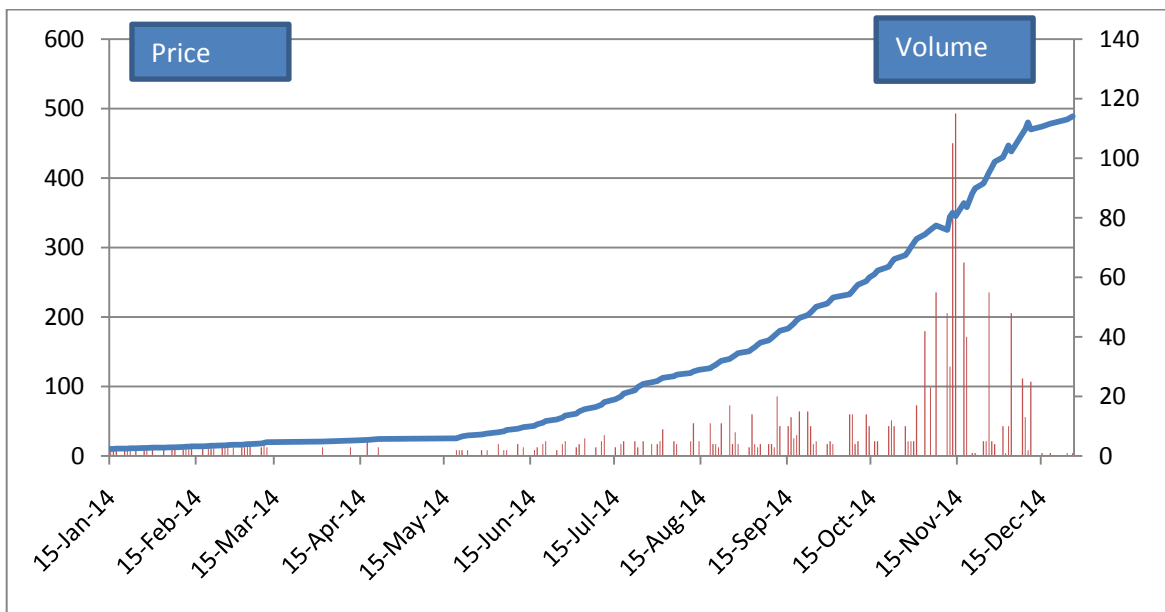


SECURITIES AND EXCHANGE BOARD OF INDIA

EX-PARTE AD- INTERIM ORDER**UNDER SECTIONS 11(1), 11(4) AND 11B OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 IN THE MATTER OF KAMALAKSHI FINANCE CORP. LTD..**

1. Pursuant to detection of a huge rise in the price of the shares of Kamalakshi Finance Corp. Ltd {hereinafter referred to as "KFCL"} on Bombay Stock Exchange Ltd. ("BSE"), Securities and Exchange Board of India ("SEBI") conducted a preliminary inquiry in the dealings in the scrip of KFCL during the period from January 15, 2014 to December 26, 2014 (hereinafter referred to as "examination period").
2. It was noticed that during the examination period, the price of the scrip of KFCL rose from ₹10.20/- to ₹ 489/, i.e. an increase of 4694% (48 times) in 150 trading days. During the entire examination period, the total traded volume in KFCL was only 1385 shares as against total 2,83,90,000 subscribed shares . Despite such an insignificant volume, the price rise observed was very significant. An illustration of the price/volume movement in the scrip of KFCL during the examination period and afterwards is given below:

Chart - I : Price-volume movement in the scrip of Kamalakshi

3. As on September 30, 2013, KFCL had a share capital of ₹5,00,000 comprising 50,000 equity shares of ₹10/- each. On November 09, 2013, KFCL made a preferential allotment of 82,90,000 equity shares on preferential basis to 42 entities at the price of ₹12/- per share (hereinafter referred to as the "1st preferential allotment"). Thereafter, on February 17, 2014, it made another preferential allotment of 1,48,50,000 equity shares to 49 entities at the price of ₹13/- per share (hereinafter referred to as the "2nd preferential allotment"). On June 24, 2014, it made another preferential allotment of 52,00,000 equity shares to 46 entities at the price of ₹25/- per share (hereinafter referred to as the "3rd preferential allotment"). Thus, in total, KFCL allotted 2,83,40,000 equity shares to 137 persons/entities. The details of the 137 preferential allottees in the aforesaid 3 allotments are provided in **Annexure A**. Consequent to these actions, in a span of less than one year, the paid up share capital of KFCL increased to ₹2,83,90,000 comprising 2,83,90,000 shares (i.e. an increase of 2,83,40,000 shares) as on June 30, 2014. The equity shares allotted on preferential basis to aforesaid allottees during the first 2 allotments were locked-in for a period of one year i.e. up to December 08, 2014 and March 20, 2015 respectively in accordance with the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. Further, out of 52,00,000 equity shares allotted during the 3rd preferential allotment, 48,40,000 shares were locked-in up to July 31, 2015 and 3,60,000 shares were locked-in up to July 31, 2017.
4. From the Annual Reports of KFCL for financial year ("FY") 2011-12, FY 2012-13 and FY 2013-14,, it was observed that it is in the business of financing and investment activities and it had earned profits of ₹97198/-, ₹33632/- and (₹31,18,692/-), respectively and the earning per shares ("EPS") for the said financial years were ₹1.94/-, ₹0.67/- and -₹0.13/- respectively. During the examination period there was no material corporate announcement made by KFCL which could support such price rise in its scrip. Thus, the sharp rise in the price of the scrip of KFCL during the examination period was not supported by its fundamentals or any other genuine factor. Strangely, in spite of such fundamentals KFCL was able to garner funds aggregating to ₹42,40,30,000/- from aforesaid 137 entities. Investment in a company having such poor and meagre fundamentals cannot *prima facie* be termed as a rational investment behaviour. Such investments, as in this case, normally could be made if the allottees had a nexus with KFCL and its directors/promoters and the issue of these shares was under a prior arrangement between them.
5. It was observed that within a short period after the 1st preferential allotment, a significant increase in the price of the scrip took place which continued during the period of lock in of the shares allotted to the preferential allottees. Further, two more preferential allotments were made while price in the scrip was increasing continuously. Considering the fact that prior to

the preferential allotments, trading in the scrip of KFCL occurred rarely, the increase in the price during the period after the 1st preferential allotment with a very low average daily volume was found to be substantial and abnormal. In light of the above, in order to observe the price volume behaviour of the scrip, the trading in the scrip was analysed in two patches with a focus on the following:-

- The trading frequency;
 - The volume generated;
 - Contribution to price rise;
 - Buying behaviour as observed from Last Traded Price ("LTP") data
6. On analysis of trading activity in the scrip of KFCL, it was observed that, during the examination period, a particular group of entities were primarily involved in pushing the price up (when the shares allotted in preferential allotments were subject to lock-in and even pursuant to the release of lock-in on shares issued in the 1st preferential allotment) mainly by contributing to positive LTP with negligible order quantity.
 7. During the examination period, the scrip of KFCL opened at ₹10.20 on January 15, 2014 and rose to a high of ₹489 on December 26, 2014. It was observed that during this period, the scrip was traded with an average volume of around 9 shares per day and total volume of 1385 shares in 150 trading days. It was also observed that during this period, certain entities by putting 2, 3 or 4 trades per day with negligible quantity of buy orders contributed significantly to the price rise. On analysis of LTP data, it was noted that price of the scrip of KFCL increased from ₹10.20 to ₹489 mainly through first trades.
 8. On analysis of trading activity during the examination period, it was revealed that certain entities related/connected to KFCL were operating in the scrip as a group (hereinafter referred to as "*Kamalakshi group*"). These entities were observed to be connected/related to each other by virtue of common address, e-mail ID and off-market transactions etc. In addition thereto, direct/ indirect relationships were also noticed among these entities through Know Your Client (KYC) details, bank statements and information available on the Ministry of Corporate Affairs ("MCA") website. Further, certain other clients (hereinafter referred to as "*suspected entities*") were also observed to be trading in the scrip of KFCL during the examination period contributing significantly to the price rise in the scrip. List of these entities hereinafter collectively referred to as the "*Kamalakshi group & suspected entities*" is provided below:

Table I: Particulars of Kamalakshi group & suspected entities and the basis of connection.

Sr No	Client Name	Client PAN	Basis of connection
Kamalakshi Group			
1	JAYPRAKASH DHANRAJ BOHRA	AACPB3214B	<ul style="list-style-type: none"> Sr No. 1 has traded in off market with KFCL in the scrip of Ojas Asset Reconstruction Company Ltd
2	CHANDADEV AGRAWAL	ABGPA4839A	<ul style="list-style-type: none"> Sr No. 2 & 3 have same address and same phone no. Sr No. 2 has traded off market with Rupak developers in the scrip of Ojas Asset Reconstruction Company Ltd and as per the information provided by KFCL and details of bank account in Axis Bank, Mumbai branch having account no. 913020047778158, it has received/transferred funds from / to Rupak developers.
3	BIMAL AGRAWAL	AAGPA5881R	
4	ANKIT MAHENDRA KACHHARA	BMOPK4328N	<ul style="list-style-type: none"> Atul U Rege (to whom KFCL has given loan) is the director of the Company, Forming & Fabrication Solutions Private Limited where Vishal Tibrewala and Vinod Tibrewala are directors. Address of these 2 directors are same as that of Ankit Mahendra Kachhara
5	VIPUL AMRATLAL DOSHI	AEEP3118A	<ul style="list-style-type: none"> In the scrip of Tilak Finance Limited, the entity has traded in Off market with Romy Realty Pvt. Ltd who is related to KFCL and Moryo Industries Ltd (Source: Interim order dated 04.12.2014 in the matter of Moryo Industries Ltd ("<i>Moryo Order</i>")
6	YOGESH VIITHAL JADHAV	AKHPJ5994R	<ul style="list-style-type: none"> Sr. No. 6 is the director of 7. On analyzing bank statement of the client i.e., Samskara Sales Agency Pvt. Ltd (AATCS7717A) having bank account in Axis Bank, Mumbai branch having account no. 914020011364920, it was observed that
7	SAMSKARA SALES AGENCY PVT. LTD	AATCS7717A	
8	GULMOHAR DEALCOM	AADCG9091K	

	PRIVATE LIMITED		<p>Samskara Sales Agency Pvt. Ltd has received / transferred funds from/to Gulmohar Dealcom Pvt. Ltd.</p> <ul style="list-style-type: none"> • Both Samskara Sales Agency Pvt. Ltd and Gulmohar Dealcom Pvt. Ltd are part of Moryo group (Source: "Moryo Order")
9	WAKIL RAJBHAR	AOSPR9100E	<ul style="list-style-type: none"> • Sr No. 9, 10 & 11 have received/ transferred funds from/to one entity, Siddhi Vinayak Portfolio and Yash Securities - Proprietorship firm of Tisha Tushar Rane (Source: "Moryo Order") • Siddhi Vinayak Portfolio, Yash Securities and KFCL are part of Moryo group (Source: "Moryo Order")
10	SAPNA RAMDAS JATWAL	APNPJ7211C	
11	GIRISH R GOEL	BDLPG2634K	
12	VIJAY MAHAVIR TIBREWAL	ACZPT5384R	<ul style="list-style-type: none"> • Both have same address, same phone no and same email ID: tibrewalriya9@gmail.com and both are trading through the same broker, namely, Kedia Infotech & Securities (Jaipur) Pvt. Ltd. • In the scrip of Risa International Limited, Vijay Kumar Tibrewal has traded in off market transaction with one entity, Neeta R Chandak. • Neeta R Chandak has traded in off market with the entity, Olympia Multitrading Private Limited in the scrip of Tilak Finance Limited. • Olympia Multitrading Private Limited is related to Romy Realty Ltd as they have common director, Vijay Kumar Nandlal Agarwal. Romy Realty is related to both Moryo & KFCL (Source: <i>Moryo Order</i>). • Further, Olympia Multitrading Private Limited has also traded in off market with Rupak Developers Pvt. Ltd in the scrip of Ojas Asset Reconstruction Company Ltd and KFCL has received/transferred funds from / to Rupak
13	KAVITA VIJAY TIBREWAL	ADHPT3452F	

			developers (as mentioned earlier).
	Suspected entities		
14	PREM LATA NAHAR	AFAPN8764M	<ul style="list-style-type: none"> • She is among the top contributors to the price rise (as per the LTP data) and is mother of Rakesh Nahar, director of Shilpa Stock Broker Pvt. Ltd. • She has already been debarred for similar activity in the matter of Radford Global Ltd and First Financial Services Ltd.
15	HASMUKHBHAI DHANABHAI GOHIL	ARNPG7530M	<ul style="list-style-type: none"> • Sr Nos 15, 16, 17, 18, 19 & 20 have similar address: at & po. limdi, ta.jhalod, dist-dahod, Gujarat, India, 389180
16	CHANDRAPALSINH MOHANSINH RATHOD	AZGPR9023D	<ul style="list-style-type: none"> • Sr No 18 & 20 have same email id: shabbir.3737@gmail.com • Sr No 17 is the father of Sr no 19
17	JUGALKISHOR RAMCHANDRA PARMAR	ASIPP9432F	<ul style="list-style-type: none"> • These entities have contributed significantly to price rise as described subsequently in the order.
18	SABIRBHAI SATTARBHAI BHATHIYARA	AUCPB9000F	
19	PANKAJKUMAR JUGALKISHOR PARMAR	ATYPP6409M	
20	SHIRIN SABIRBHAI BHATTYARA	BGIPB9055R	
21	VIPUL RAJENDRABHAI GANDHI	AKZPG3383R	<ul style="list-style-type: none"> • Both have traded off market with one entity, Vikas Tantia. • Vipul Gandhi accounted for 33.33% of total instances in establishing the opening price at higher/upper circuit rates in Suchak trading and was issued an observation letter by BSE in May 2014.
22	DAULAT LAXMILAL CHANDRALIYA	AAAPC7685H	<ul style="list-style-type: none"> • He was again observed to have accounted for 36.84% of the total instances for the same activity in KFCL and was issued an

			<p>observation letter in August 2014.</p> <ul style="list-style-type: none"> • The broker (ANS Pvt. Ltd.) warned the client (Vipul Gandhi) not to continue such trading pattern in future for any scrip, failure to do so may result in suspension from trading platform of his client code However the client was again observed to have accounted for 29.41% of the total instances for the same activity in Kuberkamal Industrial Investments Ltd. and was issued a Show Cause Notice in October 2014. The broker has again advised the client to refrain from such kind of trading activity. • Accordingly, BSE suspended Unique Client Code (UCC) of Vipul Gandhi for a period of 1 year. • Bothe the entities have also contributed significantly to price rise in KFCL.
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9. During the examination period, the Kamalakshi group along with the suspected entities had bought 691 shares (approximately 50% of the total buy volume) and sold 1286 shares (approximately 93% of the total sell volume) which constitute the major portion of the total trade volume during the said period. Details of the trading activity of the Kamalakshi group and the suspected entities are provided in the Table below..

Table II: Trading details of Kamalakshi group & suspected entities

Client PAN	Client Name	Gross Buy Volume	Gross Sell Volume	Gross Trade Volume	Traded Volume as % of Market Volume
AACPB3214B	JAYPRAKASH DHANRAJ BOHRA	0	685	685	24.73
AOSPR9100E	WAKIL RAJBHAR	0	273	273	9.86
ARNPG7530M	HASMUKHBHAI DHANABHAI GOHIL	82	70	152	5.49
AAAPC7685H	DAULAT LAXMILAL	52	52	104	3.75

	CHANDRALIYA				
ACZPT5384R	VIJAY MAHAVIR TIBREWAL	82	0	82	2.96
AZGPR9023D	CHANDRAPALSINH MOHANSINH RATHOD	55	20	75	2.71
ABGPA4839A	CHANDADEV AGRAWAL	71	0	71	2.56
ASIPP9432F	JUGALKISHOR RAMCHANDRA PARMAR	39	24	63	2.27
AUCPB9000F	SABIRBHAI SATTARBHAI BHATHIYARA	36	20	56	2.02
AEEP3118A	VIPUL AMRATLAL DOSHI	28	28	56	2.02
APNPJ7211C	SAPNA RAMDAS JATWAL	0	54	54	1.95
ATYPP6409M	PANKAJKUMAR JUGALKISHOR PARMAR	52	0	52	1.88
AKHPJ5994R	YOGESH VITTHAL JADHAV	37	5	42	1.52
AKZPG3383R	VIPUL RAJENDRABHAI GANDHI	38	0	38	1.37
AATCS7717A	SAMSKARA SALES AGENCY PRIVATE LIMITED	35	0	35	1.26
ADHPT3452F	KAVITA VIJAY TIBREWAL	34	0	34	1.23
BMOPK4328N	ANKIT MAHENDRA KACHHARA	13	13	26	0.94
BDLPG2634K	GIRISH RAJKUMAR GOEL	0	26	26	0.94
AFAPN8764M	PREM LATA NAHAR	10	10	20	0.72
AAGPA5881R	BIMAL AGRAWAL	15	0	15	0.54
BGIPB9055R	SHIRIN SABIRBHAI BHATHIYARA	11	0	11	0.40
BDLPG2634K	GIRISH R GOEL	0	5	5	0.18
AADCG9091K	GULMOHAR DEALCOM PRIVATE LIMITED	1	1	2	0.07
	Total	691	1286	1977	71

10. It is observed that the total positive LTP contribution of the clients as buyers was 556.6 out of which, the aforementioned group has contributed 280.85 which is 50.46% of the total price rise during the period of analysis. Although the contribution of the Kamalakshi group & suspected entities is limited to 50.46%, the role of other entities also to the price rise cannot be ruled out. Details of contribution of Kamalakshi group & suspected entities to the price rise are provided in the Table below;

Table III : Details of entities and their contribution to price rise during the period

Client Name	Client PAN	Security Positive LTP Contribution Value	Overall Positive LTP Contribution by the Client	Positive LTP Contribution of the Client as a buyer	Positive LTP Contribution of the Client as a buyer (In %)
ANKIT MAHENDRA KACHHARA	BMOPK4328N	556.6	6.8	6.8	1.22
VIPUL AMRATLAL DOSHI	AEEPDP3118A	556.6	18.55	18.55	3.33
HASMUKHBHAI DHANABHAI GOHIL	ARNPG7530M	556.6	36.45	11.2	2.01
JUGALKISHOR RAMCHANDRA PARMAR	ASIPP9432F	556.6	29.4	9.35	1.68
PANKAJKUMAR JUGALKISHOR PARMAR	ATYPP6409M	556.6	28.95	28.95	5.20
SABIRBHAI SATTARBHAI BHATHIYARA	AUCPB9000F	556.6	32.8	15.4	2.77
VIPUL RAJENDRABHAI GANDHI	AKZPG3383R	556.6	26.75	26.75	4.81
GIRISH R GOEL	BDLPG2634K	556.6	6.5	0	0.00

CHANDRAPALSINH MOHANSINH RATHOD	AZGPR9023D	556.6	19.75	19.75	3.55
SHIRIN SABIRBHAI BHATTIYARA	BGIPB9055R	556.6	12.4	12.4	2.23
ANKIT MAHENDRA KACHHARA	BMOPK4328N	556.6	5.3	0	0.00
DAULAT LAXMILAL CHANDRALIYA	AAAPC7685H	556.6	28.8	4.45	0.80
WAKIL RAJBHAR	AOSPR9100E	556.6	138.5	0	0.00
JAYPRAKASH DHANRAJ BOHRA	AACPB3214B	556.6	188.15	0	0.00
PREM LATA NAHAR	AFAPN8764M	556.6	9.5	6.8	1.22
BIMAL AGRAWAL	AAGPA5881R	556.6	8.65	8.65	1.55
CHANDADEVII AGRAWAL	ABGPA4839A	556.6	22.5	22.5	4.04
KAVITA VIJAY TIBREWAL	ADHPT3452F	556.6	20.75	20.75	3.73
vijay mahavir tibrewal	ACZPT5384R	556.6	39.35	39.35	7.07
SAPNA RAMDAS JATWAL	APNPJ7211C	556.6	23.4	0	0.00
GIRISH RAJKUMAR GOEL	BDLPG2634K	556.6	19.7	0	0.00
GULMOHAR DEALCOM PRIVATE LIMITED	AADCG9091K	556.6	15.6	7	1.26
SAMSKARA SALES AGENCY PRIVATE LIMITED	AATCS7717A	556.6	16.9	16.9	3.04
YOGESH VITTHAL JADHAV	AKHPJ5994R	556.6	13.1	5.3	0.95
				280.85	50.46

11. The transactions in the scrip of KFCL were mainly carried out by the connected group wherein the Kamalakshi group bought and sold most of the shares. Considering both average and total trade volume during the period of analysis, it was observed that the shares of KFCL were not in demand by general investors in the market and saw very low volume i.e.1385 shares as against total 28390000 subscribed shares on most of the trading days and hence could not have commanded the price as observed. In the whole process, the principle of price discovery was kept aside and the market lost its purpose.
12. As noted from the reply of KFCL dated December 11, 2014 and the details collected during the inquiry, the following is the utilisation of issue proceeds of the 3 preferential allotments by KFCL:-

Table IV: Details of utilisation of issue proceeds of the three preferential allotments

Sr No	Details of utilization of Issue proceeds	1 st preferential issue	In %	2 nd preferential issue	In %	3 rd preferential issue	In %
1	Share purchase	30378000	30.54	5500000	2.85	7800000	5.93
2	Loans and advances	67950000	68.31	185417000	96.04	34000000	25.86
3	Fixed deposit	0	0.00	0	0.00	88000000	66.92
4	Miscellaneous	1086484	1.09	2016895	1.04	1500000	1.14
5	Balance with company	65516	0.07	116105	0.06	200000	0.15
	Total	99480000	100	193050000	100	131500000	100

13. It was observed that a major amount of the proceeds has been extended as loans and advances, i.e., 68.31%, 96.04% and 25.86% of the total issue proceeds during the preferential allotments made in the months of November 2013, February 2014 and June, 2014, respectively.
14. It is noted that SEBI has passed an interim order dated December 04, 2014 in the matter of Moryo Industries Ltd. It is observed that KFCL and Moryo Industries Ltd are deeply interrelated with each other. It was noticed that during the examination period, KFCL had transferred substantial portion of the preferential issue proceeds to Moryo Industries Ltd and had also given loans. Details of such fund transfers are given below:

Table V: Amount received / transferred between KFCL and Moryo Industries Ltd

Date of transaction	Amount received by KFCL from Moryo Industries Ltd	Amount transferred to Moryo Industries Ltd. by KFCL
08.11.2013	-	7500000
11.11.2013	-	8500000
14.11.2013	-	5000000
04.02.2014	900000	-
25.02.2014	1250000	-
04.03.2014	10000000	-
04.03.2014	800000	-
11.03.2014	8050000	-
29.03.2014	-	8000000
16.06.2014	1000000	-
17.06.2014	-	2200000
Total	22000000	31200000

15. From the copies of the special resolutions passed under section 81(1A) of the Companies Act, 1956 as available on BSE website, it is noted that KFCL had disclosed to its shareholders and public that the purpose of aforesaid fund raising through preferential allotments was to meet requirements for -
- a) capital expenditure including acquisition of company/business
 - b) funding long term working capital requirements
 - c) marketing
 - d) setting up of offices abroad and
 - e) for other approved corporate purposes.
16. The aforesaid utilisation of proceeds of preferential allotments does not appear to be for any of the aforesaid purposes as KFCL did not use them for either capital expenditure or acquisition of company/business or towards working capital or setting up office abroad or for marketing.
17. On examination of the balance sheet of KFCL for the year 2013-14, it is observed that KFCL had no fixed assets and no capital work in progress. Further the annual report indicates that KFCL, during the examination period, was basically into dealing or trading in shares or securities which is again not in line with the objectives for which the aforesaid preferential

allotments were made. This *prima facie* indicates that the purpose mentioned by KFCL to raise funds through preferential allotments was just an eye-wash to the investors in general.

18. SEBI has already passed interim order in the matters of Moryo Industries Ltd where the *modus operandi* was that the traded volume in the scrip and its price increased substantially only on account of the trading activity of the group/ related entities when substantial number of shares, were locked-in and non transferable/tradable. Further, the preferential allottees acting in concert with the specified groups have misused the stock exchange system to generate fictitious long term capital gains ("LTCCG") which is tax exempt.
19. In the instant matter, the price of the scrip of KFCL has increased significantly (48 times) when the shares issued by way of preferential allotments were subject to lock-in (1st lock-in release of 82,90, 000 shares was only on December 08, 2014). It is noted that 1,48,50,000 shares are to be released on March 20, 2015 and 48,40,000 shares and 3,60,000 shares are to be released on July 31, 2015 and July 31, 2017, respectively. Since the aforementioned identified group entities (some of whom have been debarred vide interim orders in the matters of Moryo Industries Ltd. and Radford Global Ltd.) along with some other suspected entities have been found to be involved in the whole process of creating bogus LTCCG through the misuse of stock exchange mechanism with meagre trading volume of only 1385 shares in a period of approx twelve months..
20. Considering the price rise from ₹10.20/- to ₹489/, i.e. an increase of 4694% (48 times), all the 137 allottees taken together have the a notional profit of ₹1343.57 crore against an investment of ₹42.25 crore. Taking into account the peak price of around ₹ 656 /- on January 27, 2015, the total notional profit of 137 allottees would be around ₹ 1816.85 /- crore. Details of notional profit of the allottees of the 1st, 2nd and 3rd preferential allotment are provided in **Annexure B** and that of the 1st preferential allottees as under:
21. As already discussed, the funds received as proceeds of preferential allotments were transferred to various entities and were not used for the purposes as envisaged in the special resolutions passed under section 81(1A) of the Companies Act, 1956 in that regard.
22. .Further, as per the communication received from the exchange vide email dated January 22, 2015, no corporate announcement has been made by KFCL as required under clause 43 (a) of listing agreement indicating the non-utilisation of the proceeds from the preferential allotment for the purposes they were raised. Further, KFCL has not submitted the annual report for the year ended 2014 to the stock exchange. Also shareholding pattern and reports under clause 35 and clause 49 for quarter ended December 2013 do not appear on KFCL's website. Thus,

KFCL has *prima facie* failed to comply with Clause 31 (a), Clause 43 (a) and Clause 54 of the listing agreement which read as follows;

Clause 31 (a)

"The Company will forward to the Exchange promptly and without application six copies of the Statutory and Directors' Annual Reports, Balance sheets and Profit and Loss Accounts and of all periodical and special reports as soon as they are issued and one copy each to all the recognised stock exchanges in India"

Clause 43 (a)

"The Company agrees that it will furnish on a quarterly basis a statement to the Exchange indicating the variations between projected utilisation of funds and / or projected profitability statement made by it in its prospectus or letter of offer or object /s stated in the explanatory statement to the notice for the general meeting for considering preferential issue of securities and the actual utilisation of funds and/ or actual profitability".

Clause 54

"The issuer company agrees to maintain a functional website containing basic information about the company e.g. details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the company who are responsible for assisting and handling investor grievances, details of agreements entered into with the media companies and/ or their associates, etc. The company also agrees to ensure that the contents of the said website are updated at any given point of time."

23. From the above examination and factors as discussed hereinabove, I note that the preferential allottees of shares of KFCL and *Kamalakshi group* entities are connected to each other. In this regard, I note that Hon'ble SAT has, in many cases such as *Classic Credit Ltd. vs. SEBI* (SAT Appeal no. 68/2003, Order dated December 8, 2006), *Classic Credit Ltd. vs. SEBI* (SAT Appeal no. 76/ 2003, Order dated January 9, 2007) and *Veronica Financial Services Ltd. vs. SEBI* (SAT Order dated August 24, 2012), held that connection/relations can be established on the basis of factors including the common addresses, common directors/ shareholders, etc.
24. It is pertinent to mention that the key to the scheme of operations employed by KFCL lies in the preferential allotment of shares made by it. Due to a lock-in of one year on shares, any gains made on the sale of such shares makes them eligible for LTCG. From the observations of preliminary inquiry it is, *inter alia*, noted that :-
- a) In spite of poor fundamentals, KFCL could raise around ₹41 crore within a span of 8 months between November 2013 and June 2014;

- b) The fund brought in by way of preferential allotments was utilised for purposes other than those disclosed and extended by way of purported loans to companies through informal arrangements;
- c) On certain instances the issue proceeds was given as loans and advances to the directly / indirectly related to the allottees, e.g., KFCL had given loan of ₹20,00,000/- to Zircon Infrastructue Ltd where Vijay Harish Mirchandani and Kishor Harish Mirchandani are directors. These two directors have been offered shares of KFCL through preferential allotment. Further, the address of these two directors are same a another entity, named Aditya V. Mirchandani who has also received shares through preferential allotment;

25. In addition to the above, the following is also noted :

- a) Even when all the shares i.e. 2,83,40,000 shares were locked-in and non transferable / tradable, price of the scrip increased substantially with meagre trading of 1385 shares as against total 2,83,90,000 subscribed shares;
- b) First lock-in release of 82,90,000 shares was on December 08, 2014 and other shares are yet to be released;
- c) Out of the total share capital of 2,83,90,000 shares, only 12,740 shares (0.04% of share capital) purportedly lies with persons other than the promoters and preferential allottees holding 3,97,260 shares and 2,79,92,740 shares respectively;
- d) The *prima facie modus operandi* appears to be same as that used in the matter of Moryo Industries Ltd where the stock exchange mechanism was used for the purpose of generating bogus LTCG which is tax exempt and where KFCL was found to be actively involved in the whole design to misuse the stock exchange mechanism for generation of bogus LTCG.

26. From the above facts and circumstances, it can reasonably be inferred that the preferential allottees acting in concert with KFCL are making an attempt to generate fictitious LTCG through the stock exchange system. I *prima facie* find that the above *modus operandi* may help the concerned entities to pay a lower rate of tax on account of LTCG and may help them to show the source of this income to be from legitimate source i.e. stock market.

27. Considering the above, I am of the view that the preferential allotment may be used as a tool for implementation of the dubious plan, device and artifice of KFCL, entities connected/ related to it and the preferential allottees. One could argue that in the order to make LTCG, the preferential allottees in question could have bought the shares in secondary market and waited for a year before selling the shares. In the instant case, probably the preferential allotment route has been preferred over secondary market route because the share capital of

KFCL prior to preferential allotment was very small i.e. 50,000 equity shares (face value ₹10) to accommodate the required fictitious LTCG. As such the capital expansion through preferential allotment may provide much bigger source to the persons involved in terms of price manipulation to facilitate the whole operation.

28. Since prior to the trading in its scrip during the examination period, KFCL did not have any business or financial standing in the securities market, the only way, in my view, it could have increased its share value, is by way of market manipulation. In this case, it is noted that the price of the scrip increased substantially only after *Kamalakshi group and suspected entities* started trading in the scrip. The price in the scrip increased by 4694% (48 times) during the examination period, i.e. from ₹10.20 to ₹489. After the examination period, the scrip went up to the price of ₹656 on January 27, 2015. *Kamalakshi group along with suspected entities* were trading in the scrip above the LTP and their trades resulted into artificial increase in price. Thus, these group of entities *prima facie* manipulated the price of the scrip during the examination period. The group entities were acting in concert to provide LTCG benefits to the allottees. I *prima facie* find that *Kamalakshi group & suspected entities* and allottees had the intention of using securities market system to artificially increase volume and price of the scrip for creating bogus non taxable (i.e. LTCG) profits.

29. I am of the considered view that the schemes, plan, device and artifice employed in this case, apart from being a possible case of tax evasion, which could be seen by the concerned law enforcement agencies separately, is *prima facie* also a fraud on the securities market in as much as it involves manipulative transactions in securities and misuse of the securities market. The manipulation in the traded volume and price of the scrip by a group of connected entities has the potential to induce gullible and genuine investors to trade in the scrip and harm them. As such the acts and omissions of KFCL, *Kamalakshi group and suspected entities* and allottees are 'fraudulent' as defined under regulation 2(1)(c) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 ('PFUTP Regulations') and are in contravention of the provisions of Regulations 3(a), (b), (c) and (d) and 4(1), 4(2)(a), (b), (e) and (g) thereof and section 12A(a), (b) and (c) of the Securities and Exchange Board of India Act, 1992. The said provisions are reproduced hereunder:-

SEBI ACT

Prohibition of manipulative and deceptive devices, insider trading and substantial acquisition of securities or control.

"12A. No person shall directly or indirectly—

(a) use or employ, in connection with the issue, purchase or sale of any securities listed or proposed to be listed on a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of this Act or the rules or the regulations made thereunder;

(b) employ any device, scheme or artifice to defraud in connection with issue or dealing in securities which are listed or proposed to be listed on a recognised stock exchange;

(c) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person, in connection with the issue, dealing in securities which are listed or proposed to be listed on a recognised stock exchange, in contravention of the provisions of this Act or the rules or the regulations made thereunder;"

PFUTP Regulations

"3. Prohibition of certain dealings in securities

No person shall directly or indirectly—

(a) buy, sell or otherwise deal in securities in a fraudulent manner;

(b) use or employ, in connection with issue, purchase or sale of any security listed or proposed to be listed in a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of the Act or the rules or the regulations made there under;

(c) employ any device, scheme or artifice to defraud in connection with dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange;

(d) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange in contravention of the provisions of the Act or the rules and the regulations made there under.

4. Prohibition of manipulative, fraudulent and unfair trade practices

(1) Without prejudice to the provisions of regulation 3, no person shall indulge in a fraudulent or an unfair trade practice in securities.

(2) Dealing in securities shall be deemed to be a fraudulent or an unfair trade practice if it involves fraud and may include all or any of the following, namely:—

(a) indulging in an act which creates false or misleading appearance of trading in the securities market;

(b) dealing in a security not intended to effect transfer of beneficial ownership but intended to operate only as a device to inflate, depress or cause fluctuations in the price of such security for wrongful gain or avoidance of loss;

....

(e) any act or omission amounting to manipulation of the price of a security;

....

(g) entering into a transaction in securities without intention of performing it or without intention of change of ownership of such security;"

30. I note that the directors of KFCL during the relevant time (i.e. Dheeraj Shah, Sheetal Dheeraj Shah, Heetal Kumar J Shah, Naresh Suresh Gurav, Chandresh Upadhyay, Arvindkumar Upadyay, Suneel Upadhyay Kumar, Praful Arvindbhai Solanki and Sonal Virani Neeraj), being in control of the day to day affairs of KFCL, had the knowledge of its acts and omissions. They were also under an obligation to ensure that the acts and transactions of KFCL were not in violation of any of the applicable provisions of SEBI Regulations or other applicable laws. I, therefore, *prima facie* find that the directors of KFCL (i.e. Dheeraj Shah, Sheetal Dheeraj Shah, Heetal Kumar J Shah, Naresh Suresh Gurav, Chandresh Upadhyay, Arvindkumar Upadyay, Suneel Upadhyay Kumar, Praful Arvindbhai Solanki and Sonal Virani Neeraj) were responsible for KFCL's acts and omissions in this case.
31. In addition to the above it is also observed from the annual report of KFCL for the financial year 2013-14 and other disclosures to the exchange that Mrs Sheetal Dheeraj Shah, wife of Mr. Dheeraj Shah was an Independent Director of KFCL. Clause 49 I (A) (iii) of the equity listing agreement stipulates that *independent director shall mean a non-executive director of the company who is not related to promoters or persons occupying management positions at the board level or at one level below the board*. Since Mr. Dheeraj Shah is the Managing Director and promoter of KFCL, appointment of Mrs Sheetal Dheeraj Shah as Independent Director is *prima facie* in violation of the above clause and indicates serious deficiency in the corporate governance practice of KFCL.
32. I am of the view that a detailed investigation of the entire scheme employed in this case is necessary to find out the role of any other entity therein, connection amongst the concerned entities and the ultimate owners of funds used for manipulating the price of the scrip. Therefore, while SEBI would investigate into the probable violations of securities laws, the matter may also be referred to Income Tax Department for necessary action at their end as may be deemed appropriate by them.
33. SEBI strives to safeguard the interests of a genuine investor in the Indian securities market. The acts of artificially increasing the price of scrip misleads investors and the fundamental tenets of market integrity get violated with impunity due for such acts. In the facts and circumstances of this case, I *prima facie* find that the acts and omissions of KFCL *Kamalakshi group* and *suspected* entities and allottees as described above is inimical to the interests of participants in the securities market. Therefore, allowing the entities that are *prima facie* found

to be involved in such fraudulent, unfair and manipulative transactions to continue to operate in the market would shake the confidence of the investors in the securities market.

34. In this case it is noted that as on December 08, 2014, the allottees are still holding 2,83,40,000 shares of KFCL that were allotted to them in the aforesaid preferential allotments. The price of the scrip went up to ₹656/- per share on January 27, 2015 and the preferential allottees who are still holding these shares, may potentially book a bogus tax exempt LTCG of ₹1816.85 crore. Unless prevented they may use the stock exchange mechanism in the same manner as discussed hereinabove for the purposes of their dubious plans as *prima facie* found in this case. In my view, the stock exchange system cannot be permitted to be used for any unlawful/forbidden activities. Considering these facts and the indulgence of a listed company in such a fraudulent scheme, plan, device and artifice as *prima facie* found in this case, I am convinced that this is a fit case where, pending investigation, effective and expeditious preventive and remedial action is required to be taken by way of *ad interim ex -parte* in order to protect the interests of investors and preserve the safety and integrity of the market.
35. Further, based on the aforesaid findings and taking into consideration the similar *modus operandi* of market manipulation adopted in similar matter of Moryo Industries Ltd, as observed by SEBI in its Order in , it *prima facie* appears that certain market manipulations are taking place in the scrip of KFCL. I note that currently major portion of the shareholding (around 99.60%) lies with the allottees and *Kamalakshi group and suspected entities*. It is also pertinent to mention that vide SEBI's Order in the matter of Moryo Industries Ltd, KFCL itself has been restrained from buying, selling or dealing in the securities market, till further directions and the said restraint is in operation as on date. Considering the above, I am of the view that as an interim, preventive and remedial measure and to maintain orderly development in the securities market, in the interests of securities market and investors, it would also be necessary to take immediate steps regarding trading in the scrip of KFCL on the stock exchange.
36. In view of the foregoing, in order to protect the interests of the investors and the integrity of the securities market, I, in exercise of the powers conferred upon me in terms of section 19 read with sections 11(1), 11(4) and 11B of SEBI Act, 1992, pending inquiry/investigation and passing of final order in the matter, hereby issue the following directions:-
- i. the following persons/entities are restrained from accessing the securities market and buying, selling or dealing in securities, either directly or indirectly, in any manner, till further directions:-

S. NO.	NAME OF THE ENTITY	PAN
Company		
1	KAMALAKSHI FINANCE CORPORATION LIMITED	AAACK1804B
Promoters and directors of KFCL		
2	DHEERAJ SHAH	ARWPS1458D
3	PARESH SHAH	AWWPS6699H
4	SHEETAL DHEERAJ SHAH	BPFPS4170G
5	HEETAL KUMAR J SHAH	AIMPS2740R
6	NARESH SURESH GURAV	AOWPG1458E
7	CHANDRESH UPADHYAY	ABKPU3443N
8	ARVINDKUMAR UPADYAY	AASPU5859K
9	SUNEEL UPADHYAY KUMAR	AAXPU1010F
10	PRAFUL ARVINDBHAI SOLANKI	ALJPS3430J
11	MRS. SONAL NEERAJ VIRANI	AFUPN2004C
Kamalakshi group		
12	JAYPRAKASH DHANRAJ BOHRA	AACP3214B
13	CHANDADEVI AGRAWAL	ABGPA4839A
14	BIMAL AGRAWAL	AAGPA5881R
15	ANKIT MAHENDRA KACHHARA	BMOPK4328N
16	VIPUL AMRATLAL DOSHI	AEPD3118A
17	YOGESH VITTHAL JADHAV	AKHPJ5994R
18	SAMSKARA SALES AGENCY PRIVATE LIMITED	AATCS7717A
19	GULMOHAR DEALCOM PRIVATE LIMITED	AADCG9091K
20	WAKIL RAJBHAR	AOSPR9100E
21	SAPNA RAMDAS JATWAL	APNPJ7211C
22	GIRISH RAJKUMAR GOEL	BDLPG2634K
23	VIJAY MAHAVIR TIBREWAL	ACZPT5384R
24	KAVITA VIJAY TIBREWAL	ADHPT3452F

- ii. the following suspected persons/entities are restrained from buying, selling or dealing in the scrip of Kamalakshi Finance Corp Ltd, either directly or indirectly, in any manner, till further directions:-

S. No.	NAME OF THE ENTITY	PAN
1	PREM LATA NAHAR	AFAPN8764M

2	HASMUKHBHAI DHANABHAI GOHIL	ARNPG7530M
3	CHANDRAPALSINH MOHANSINH RATHOD	AZGPR9023D
4	JUGALKISHOR RAMCHANDRA PARMAR	ASIPP9432F
5	SABIRBHAI SATTARBHAI BHATHIYARA	AUCPB9000F
6	PANKAJKUMAR JUGALKISHOR PARMAR	ATYPP6409M
7	SHIRIN SABIRBHAI BHATTYARA	BGIPB9055R
8	VIPUL RAJENDRABHAI GANDHI	AKZPG3383R
9	DAULAT LAXMILAL CHANDRALIYA	AAAPC7685H

iii. trading in the securities of Kamalakshi Finance Corp Ltd. shall be suspended till further directions.

37. This order shall come into force with immediate effect. The stock exchanges and the depositories are directed to ensure that all the above directions are strictly enforced.

38. This order is without prejudice to the right of SEBI to take any other action that may be initiated against the aforementioned entities in accordance with law. The persons/entities against whom this Order is passed may file their objections, if any, within twenty one days from the date of this order and, if they so desire, avail themselves of an opportunity of personal hearing before the Securities and Exchange Board of India, on a date and time to be fixed on a specific request, received from the said persons/entities.

DATE: February 20, 2015

PLACE: MUMBAI

RAJEEV KUMAR AGARWAL

WHOLE TIME MEMBER

SECURITIES AND EXCHANGE BOARD OF INDIA

Annexure A:**List of 1st Preferential Allottees**

Sr. No.	Name of the Allottees	PAN	Shares Issued
1	ABHISHEK AGARWAL	AFTPA0939C	200000
2	AMI ALKESH LODAYA	AISPC5143J	200000
3	ASHISH R AGARWAL	AAKHA0968F	200000
4	AUGUSTINE FRANCIS PINTO	ACGPP9000R	250000
5	BIMAL J DESAI	AAKPD3160A	340000
6	DEEPIKA M. SHAH	ALLPS2530D	170000
7	GRACE AUGUSTINE PINTO	ACGPP9003N	250000
8	HARESH S JOSHI NITIN S JOSHI	AACPJ7203N AACPJ7204M	200000
9	HARSH ANIL SHAH	BBQPS1513L	170000
10	JAYRAJ SHRISHAIL METGUD	AKIPM3019R	170000
11	KAMAL LADIWALA ANIL LADIWALA	ABFPL3373D ABFPL3374E	200000
12	MANAN KANTI SHAH	AAGPS7987L	170000
13	MANAN NIPUN THAKKAR	AETPT3031R	200000
14	MANISH R AGARWAL	AAKHM3886N	200000
15	MANISH R. SHAH	AKIPS3568B	340000
16	MEHUL DEEPAK THAKUR	ADWPT0258N	355000
17	MILAN MAHENDRAKUMAR MEHTA	AEQPM0243R	170000
18	Mitesh Shah	AABPS3841G	85000
19	MOHANLAL GENMAL JAIN-HUF .	AADHM3872R	100000
20	NAMAN NIPUN THAKKAR	ADGPT9692L	200000
21	NEHA NIKESH JAIN	ANOPD3742P	100000
22	NILAY MILAN MEHTA	ANTPM4302M	170000
23	PARESH VADILAL SHAH BHARATI PARESH SHAH	ABAPS8719H ABAPS8720J	170000
24	PRABHABEN MOHANLAL JAIN	AAFPJ0591A	200000
25	PRACHI KSHITIJ THAKUR	ANCPG9071G	300000
26	PRIYANKA JAYENDRA THAKUR	ADWPT4526D	300000
27	RAHUL DHIRAJLAL GADA	AACPG3526D	170000

28	RAJESH KUMAR NAREDI	AARPN7286Q	150000
29	RATAN BIHARILAL DULANI	AADPD0124F	80000
30	ROHIL JAYENDRA THAKUR	AGRPT2866J	300000
31	RUPA BIMAL DESAI	AEWPD1741F	340000
32	SALONI ASHOK JAIN	AUEPJ2883L	100000
33	SANJAY KUMAR AGARWAL	AABPA2767P	200000
34	SHARMILA PRADEEP MATOLIA	ASXPM4249G	100000
35	SHIKHAR HITENDRA THAKUR	AJIPT7889B	300000
36	SHRUTI NAMDEV MANE	BPDPM5624M	100000
37	SURESH PAHARIA	AABPP1727A	100000
38	UJWALA NAMDEV MANE	AAEPM5924H	100000
39	URVI GHANSHYAM GORADIA	AABPV1137E	170000
40	UTTUNG HITENDRA THAKUR	AJJPT3513H	300000
41	VIJAY SHRISHAIL METGUD	AJRPM3732H	170000
42	VIJAYA NIPUN THAKKAR	AACPT2539D	200000

List of 2nd Preferential Allottees

Sr. No.	Name of the Allottees	PAN	Shares Issued
1	AAYUSH AJIT JAIN	ALTPJ8774E	200000
2	ADITYA V. MIRCHANDANI	ANRPM1759J	200000
3	AKHILESH RATHI	AENPR4694E	200000
4	AMAR NATH AGARWAL	AAMPA0550F	570000
5	AMARDEEP KADAM	ALTPK8993J	1500000
6	AMBRISH AGARWAL	AAPPA2265E	550000
7	ANAND KAMALNAYAN PANDIT	ADMPP1798B	1600000
8	ARVIND DANABHAI DESAI	AABPD6686J	800000
9	BIJAL VISHAL SHAH KUNJ SAURIN SHAH	AVQPS4469L BQBPS8034C	200000
10	BIMAL J DESAI	AAKPD3160A	200000
11	BIMLA S MAKHIJA	AFOPM1854K	100000
12	DHAVAL JAYESH AJMERA.	ALAPA2051Q	250000
13	GAURAV MURLIDHAR RAIMALANI	ADNPR7601J	200000
14	GAURI SHANKAR JHALANI	AAIPJ3872F	200000
15	GEETA S JOSHI SHIVSHANKAR C JOSHI	AAJPJ8345A AAEJPJ8684M	200000

16	GOUTAM CHAND JAIN	AABPJ1091P	150000
17	HARILAL NATHU PATEL VIPUL HARILAL PATEL	AACPP1785B AEBPP2488Q	200000
18	HASAN NURSHA MUJAWAR	ABAPM5413G	200000
19	HEMANT KANTILAL SHAH GEMINI HEMANT SHAH	AACPS9852J AOWPS7370B	200000
20	KAMINI ARVIND DESAI	AAEPD6070H	800000
21	KAMLESH JAYANTILAL SHAH	AJSPS2973D	200000
22	KANCHAN GAURAV RAIMALANI	AHAPR0883M	200000
23	KANHAYALAL BHANVARLAL MEHTA . SHANTILAL BHANVARLAL MEHTA .	AAJPM2563K AAJPM2564Q	200000
24	KEYUR HEMANT SHAH POOJA RAJNIKANT BAGADIA	AXJPS8653D AKIPB9622R	200000
25	KISHOR H. MIRCHANDANI	AABHM6392L	200000
26	MURLIDHAR M RAIMALANI	AAAPR8622D	200000
27	NEELAM RAMCHAND RAIMALANI	ADLPR6008H	200000
28	NEELI AGGARWAL	AAJPA1839J	200000
29	NITIN NANASAHEB KADAM	AAGPK3480L	400000
30	PRAVINA HITENDRA THAKUR	AAOPT6497L	350000
31	PRIYAM NIRMAL KOTHARI NIPUN KOTHARI	CBEPK6975R CPTPK4008L	200000
32	RAJ SHARADKUMAR AGARWAL	AEJPA6636H	100000
33	RAJIV SURYAKANT SHAH JIGNA RAJIV SHAH	AMRPS9446F AMIPS1160M	200000
34	RAMCHAND MURLIDHAR RAIMALANI	AEXPR5064A	200000
35	REKHA V SHAH JIGNESH V SHAH	AMLPS9269A AAEPS0047F	200000
36	RUCHI AGARWAL	ABYPG3169K	325000
37	SAMIR SHASHIKANT MEHTA FALGUNI SAMIR MEHTA	AADPM9051G ABEPS6347K	200000
38	SANGEETA JAYESH AJMERA	ACOPA1003H	300000
39	SANJAY M SANGHAVI SHILPA S SANGHAVI	AAVPS0595B AAQPS3615K	200000
40	SHASHI AGARWAL	ABTPA6590R	350000
41	SUMAN MANSUKH MAKAWANA	BHYPM1065R	200000
42	SURESH G MAKHIJA	AADPM0670P	200000

43	VARUN SHARDA	ANTPS0410N	200000
44	VIJAY HARISH MIRCHANDANI	AACHV0290D	200000
45	VIJAYKUMAR B SHAH	AABHV8676E	200000
46	VIJAYKUMAR BANDULAL BHANDARI	ABGPB7101E	200000
47	VIKAS BHASKAR VARTAK	AASPV9482H	180000
48	VINAMRA VIKAS VARTAK	AFFPV4771B	125000
49	YASH K. MIRCHANDANI	CKNPM1747F	200000

List of 3rd Preferential Allottees

Sr. No.	Name of the Allottee	PAN	Shares Issued
1	Abhishek Golechha	AENPG1584L	100000
2	ALKA SURENDRAKUMAR CHAPLOT	AEFPC2594C	60000
3	ANAND KUMAR AGARWAL MAHADEVI AGARWAL	ACMPA4421D ABMPA2745F	100000
4	ARUN SHIVANATH SHROFF MEERA DEVI ARUN SHROFF	ABCPS5213Q ABHPS5312F	100000
5	ATUL MAHAVEERPRASAD PALDECHA PUSHPA PALDECHA MUKESH M PALDECHA	AATPJ3439K ANLPP9536G BEHPP9269L	60000
6	BABITA GUPTA	AGXPG4695C	100000
7	CHIRAG P PATEL	AOSPP9686B	130000
8	DARWIN P PATEL	AUAPP6532E	135000
9	DEVENDRA NATH GUPTA	AGWPG8184B	100000
10	DHEERAJ SHAH	ARWPS1458D	200000
11	DHIRENDRA PREMJI SANGOI	AAPPS9160C	40000
12	DHIRENDRA PREMJI SANGOI HUF	AAAHD3386G	40000
13	DINESH MUNOT	AAZPM5199H	100000
14	HARI ANAND SHELAR SANTOSH ANAND SHELAR	AULPS2941R AAFPS0967H	100000
15	HEMANT KANTILAL SHAH	AACPS9852J	100000
16	JANIL P SHAH	CKNPS0085G	200000
17	JATIN KANUBHAI SHAH HUF	AAAHJ2205C	60000
18	JAYASHREE SUNIL NESARIKAR	ADAPN0911E	60000
19	KAMAL CHAMPSHI GOSHAH	AACPG7708H	60000

	CHAMPSHI TALAKSHI GOSHR	AAFPG1944E	
20	KANJIBHAI G GOLAKIYA	AIRPG2347M	100000
21	LAXMAN ANAND SHELAR	AAEPS4682A	100000
22	LEENA DHIRENDRA SANGOI	AAPPS9161D	40000
23	NAMITHA NILESH JAIN	ACTPJ6491M	120000
24	NARAYAN ANAND SHELAR	AABPS5016P	100000
25	NEELA DIPAK KAPADIA	AAFPG5323D	60000
26	PANKAJ DHANJI GOSHR	AACPG7709G	1000000
27	PARESH B SHAH	AWWPS6699H	160000
28	PARESH KANUBHAI SHAH HUF	AAAHP3498R	60000
29	PRAGNESH DAMJI RAMBHIA	AABPR3339N	200000
30	PRAKASH KANUBHAI SHAH HUF	AAAHP3255Q	60000
31	PURSHOTTAMBHAI SHANKARBHAI PATEL	ACMPP2066K	135000
32	RAHUL RAMESH SHARMA	CGEPS0765G	300000
33	RIDDHI PRAKASH SHAH	BIUPS7607A	60000
34	RINKU VIVEK GADIA ARUN SHIVANATH SHROFF	ANJPS8907Q ABCTS5213Q	100000
35	RITU SARAF	BDSPS0450C	40000
36	SAJJANBEN FUTERMAL JAIN	AAEPJ4804F	120000
37	SAMYAK SUBHASH SURANA	AMKPS1128H	100000
38	Sanjay Eknath Gaikwad	ADHPG1520F	60000
39	SHREY SARAF	EDRPS9048Q	40000
40	SHREYAS DHIRENDRA SANGOI	AFBPS0727G	40000
41	SUNIL MANIKCHAND KASLIWAL	AATPK0955F	100000
42	TEJAS DHIRENDRA SANGOI	AFZPS2274N	40000
43	VAIBHAV SHANTILAL GALA ALPA VAIBHAV GALA	AALPG7484R AEHPG7918L	60000
44	VINITA ASHISH SARAF	AKSPS5743G	60000
45	VISHAL PARESH SHAH	BIFPS9212N	60000
46	VISHESH DHIRENDRA SANGOI	AFBPS0733A	40000

Annexure - B**Details of Notional Profit of the 1st preferential allottees**

Sr. No.	PAN No.	Name of the Allottees	Shares Issued	Issue d at price	Total	Notional value of shares based on peak price on January 27, 2015	Notional Profit based on peak price on January 27, 2015
1	AFTPA0939C	ABHISHEK AGARWAL	200000	12	2400000	131200000	128800000
2	AISPC5143J	AMI ALKESH LODAYA	200000	12	2400000	131200000	128800000
3	AAKHA0968F	ASHISH R AGARWAL	200000	12	2400000	131200000	128800000
4	ACGPP9000R	AUGUSTINE FRANCIS PINTO	250000	12	3000000	164000000	161000000
5	AAKPD3160A	BIMAL J DESAI	340000	12	4080000	223040000	218960000
6	ALLPS2530D	DEEPIKA M. SHAH	170000	12	2040000	111520000	109480000
7	ACGPP9003N	GRACE AUGUSTINE PINTO	250000	12	3000000	164000000	161000000
8	AACPJ7203N AACPJ7204M	HARESH S JOSHI NITIN S JOSHI	200000	12	2400000	131200000	128800000
9	BBQPS1513L	HARSH ANIL SHAH	170000	12	2040000	111520000	109480000
10	AKIPM3019R	JAYRAJ SHRISHAIL METGUD	170000	12	2040000	111520000	109480000
11	ABFPL3373D ABFPL3374E	KAMAL LADIWALA ANIL LADIWALA	200000	12	2400000	131200000	128800000

12	AAGPS7987L	MANAN KANTI SHAH	170000	12	2040000	111520000	109480000
13	AETPT3031R	MANAN NIPUN THAKKAR	200000	12	2400000	131200000	128800000
14	AAKHM3886N	MANISH R AGARWAL	200000	12	2400000	131200000	128800000
15	AKIPS3568B	MANISH R. SHAH	340000	12	4080000	223040000	218960000
16	ADWPT0258N	MEHUL DEEPAK THAKUR	355000	12	4260000	232880000	228620000
17	AEQPM0243R	MILAN MAHENDRAK UMAR MEHTA	170000	12	2040000	111520000	109480000
18	AABPS3841G	Mitesh Shah	85000	12	1020000	55760000	54740000
19	AADHM3872R	MOHANLAL GENMAL JAIN-HUF .	100000	12	1200000	65600000	64400000
20	ADGPT9692L	NAMAN NIPUN THAKKAR	200000	12	2400000	131200000	128800000
21	ANOPD3742P	NEHA NIKESH JAIN	100000	12	1200000	65600000	64400000
22	ANTPM4302M	NILAY MILAN MEHTA	170000	12	2040000	111520000	109480000
23	ABAPS8719H ABAPS8720J	PARESH VADILAL SHAH BHARATI PARESH SHAH	170000	12	2040000	111520000	109480000
24	AAFPJ0591A	PRABHABEN MOHANLAL JAIN	200000	12	2400000	131200000	128800000

25	ANCPG9071G	PRACHI KSHITIJ THAKUR	300000	12	3600000	196800000	193200000
26	ADWPT4526D	PRIYANKA JAYENDRA THAKUR	300000	12	3600000	196800000	193200000
27	AACPG3526D	RAHUL DHIRAJLAL GADA	170000	12	2040000	111520000	109480000
28	AARPN7286Q	RAJESH KUMAR NAREDI	150000	12	1800000	98400000	96600000
29	AADPD0124F	RATAN BIHARILAL DULANI	80000	12	960000	52480000	51520000
30	AGRPT2866J	ROHIL JAYENDRA THAKUR	300000	12	3600000	196800000	193200000
31	AEWPD1741F	RUPA BIMAL DESAI	340000	12	4080000	223040000	218960000
32	AUEPJ2883L	SALONI ASHOK JAIN	100000	12	1200000	65600000	64400000
33	AABPA2767P	SANJAY KUMAR AGARWAL	200000	12	2400000	131200000	128800000
34	ASXPM4249G	SHARMILA PRADEEP MATOLIA	100000	12	1200000	65600000	64400000
35	AJIPT7889B	SHIKHAR HITENDRA THAKUR	300000	12	3600000	196800000	193200000
36	BPDPM5624M	SHRUTI NAMDEV MANE	100000	12	1200000	65600000	64400000
37	AABPP1727A	SURESH PAHARIA	100000	12	1200000	65600000	64400000

38	AAEPM5924H	UJWALA NAMDEV MANE	100000	12	1200000	65600000	64400000
39	AABPV1137E	URVI GHANSHYAM GORADIA	170000	12	2040000	111520000	109480000
40	AJJPT3513H	UTTUNG HITENDRA THAKUR	300000	12	3600000	196800000	193200000
41	AJRPM3732H	VIJAY SHRISHAIL METGUD	170000	12	2040000	111520000	109480000
42	AACPT2539D	VIJAYA NIPUN THAKKAR	200000	12	2400000	131200000	128800000
			8290000		99480000	5438240000	5338760000

Details of notional profit of 2nd preferential allottees

Sr. No.	PAN	Name of the Allottees	Shares Issued	Issued at price	Total	Notional value of shares based on peak price on January 27, 2015	Notional Profit based on peak price on January 27, 2015
1	ALTPJ8774E	AAYUSH AJIT JAIN	200000	13	2600000	131200000	128600000
2	ANRPM1759J	ADITYA V. MIRCHANDANI	200000	13	2600000	131200000	128600000
3	AENPR4694E	AKHILESH RATHI	200000	13	2600000	131200000	128600000
4	AAMPA0550F	AMAR NATH AGARWAL	570000	13	7410000	373920000	366510000
5	ALTPK8993J	AMARDEEP KADAM	1500000	13	19500000	984000000	964500000

6	AAPPA2265E	AMBRISH AGARWAL	550000	13	7150000	360800000	353650000
7	ADMPP1798B	ANAND KAMALNAYA N PANDIT	1600000	13	20800000	1049600000	1028800000
8	AABPD6686J	ARVIND DANABHAI DESAI	800000	13	10400000	524800000	514400000
9	AVQPS4469L BQBPS8034C	BIJAL VISHAL SHAH KUNJ SAURIN SHAH	200000	13	2600000	131200000	128600000
10	AAKPD3160A	BIMAL J DESAI	200000	13	2600000	131200000	128600000
11	AFOPM1854K	BIMLA S MAKHIJA	100000	13	1300000	65600000	64300000
12	ALAPA2051Q	DHAVAL JAYESH AJMERA.	250000	13	3250000	164000000	160750000
13	ADNPR7601J	GAURAV MURLIDHAR RAIMALANI	200000	13	2600000	131200000	128600000
14	AAIPJ3872F	GAURI SHANKAR JHALANI	200000	13	2600000	131200000	128600000
15	AAJPJ8345A AAEPJ8684M	GEETA S JOSHI SHIVSHANKAR C JOSHI	200000	13	2600000	131200000	128600000
16	AABPJ1091P	GOUTAM CHAND JAIN	150000	13	1950000	98400000	96450000
17	AACPP1785B AEBPP2488Q	HARILAL NATHU PATEL VIPUL HARILAL PATEL	200000	13	2600000	131200000	128600000
18	ABAPM5413G	HASAN NURSHA MUJAWAR	200000	13	2600000	131200000	128600000
19	AACPS9852J AOWPS7370B	HEMANT KANTILAL SHAH GEMINI HEMANT	200000	13	2600000	131200000	128600000

		SHAH					
20	AAEPD6070H	KAMINI ARVIND DESAI	800000	13	10400000	524800000	514400000
21	AJSPS2973D	KAMLESH JAYANTILAL SHAH	200000	13	2600000	131200000	128600000
22	AHAPR0883M	KANCHAN GAURAV RAIMALANI	200000	13	2600000	131200000	128600000
23	AAJPM2563K AAJPM2564Q	KANHAYALAL BHANVARLAL MEHTA . SHANTILAL BHANVARLAL MEHTA .	200000	13	2600000	131200000	128600000
24	AXJPS8653D AKIPB9622R	KEYUR HEMANT SHAH POOJA RAJNIKANT BAGADIA	200000	13	2600000	131200000	128600000
25	AABHM6392L	KISHOR H. MIRCHANDAN I	200000	13	2600000	131200000	128600000
26	AAAPR8622D	MURLIDHAR M RAIMALANI	200000	13	2600000	131200000	128600000
27	ADLPR6008H	NEELAM RAMCHAND RAIMALANI	200000	13	2600000	131200000	128600000
28	AAJPA1839J	NEELI AGGARWAL	200000	13	2600000	131200000	128600000
29	AAGPK3480L	NITIN NANASAHEB KADAM	400000	13	5200000	262400000	257200000
30	AAOPT6497L	PRAVINA HITENDRA THAKUR	350000	13	4550000	229600000	225050000
31	CBEPK6975R CPTPK4008L	PRIYAM NIRMAL KOTHARI NIPUN KOTHARI	200000	13	2600000	131200000	128600000

32	AEJPA6636H	RAJ SHARADKUMA R AGARWAL	100000	13	1300000	65600000	64300000
33	AMRPS9446F AMIPS1160M	RAJIV SURYAKANT SHAH JIGNA RAJIV SHAH	200000	13	2600000	131200000	128600000
34	AEXPR5064A	RAMCHAND MURLIDHAR RAIMALANI	200000	13	2600000	131200000	128600000
35	AMLPS9269A AAEPS0047F	REKHA V SHAH JIGNESH V SHAH	200000	13	2600000	131200000	128600000
36	ABYPG3169K	RUCHI AGARWAL	325000	13	4225000	213200000	208975000
37	AADPM9051G ABEPS6347K	SAMIR SHASHIKANT MEHTA FALGUNI SAMIR MEHTA	200000	13	2600000	131200000	128600000
38	ACOPA1003H	SANGEETA JAYESH AJMERA	300000	13	3900000	196800000	192900000
39	AAVPS0595B AAQPS3615K	SANJAY M SANGHAVI SHILPA S SANGHAVI	200000	13	2600000	131200000	128600000
40	ABTPA6590R	SHASHI AGARWAL	350000	13	4550000	229600000	225050000
41	BHYPM1065R	SUMAN MANSUKH MAKAWANA	200000	13	2600000	131200000	128600000
42	AADPM0670P	SURESH G MAKHIJA	200000	13	2600000	131200000	128600000
43	ANTPS0410N	VARUN SHARDA	200000	13	2600000	131200000	128600000
44	AACHV0290D	VIJAY HARISH MIRCHANDAN I	200000	13	2600000	131200000	128600000
45	AABHV8676E	VIJAYKUMAR B SHAH	200000	13	2600000	131200000	128600000

46	ABGPB7101E	VIJAYKUMAR BANDULAL BHANDARI	200000	13	2600000	131200000	128600000
47	AASPV9482H	VIKAS BHASKAR VARTAK	180000	13	2340000	118080000	115740000
48	AFFPV4771B	VINAMRA VIKAS VARTAK	125000	13	1625000	82000000	80375000
49	CKNPM1747F	YASH K. MIRCHANDAN I	200000	13	2600000	131200000	128600000
	Total		14850000		193050000	9741600000	9548550000

Details of notional profit of 3rd preferential allottees

Sr. No.	PAN	Name of the Allottees	Shares Issued	Issued at price	Total	Notional value of shares based on peak price on January 27, 2015	Notional Profit based on peak price on January 27, 2015
1	AENPG1584L	Abhishek Golechha	100000	25	2500000	65600000	63100000
2	AEFPC2594C	ALKA SURENDRAKUMAR CHAPLOT	60000	25	1500000	39360000	37860000
3	ACMPA4421 D ABMPA2745F	ANAND KUMAR AGARWAL MAHADEVI AGARWAL	100000	25	2500000	65600000	63100000
4	ABCPS5213Q ABHPS5312F	ARUN SHIVANATH SHROFF MEERA DEVI ARUN SHROFF	100000	25	2500000	65600000	63100000
5	AATPJ3439K ANLPP9536G BEHPP9269L	ATUL MAHAVEERPRASAD PALDECHA PUSHPA PALDECHA	60000	25	1500000	39360000	37860000

		MUKESH M PALDECHA					
6	AGXPG4695C	BABITA GUPTA	100000	25	2500000	65600000	63100000
7	AOSPP9686B	CHIRAG P PATEL	130000	25	3250000	85280000	82030000
8	AUAPP6532E	DARWIN P PATEL	135000	25	3375000	88560000	85185000
9	AGWPG8184 B	DEVENDRA NATH GUPTA	100000	25	2500000	65600000	63100000
10	ARWPS1458D	DHEERAJ SHAH	200000	25	5000000	131200000	126200000
11	AAPPS9160C	DHIRENDRA PREMJI SANGOI	40000	25	1000000	26240000	25240000
12	AAAHD3386 G	DHIRENDRA PREMJI SANGOI HUF	40000	25	1000000	26240000	25240000
13	AAZPM5199 H	DINESH MUNOT	100000	25	2500000	65600000	63100000
14	AULPS2941R AAFPS0967H	HARI ANAND SHELAR SANTOSH ANAND SHELAR	100000	25	2500000	65600000	63100000
15	AACPS9852J	HEMANT KANTILAL SHAH	100000	25	2500000	65600000	63100000
16	CKNPS0085G	JANIL P SHAH	200000	25	5000000	131200000	126200000
17	AAAHHJ2205C	JATIN KANUBHAI SHAH HUF	60000	25	1500000	39360000	37860000
18	ADAPN0911E	JAYASHREE SUNIL NESARIKAR	60000	25	1500000	39360000	37860000
19	AACPG7708H AAFPG1944E	KAMAL CHAMPSHI GOSHAR CHAMPSHI TALAKSHI GOSHAR	60000	25	1500000	39360000	37860000
20	AIRPG2347M	KANJIBHAI G GOLAKIYA	100000	25	2500000	65600000	63100000
21	AAEPS4682A	LAXMAN ANAND SHELAR	100000	25	2500000	65600000	63100000
22	AAPPS9161D	LEENA DHIRENDRA SANGOI	40000	25	1000000	26240000	25240000
23	ACTPJ6491M	NAMITHA NILESH JAIN	120000	25	3000000	78720000	75720000
24	AABPS5016P	NARAYAN ANAND SHELAR	100000	25	2500000	65600000	63100000

25	AAFPK5323D	NEELA DIPAK KAPADIA	60000	25	1500000	39360000	37860000
26	AACPG7709G	PANKAJ DHANJI GOSHAR	1000000	25	25000000	656000000	631000000
27	AWWPS6699 H	PARESH B SHAH	160000	25	4000000	104960000	100960000
28	AAAHP3498R	PARESH KANUBHAI SHAH HUF	60000	25	1500000	39360000	37860000
29	AABPR3339N	PRAGNESH DAMJI RAMBHIA	200000	25	5000000	131200000	126200000
30	AAAHP3255 Q	PRAKASH KANUBHAI SHAH HUF	60000	25	1500000	39360000	37860000
31	ACMPP2066K	PURSHOTTAMBHAI SHANKARBHAI PATEL	135000	25	3375000	88560000	85185000
32	CGEPS0765G	RAHUL RAMESH SHARMA	300000	25	7500000	196800000	189300000
33	BIUPS7607A	RIDDHI PRAKASH SHAH	60000	25	1500000	39360000	37860000
34	ANJPS8907Q ABCTS5213Q	RINKU VIVEK GADIA ARUN SHIVANATH SHROFF	100000	25	2500000	65600000	63100000
35	BDSPTS0450C	RITU SARAF	40000	25	1000000	26240000	25240000
36	AAEPJ4804F	SAJJANBEN FUTERMAL JAIN	120000	25	3000000	78720000	75720000
37	AMKPS1128H	SAMYAK SUBHASH SURANA	100000	25	2500000	65600000	63100000
38	ADHPG1520F	Sanjay Eknath Gaikwad	60000	25	1500000	39360000	37860000
39	EDRPS9048Q	SHREY SARAF	40000	25	1000000	26240000	25240000
40	AFBPS0727G	SHREYAS DHIRENDRA SANGOI	40000	25	1000000	26240000	25240000
41	AATPK0955F	SUNIL MANIKCHAND KASLIWAL	100000	25	2500000	65600000	63100000
42	AFZPS2274N	TEJAS DHIRENDRA SANGOI	40000	25	1000000	26240000	25240000
43	AALPG7484R AEHPG7918L	VAIBHAV SHANTILAL GALA ALPA VAIBHAV	60000	25	1500000	39360000	37860000

		GALA					
44	AKSPS5743G	VINITA ASHISH SARAF	60000	25	1500000	39360000	37860000
45	BIFPS9212N	VISHAL PARESH SHAH	60000	25	1500000	39360000	37860000
46	AFBPS0733A	VISHESH DHIRENDRA SANGOI	40000	25	1000000	26240000	25240000
			5200000		130000000	3411200000	3281200000

DATE: February 20 , 2015

PLACE: MUMBAI

RAJEEV KUMAR AGARWAL
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA