

SECURITIES AND EXCHANGE BOARD OF INDIA
SETTLEMENT ORDER

| SETTLEMENT APPLICATION NUMBER | NAME OF THE APPLICANT | PAN |
|-------------------------------|---|------------|
| 7108/2023 | Milkfood Limited | AAACM5913B |
| 7109/2023 | Shiv Muskan Investments Private Limited | AAKCS2479L |
| 7111/2023 | Dhanvani Investments Private Limited | AACCD4615R |

In the matter of Milkfood Limited

1. M/s Milkfood Limited, M/s Shiv Muskan Investments Private Limited and M/s Dhanvani Investments Private Limited (hereinafter collectively referred to as “**Applicants**”) i.e. the Company and its erstwhile promoters filed separate *suo motu* settlement applications (hereinafter collectively referred to as “**Applications**”) in terms of the SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as “**Settlement Regulations**”) proposing to settle by neither admitting nor denying any conclusion of law, the enforcement proceedings that may be initiated against them, for the violations as detailed below:

- a. Applicant no. 1 (M/s Milkfood Limited)- Clause 35 of the Listing Agreement and Regulation 31 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “**LODR Regulations**”)
- b. Applicant no. 2 (M/s Shiv Muskan Investments Private Limited)- Regulation 30 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 (hereinafter referred to as “**SAST Regulations, 2011**”) and,



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- c. Applicant no. 3 (M/s Dhanvani Investments Private Limited)- Regulation 8 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997 (hereinafter referred to as “**SAST Regulations, 1997**”), Regulation 30 of SAST Regulations, 2011 and Regulation 7(1)(a) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as “**PIT Regulations**”).

2. Issues in respect of Applicant no. 1

2.1 In the shareholding pattern filed in the quarter ending September, 2022, Applicant no. 1 disclosed only Mr. Karamjit Jaiswal, Ms. Roshni Sanah Jaiswal, M/s Blue Skies Investments Private Limited and M/s Snowwhite Holdings Private Limited as promoters or members of the promoter group.

2.2 In terms of Regulation 2(pp)(iv)(A) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (hereinafter referred to as “**SEBI ICDR Regulations, 2018**”), Mrs. Shakun Jaiswal- wife of the promoter; Mr. Karamjit Jaiswal, M/s J Housing Private Limited, M/s Shiv Muskan Investments Private Limited (Applicant no.2) and M/s Dhanvani Investments Private Limited (Applicant no. 3) were qualified to be part of the promoter group of Applicant no. 1 but were not disclosed as part of the promoter group by Applicant no.1 in the shareholding patterns filed by it from the financial year 2006-07 till the quarter ending December, 2022 resulting in the violation of Clause 35 of the erstwhile Listing Agreement and Regulation 31 of LODR Regulations.

2.3 Applicant no. 1 filed revised disclosures of their shareholding patterns, in the quarter ending December, 2022, by including the names of the entities not shown earlier as part of its promoter group. 



3. Issues in respect of Applicant no. 2

3.1 Applicant no. 2 (M/s Shiv Muskan Investments Private Limited) acquired 1,10,000 equity shares (2.25%) of Applicant no. 1 during the financial year 2006-07. Later, during the financial year 2017-18, Mr. Kishore Gidwaney who is the brother of Mrs. Shakun Jaiswal (wife of promoter Mr. Karamjit Jaiswal) acquired a 33% shareholding in Applicant no. 2 and consequently, became a part of the promoter group of Applicant no. 1 and further by virtue of his more than 20% shareholding in Applicant no. 2, in terms of Regulation 2(pp)(iv)(A) of the SEBI ICDR Regulations, 2018, Applicant no. 2 also became part of the promoter group of Applicant no. 1.

3.2 As a result of the Rights Issue in the month of September 2022, the shareholding of Mr. Kishore Gidwaney dropped to 4.35% in Applicant no. 2. Thus, after September, 2022, Applicant no. 2 no longer falls within the ambit of the promoter group as defined under Regulation 2(pp)(iv)(A) of the SEBI ICDR Regulations, 2018.

3.3 However, Applicant no. 2, being the member of the promoter group of Applicant no. 1 was obliged to make continual disclosures under Regulation 30 of the SAST Regulations, 2011 from the financial year 2017-18 till the quarter ending September, 2022, which it failed to do.

4. Issues in respect of Applicant no. 3

4.1 Applicant no. 3 (M/s Dhanvani Investments Private Limited), acquired 5,60,861 equity shares (11.48%) of Applicant no. 1 during the financial year 2006-07. During the financial year 2007-08; Mr. Dhanraj Gidwaney who is the brother of Mrs. Shakun Jaiswal (wife of promoter Mr. Karamjit Jaiswal) and Mr. Kishore Gidwaney, acquired a 23% shareholding in Applicant no. 3 which was later transferred to Mr. Kishore Gidwaney in the month of February, 2019. Consequently, Mr. Dhanraj Gidwaney and Mr. Kishore Gidwaney became a part of the promoter group of Applicant no. 1. Further



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by virtue of their more than 20% shareholding in Applicant no. 3, in terms of Regulation 2(pp)(iv)(A) of the SEBI ICDR Regulations, 2018, Applicant no. 3 thus also became part of the promoter group of Applicant no. 1

4.2 Subsequently, as a result of the Rights Issue in the month of September 2022, the shareholding of Mr. Kishore Gidwaney dropped to 2.65% in Applicant no. 3. Thus, after September, 2022, Applicant no. 3 no longer fell within the ambit of the promoter group as defined under Regulation 2(pp)(iv)(A) of the SEBI ICDR Regulations, 2018.

4.3 However, Applicant no. 3, being the member of the promoter group of Applicant no. 1, it was obliged to make continual disclosures under Regulation 8 of SAST Regulations, 1997, Regulation 30 of the SAST Regulations, 2011 and initial disclosure requirements under Regulation 7(1)(a) of the PIT Regulations, 2015 from the financial year 2006-07 till the quarter ending September, 2022, which it failed to do.

4. In view of the aforesaid facts, the Applicants have filed the present Applications for the purpose of settling the proceedings that may be initiated against them for the said non-compliances.
5. Pursuant to the receipt of the Applications, the authorized representatives of the Applicants had a meeting with the Internal Committee of SEBI on March 21, 2023 wherein the issues detailed above were deliberated along with the terms of the settlement pursuant to which the Applicants proposed revised settlement terms vide email dated March 24, 2023.
6. The High Powered Advisory Committee in its meeting held on June 17, 2023, considered the revised settlement terms proposed by the Applicants and recommended the case for settlement upon payment of ₹7,25,000 (Rupees Seven Lakh Twenty Five Thousand only) by Applicant no.1 and ₹3,00,000 (Rupees Three Lakh only) each by Applicant no. 2 and Applicant no. 3. The recommendation of the HPAC was accepted by the Panel of WTMs on July 05, 2023. Subsequently, notice of demand was issued to the Applicants who




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informed about the remittance of the aforesaid settlement amounts and SEBI has confirmed credit of the same.

7. On the basis of the facts stated above, in exercise of the powers conferred under Section 15JB read with Section 19 of the Securities and Exchange Board of India Act, 1992 and in terms of Regulations 23 read with Regulation 28 of the Settlement Regulations, it is hereby ordered that any proceedings that may be initiated for the violations as mentioned at paragraph 1 are settled in respect of the Applicants on the following terms:
- i. SEBI shall not initiate any enforcement action against the Applicants for the said violations, and
 - ii. passing of this Order is without prejudice to the right of SEBI under Regulation 28 of the Settlement Regulations to initiate appropriate action against the Applicants, if SEBI finds that:
 - (a) any representation made by the Applicants in the present settlement proceedings is subsequently found to be untrue;
 - (b) the Applicants have breached any of the clauses/ conditions of undertakings/ waivers filed during the present settlement proceedings; and
 - (c) there was a discrepancy while arriving at the settlement terms.
8. This Settlement Order is passed on this 30th day of August, 2023 and shall come into force with immediate effect.
9. In terms of Regulation 25 of the Settlement Regulations, a copy of this Order shall be sent to the Applicant and shall also be published on the website of SEBI.


ASHWANI BHATIA
WHOLE TIME MEMBER




ANANTH NARAYAN G.
WHOLE TIME MEMBER