1. SEBI vide circular no. CIR/OIAE/2/2011 dated June 3, 2011 advised all listed companies and the stock exchanges about the commencement of the process of resolution of investor complaints in the SEBI Complaints Redress System (SCORES), which is an online mechanism. The online electronic centralized database was meant for receiving complaints and moving it online to the concerned listed companies for resolution of complaints and uploading the action taken report by the companies so as to be accessible to the investors online. The said circular was issued in exercise of powers conferred under section 11(1) of the SEBI Act, 1992 to protect the interests of investors in securities market and to promote the development of, and to regulate the securities market. Subsequently, vide another circular no. CIR/OIAE/1/2012 dated August 13, 2012, SEBI advised all companies whose securities are listed on stock exchanges to obtain SCORES authentication by September 14, 2012 in terms of the aforesaid circular. The circular further directed listed companies to take appropriate steps within seven days of receipt of complaints through SCORES in terms of the aforesaid circular, so as to resolve the complaint/s within thirty days of its receipt.
 2. West Coast Breweries and Distilleries Ltd (hereinafter referred to as noticee / company) having its registered office at D-264, TTC complex, C wing, Vashi Plaza, Sector 17, Vashi, Navi Mumbai did not resolve investor complaints within the time period specified in the aforementioned circular.

3. As several companies, including the noticee, did not obtain SCORES authentication within the time period specified in the aforementioned circular, a public notice was issued by SEBI, on January 13, 2013, in Times of India, advising *inter alia* companies to obtain SCORES authentication within seven days from the date of the advertisement, failing which SEBI would be constrained to initiate appropriate enforcement actions. The noticee company still failed to obtain SCORES authentication. It was also observed that twenty six investor complaints were pending against the noticee company as not addressed
4. Since the noticee failed to redress pending investor grievances, SEBI issued Show Cause Notices (SCNs) dated August 20, 2014 to the company and its three directors namely, Mr. Lal Goel, Mr. Avi Prakash Mittal and Mr. Virendra Kumar Singh calling upon them to show cause as to why suitable directions including direction to restrain them from accessing the securities market for a specified period should not be passed against them under section 11B of the SEBI Act, 1992. The SCNs issued to the company and three directors were sent through Speed Post Acknowledgement Due. However, the SCNs returned undelivered. Thereafter, SCNs issued to the company and the three directors were affixed at the last address available.
5. Though the company and its three directors failed to file any reply to the SCN, an opportunity of personal hearing was granted to them on February 1, 2017 in order to comply with the principles of natural justice. Notice to the effect of issuance of granting of opportunity of personal hearing on February 1, 2017 was published in Times of India (English) and Sakal (Marathi) on January 11, 2017. However, the noticee company and its directors chose not to appear for the personal hearing on the scheduled date.
6. I note that the noticee company and its directors have not submitted any written reply to the SCN issued. As a result, SEBI had to resort to publication of newspaper advertisement, which has also not met with any response. Clearly the noticee company and its directors have not shown any keenness to avail the opportunity of personal hearing too. In view of these facts and circumstances, I deem it appropriate to decide the matter on the basis of the material available on record.
7. Further, I note that the noticee company has failed to redress 26 investor grievances pending against the company. The non redressal of investor grievances is a breach of the provisions of SEBI Act, 1992. It adversely affects the confidence of investors in securities market. The authentication on the electronic platform introduced specifically for this purpose as an investor

protection measure by SEBI has to be meticulously followed by all the listed companies. Any lapse in the basic compliance by the listed companies in this regard would defeat the purpose of such efforts adopted by the regulator under the provisions of section 11 of the SEBI Act, 1992, to advance the interest of the investors and the securities market. The noticee company and its directors are thus under an obligation to redress all investor complaints in terms of the advice/directions of SEBI. However, the noticee company and its directors have not shown any inclination to resolve the investor grievances and in spite of repeated advice of SEBI, the said investor grievances are pending till date.

8. In view of the foregoing, I am of the view that it is a fit case to issue appropriate directions under section 11B of the SEBI Act, 1992 against West Coast Breweries and Distilleries Ltd, Mr. Lal Goel, Mr. Avi Prakash Mittal and Mr. Virendra Kumar Singh as contemplated in the SCNs. I, therefore, in exercise of the powers conferred upon me under section 19 of the SEBI Act read with sections 11 and 11B thereof, hereby restrain and prohibit West Coast Breweries and Distilleries Ltd, Mr. Lal Goel, Mr. Avi Prakash Mittal and Mr. Virendra Kumar Singh from accessing the securities market and from buying, selling or dealing in securities, directly or indirectly, in whatsoever manner, till the company resolves all the investor grievances pending against them.
9. This Order shall come into force with immediate effect. A copy of this Order shall also be served upon the depositories and stock exchanges for necessary action.

Date: September 22, 2017

Place: Mumbai

G. MAHALINGAM

WHOLE TIME MEMBER

SECURITIES AND EXCHANGE BOARD OF INDIA