



भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

GENERAL MANAGER
ENFORCEMENT DEPARTMENT

EFD/DRA3/MC/23785/2017
September 29, 2017

1. First Financial Services Ltd 2 nd Floor, Venkata Maistry Street, Mannady, Chennai-600001	2. Nirmal Singh Mertia Flat B-307, God Devnaka B P Road, Prakashkunj, Bhayander- 401105
3. S Krishna Rao 106/22, Golden Flats, Estate road, Mugappair, Chennai- 600050	4. Ponuswammy Natarajan B- 24, Brook Arihant Escapade No 48 Devaraj Nagar Okkiyam Thuraipakkam, Chennai -600097
5. Prem Lata Nahar 20 A, Panchawatisenthi Near Old Post Office, Choti sadri, Chittorgarh, Rajasthan, - 312604	6. Mr B. P. Jhunjhunwala 1d, Rajagiri Residency, 125, Marshall Road, Egmore, Chennai- 600008
7. B P Jhunjhunwala & others HUF No 45 Old No 24 Venkata Maistry Street 2 nd Floor, Chennai - 600001	8. Anil Agrawal HUF 501, Siddhi Building Marve Road Malad (W) Mumbai 400064
9. Anil Agarwal (Karta) 227/28 Natraj Market 2/3 Malad Shopping Centre S V Road, Malad (West) 400065	10. Gokul Securities Pvt Ltd 1007, A Wing, Samarth Angan - 3, Opp. Mhada Colony, Oshiwara, Andheri (W), Mumbai - 400102
11. Amit Hasmukhbhai Patel HUF 1/135, Prabhu Niwas, Near Siws College, Wadala (W) Mumabi 400 031	12. Amit Hasmukhbhai Patel 1/135 Prabhu Niwas Near SIWS College, Wadala East Mumbai - 400032
13. Syncom Formulations Ltd 7, Niraj Industrial Estate, Off Mahakali Caves, Andheri (E) Mumabi - 400093	14. Rajendra kumar Agarwal HUF 1004, Orchid Tower, vasant Valley Complex, Dindoshi, Malad Mumbai -400097
15. Rajendra Kumar Agarwal (Karta) 1004 Orchid Tower Vasant Valley Complex, Dindoshi Bus Depot	16. Ritesh Agarwal HUF 1004, Orchid Tower, vasant Valley Complex, Dindoshi, Malad



अनुवर्ती :
Continuation :

भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

15. Rajendra Kumar Agarwal (Karta) 1004 Orchid Tower Vasant Valley Complex, Dindoshi Bus Depot Film City Road Malad (East) - 400097	16. Ritesh Agarwal HUF 1004, Orchid Tower, vasant Valley Complex, Dindoshi, Malad Mumbai -400097
17. Ritesh Agarwal 1004, Orchid Tower, vasant Valley Complex, Dindoshi, Malad Mumbai -400097	18. Shilpa Agarwal Orchid Tower, Gokul Dham Vasant Valley Complex Malad (E) Mumbai-400097
19. Suresh Kumar Khandelia C/o Chenab Textiles Mills Staff Colony P.O Kathua Jammu and Kashmir- 184102	20. Manju Khandelia C/o Chenab Textiles Mills Staff Colony P.O Kathua Jammu and Kashmir- 184102
21. Brij Bhushan Singal W-29, Greater Kailash Part -II, New Delhi -110048	22. Neeraj Singal W-29, Greater Kailash Part -II, New Delhi -110048
23. Uma Singal W-29, Greater Kailash Part -II, New Delhi -110048	24. Bharatbhai N.Buha C/26, Sneh Sagar Society, Opp.Green Park, Katargam, Surat - 395004
25. Bharatbhai N.Buha C/26, Sneh Sagar Society, Opp.Green Park, Katargam, Surat - 395004	26. N K Agarwal & Sons S-11, Sethi Colony Jaipur -302001
27. Suresh Kumar Kalani S-18, Amababari, Jaipur -302012	28. Mukesh Atal HUF 1610, Madrasa Road, Kashmere Gate, Delhi - 110006
29. Mukesh Atal 1610, Madrasa Road, Kashmere Gate, Delhi - 110006	30. Balkishan Atal and Sons HUF 1610, Madrasa Road, Kashmere Gate, Delhi - 110006



अनुवर्ती :
Continuation :

भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

31. Balkishan Atal (Karta) 1610, Madrasa Road, Kashmere Gate, Delhi - 110006	32. Rajni Atal 1610, Madrasa Road, Kashmere Gate, Delhi-110006
33. Karuna Atal 1610, Madrasa Road, Kashmere Gate, Delhi-110006	34. Rajesh Atal 1597, Madrasa Road, Kashmere Gate, Delhi 110006
35. Santosh Manihar B-38, Dev Nagar Tonk Road, Gandhi Nagar Jaipur-302015	36. Giriraj Prasad Manihar HUF B-38, Dev Nagar Tonk Road, Gandhi Nagar Jaipur-302015
37. Giriraj Prasad Manihar B-38, Dev Nagar Tonk Road, Gandhi Nagar Jaipur-302015	38. Anshul Jain A-402, Nagar Residency Near Rungata Hospital Malviya Nagar., Jaipur - 302017
39. Ranisati Dealer Private Ltd. 3 Raja Devendranarayan Deb Lane, Kolkata-700005	40. Padma Impex Private Ltd C Wing 103 Country Park Dattapada Road Opp Tata Steel Borivali East, Mumbai- 400060
41. Global Infratech & Finance Ltd Flat No 731, LIG Colony, Sector 32, Ludhiana Chandigarh Road, Ludhiana -600008	42. Comfort Fincap Ltd 17, Dover Road, P S Ballygunge, Kolkata- 700019
43. Comfort Intech Ltd 106, Avkar Algani Nagar Kalaria, Daman Daman & Diu-396210	44. Comfort Securities Ltd 227/228, Natraj Market, S V Road, Malad, Mumbai-37288
45. Kuber Kamna Marbles Pvt Ltd 312 Ganpati Plaza, M I Road Jaipur- 302021	46. Tirupati Developers C52 C-Wing, 2nd Floor, Raj Industrial Complex Chs, Off Military Road, Andheri(E) Mumbai
47. Advent Developers Pvt Ltd 213/214, Gokul Arcade Andheri -Sahar Rd., Vile Parle East, Mumbai	48. Vision Steel Ltd 3, Industrial Area Phase I, Chandigarh - 160017

2



अनुवर्ती :
Continuation :

**भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India**

49. Marsh Steel Trading Ltd 3, Industrial Area Phase I, Chandigarh - 160017	50. Adhunik Transport Organisation Ltd 201, 202 2nd Floor Plot No 59 Abhay Steel House Baroda Street Tata Power Carnac Bunder Mumbai-400009
51. NMC Industries Pvt Ltd Plot No. 161, 4th Lane, Darukhana, Reay Road, Mumbai- 400010	52. LAN Finance Pvt Ltd Flat No B603, 6 th Floor, Harshad CHS Sion, Chuna Bhatti, Mumbai - 400022
53. Bina H Mehta 801/802 Laxmi Sadan 10 Rd N S Rd Jvpd Scheme Vileparle West, Mumbai 400056	54. Amrit Sales Promotion Pvt Limited Bhandri Brothers, 16 Netaji Subhas Road 4th Floor Dalhousie, Kolkatta-700001
55. Bazigar Trading Private Ltd. 863, Marshall House, 33/1, Netaji Subash road, Kolkata - 700001	56. BSR Finance & Consultants Private Ltd. 25 Banarshi Ghosh Street, Kolkata - 700007
57. Cellour Marketing Ltd 50 Netaji subhas Road Kolkata -700001	58. Dhanlakshmi Brokers Private Ltd. 18 Chandra Nagar, Gopal Pura By Pass, Tonk Road, Jaipur- 302018
59. HS Tradecom Pvt Ltd Sita Ram Ji Kemandir Ke Pass, Phagi, Jaipur- 303005	60. Jaihanuman Multi Agencies Private Ltd Room No-2, Ranchod Chawl, Daruwala Compound, S V Road, Malad (west), Mumbai- 400064
61. Jayine Tradecom Private Ltd. 776/ Sumer Nagar, Ward No-12 Thsanganer, Jaipur- 302020	62. Kirit Vasudeo Dave Room No 3 ,Lavji Nanji Chawl Nanabhai Laxman Road Chincholi, Malad West, Mumbai- 400064
63. Kripa securities Pvt. Ltd Room No-44, 5,clive Row, Kolkata - 700001	64. Life Line Marketing Pvt Ltd 63 Radha Bazar Street, C.R. Avenue, 1st Floor, Kolkata-700001



अनुवर्ती :
Continuation :

भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

65. Nandan Kanan Iron & Steel Pvt Ltd 4, Synagogue Street, 8 th floor Room No 814, Kolkata - 700001	66. Navdurga Investment Consultants Pvt Ltd 8 Lyons Range 5th Floor, Kolkata, West Bengal-700001
67. Nityadhara Plaza Private ltd. 8, Lyons Range, 5th Floor, Kolkata- 700001	68. Pride Distillery Private Ltd J 77 Diamond District, Airport Road, Bangalore- 560008
69. R C Suppliers Private Ltd 98 Rajkumar Mukherjee Road, Barah Nagar, Kolkata- 700035	70. Astabhuja Construction Private Ltd 8, Lyons Range, 5th Floor, Kolkata- 700001
71. Raina Vyapaar Private Ltd 52 Weston Street, Bow Bazar, Kolkata- 700012	72. Rajani Investment Private Ltd 49/29, Rabindra Sarani, Rishra, Hooghly, West Bengal-712248
73. Ritesh Commercial Holdings Limited 4 Synagogue Street Room No-9, 9th Floor Kolkata- 700001	74. Sanchay Tradecom Pvt Ltd 4 Synagogue Street Room No-814, 8th Floor Kolkata West - 700001
75. Stardox Vinimoy Private Ltd 52 Weston Street, Bow Bazar Kolkata 700012	76. Surbhika Vyapaar Private Ltd. Room.no-814, 8th Floor 4-Synagogue Street, Kolkata- 700001

Sub: Show Cause Notice under Section 11(1), 11(4) and 11B of the SEBI Act, 1992 in respect of trading activity of certain entities in the scrip of First Financial Services Ltd.

1. The Securities and Exchange Board of India (SEBI) conducted an investigation into the trading and dealings in the scrip of **First Financial Services Ltd.** (hereinafter referred to as **FFSL/the company**) as it observed abnormal movement in the price of the scrip on BSE during May 15, 2012 to March 31, 2014 (hereinafter referred to as the "investigation period / IP"). SEBI also received references from the Director General of Income Tax (Inv), Delhi and the Principal Directors of Income Tax (Inv), Kolkata and Chandigarh vide letters dated February 02, 2015, April 27, 2015 and August 24, 2015 in the matter.
2. It was observed that the company made two preferential allotments of shares on December 08, 2011 and April 28, 2012 for 54,50,000 and 22,50,000 equity shares of Rs. 20 each to total 83 allottees which were under lock-in for one year from the date of respective allotments. Moreover, there was a sub-

2



अनुवर्ती :
Continuation :

भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

division of shares on December 13, 2013 from one equity share of Rs.10 each into ten equity shares of Re.1 each.

3. The company registered net profit of Rs. 0.32 crore, Rs. 0.48 crore and Rs. 0.07 crore for the year ended March 2012, March 2013 and March 2014 respectively. The company's net sales and net profit marginally increased in 2012-13 and thereafter, decreased in FY 2013-14 compared to respective previous financial years. The quarterly financial results are placed in Annexure 1.
4. The Investigation Period (IP) has been divided into four patches on the basis of the price movement in the scrip as follows:

Period	Dates	Opening Price	Closing price	High Price/ Low price	Avg. no. of shares traded	Description
Patch-1	15/05/12-08/02/13	5.35	263.45	263.45	23	Steep Price rise with low volume
Patch-2	11/02/13 -23/07/13	268.7	296	300	39,528	No sharp price rise with significant volume
Patch 3	24/07/13-12/12/13	295.5	178.45	176	43,282	Price fall pre split
Patch-4	13/12/13-31/03/14	17.6	7.95	7.1	802,537	Price fall post split

5. It was observed that several connected entities traded in the scrip during Patch 1, 2 and 4. Connections between these entities were established based on the UCC data/ KYC data, bank statements and MCA data a group of 88 entities (hereinafter referred to as "connected entities group/group" was identified. The said group was also found to be connected to the company. The details of the group are as follows (documents related to connections are placed at Annexure 2) :

Table 1

Sl. No.	Name	PAN	Basis of Connection
1.	Global Infratech Finance Ltd. Kuner	AABCA4255H	<ul style="list-style-type: none"> Ashok Bothra was the common director in Global Infratech & Finance Ltd-(Sr No-1), Dynamic Portfolio Management & Services Ltd,-(Sr No-2) Blue Circle Services Ltd -(Sr No -8), Meenakshi Enterprises Ltd, Unisys Software and Holding Industries Limited, JMD Ventures Limited and FFSL. Global Infratech and Finance Ltd-(Sr No-1) was shareholder of Meenakshi Enterprises Ltd and Onesource Techmedia Limited. S Swaminathan is director in Global InfratechFinance Ltd. - (Sr No-1). and FFSL. S Krishna Rao was the common director in FFSL, Global Infratech & Finance Ltd,- (Sr No-1) Skyednetwork Pvt Ltd, Radhasaomi Securities Pvt Ltd, Nandlal Vyapar Pvt Ltd, Anurodh Merchandise Pvt Ltd, Chiraag Suppliers Pvt Ltd, Onesource Techmedia Ltd and Carewell Consultants Pvt Ltd. FFSL has fund transfer with Global Infratech & Finance Ltd.- (Sr No-1) The shareholder and director of Padma Impex Pvt Ltd- (Sr.No-3) is Bina Hemanshu Mehta with whom FFSL has fund transfers. Ranisati Dealers Pvt Ltd-(Sr No-4) is a shareholder in Padma Impex Pvt Ltd -(Sr.No-3) among others. Ranisati Dealer Pvt Ltd -(Sr No-4) has fund transfers with Comfort Fincap Ltd-(Sr No-83), Comfort Intech Limited-(Sr No-85), Padma Impex Pvt Ltd -(Sr.No-3), Noble Express Services Pvt. Ltd, Syncom Formulations (I) Ltd-(Sr No-62), one of the allottees of FFSL
2.	Dynamic Portfolio Management & Services Ltd	AAACD9125E	
3.	Padma Impex Private	AAACL4269P	
4.	Ranisati Dealer Pvt	AADCR7368C	
5.	Ritesh Commercial Holdings Ltd.	AABCR1974J	
6.	Ritesh Projects Private Ltd	AADCR6224M	



अनुवर्ती :
Continuation :

भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

			<p>and BLC Trading and Agency Pvt. Ltd. with which FFSL had fund transactions.</p> <ul style="list-style-type: none">• Dynamic Portfolio Management & Services Ltd. -(Sr No-2) is a shareholder in Ritesh Commercial Holding - (Sr No-5) and Ritesh Project Pvt Ltd.-(Sr No-6)• Ritesh Properties Pvt. Limited is a shareholder of Dynamic Portfolio Management and Services Limited. -(Sr No-2)• Arun Agarwal is a common director in Dynamic Portfolio Management & Services Ltd. -(Sr No-2) , Ritesh Commercial Holdings Ltd. - (Sr No-5), Ritesh Enclave Pvt. Limited, Ritesh Construction Pvt. Limited
7.	Burlington Finance Ltd.	AABCB2575P	<ul style="list-style-type: none">• Panna Lal Maloo is the common director of Manimudra Vincom Private Ltd - (Sr No-9), Amrit Sales Promotion Pvt Ltd -(Sr No-10) and Symphony Merchants Pvt Ltd.-(Sr No -11)
8.	Blue Circle Services Ltd.	AAACB2131L	<ul style="list-style-type: none">• Rabi Paul was the common director of Burlington Finance Ltd.-(Sr No-7) and Amrit Sales Promotion Pvt Ltd. -(Sr No-10)
9.	Manimudra Vincom Private Ltd.	AADCM4316K	<ul style="list-style-type: none">• Fund transfers of Amrit Sales Promotion Pvt Ltd.-(Sr No-10) with Manimudra Vincom Private Ltd -(Sr No-9), Burlington Finance Ltd.-(Sr No-7), Symphony Merchants Pvt Ltd -(Sr No -11), Bazigar Trading Pvt Ltd -(Sr No-12), Blue Circle Services Ltd.-(Sr No -8)
10.	Amrit Sales Promotion Pvt Ltd.	AACCA3220D	<ul style="list-style-type: none">• Vinay Maloo was the common director in Manimudra Vincom Pvt Ltd - (Sr No-9) and Bazigar Trading. -(Sr No-12)• Symphony Merchants Pvt. Limited. -(Sr No -11) is one of the shareholder of Bazigar Trading Pvt. Limited. -(Sr No-12)
11.	Symphony Merchant Pvt Ltd	AADCS5411K	<ul style="list-style-type: none">• Pine Animation Limited -(Sr No-13) has fund transfer with Blue Circle Services Ltd.-(Sr No -8), Forever Flourishing Finance and Investments Pvt Ltd.-(Sr No-14), Unisys Software and Holding Limited and J.M.D. Sounds
12.	Bazigar Trading Private Ltd.	AABCB3052B	<ul style="list-style-type: none">• The directors of JMD Sounds are Pawan Kumar Purohit, Kailash Prasad Purohit) and the directors of Unisys Software and Holding Limited are Sushil Kumar Purohit and Jagdish Prasad Purohit. The promoters of JMD Sounds include Unisys Software and Holding Limited, Sushil Kumar Purohit and Jagdish Prasad Purohit. Also, Jagdish Prasad Purohit and Kailash Prasad Purohit are directors in JMD Ventures Ltd., Warner Multimedia Ltd.
13.	Pine Animation Ltd.	AAECM0267A	<ul style="list-style-type: none">• Unisys Software and Holding Limited is the promoter and Anil Kumar Purohit is the director of Blue Circle Services Limited.-(Sr No -8)
14.	Forever Flourishing Finance & Investment Pvt Ltd	AAACF4311Q	<ul style="list-style-type: none">• Mohit Jhunjhunwala, relative of B. P. Jhunjhunwala-(Sr No-57), is director in Unisys Software and Holding Limited and J.M.D. Ventures Limited. The directors of JMD Ventures include Jagdish Prasad Purohit and Kailash Prasad Purohit, who are the director of Unisys Software and Holding Limited and JMD Sounds Ltd. respectively.
15.	Astabhuj Construction Private Ltd.	AADCN9427C	<ul style="list-style-type: none">• The directors of entities at Sl. No. 15-17 are common namely Narendra Joshi and Ratan Pandit.
16.	Navdurga Investment Consultants Private Ltd.	AACCK2399D	<ul style="list-style-type: none">• Ratan Pandit and Anita Jhunjhunwala are directors in Ruby Traders Exporters Ltd• Anita Jhunjhunwala is director in Subham Communication which received funds from FFSL, Radhasoami Securities, Anurodh Merchandise Pvt Ltd.• Anita Jhunjhunwala and KK Jhunjhunwala are relatives of BP Jhunjhunwala (Sl. No. 57). KK Jhunjhunwala and Anita Jhunjhunwala are directors in Shubham Communications Ltd.
17.	Nityadhara Plaza Private Ltd.	AACCN9567A	<ul style="list-style-type: none">• Dhruv narayan Jha is common director in Navdurga Investment Consultants Private Ltd.-(Sr No-16) and Blue Circle Services Ltd.-(Sr No -



अनुवर्ती :
Continuation :

भारतीय प्रतिभूति
और विनियम बोर्ड
Securities and Exchange
Board of India

			<p>8) along with certain other companies such as Prime Capital Market Limited, Warner Multimedia Limited, Scan Infrastructure Limited (where Jagdish Purohitis also a director).</p> <ul style="list-style-type: none"> Scan Infrastructure Ltd and Warner Multimedia were shareholders of Meenakshi Enterprises Ltd. Astabhuja Constructions -(Sr No-15) has fund transfer with Nityadhra Plaza, JMD Telefilms Industries Ltd., Keshav Madhav, Madanji Enterprise etc. Nityadhara Plaza-(Sr No-17) has fund transactions with Navdurga Investment Consultants Pvt Ltd. -(Sr No-16), JMD Telefilms Industries Ltd.,Astabhuja Construction Private Ltd.-(Sr No-15), Madanji Enterprise, Keshav Madhav etc.
18.	Jaihanuman Multi Agencies Private Ltd.	AABCJ6667L	<ul style="list-style-type: none"> Directors of Jaihanuman Multi Agencies Private Ltd.-(Sr No-18) , Gokul Securities Pvt Ltd -(Sr No-59) and Rutron International Ltd are same namely Ashok Hargovindas Soni and Chhaya Ashok Soni Fund transfers with Maruti Enterprises, which has fund transfers with Lifeline Marketing Pvt Ltd-(Sr No-42) and Pride Distillery Pvt Ltd. -(Sr No-47) Has off-market transfers with Padma Impex Private Ltd. -(Sr.No-3)
19.	Dhanlakshmi Brokers Private Ltd.	AAECD4759L	<ul style="list-style-type: none"> Rakesh Srivastava (director of Dhanlakshmi) & Punita Srivastava (Director of HS Tradecom- Sr No-20) share common address i.e 354, Jessore Road,, Dum dum, Nagar Bazar,, Kolkata, 700074, West Bengal. Jayne Tradecom - (Sr No-21) and HS Tradecom-(Sr No-20) have common e-mail id shefali.khandalwal89@gmail.com.
20.	Hs Tradecom Private Ltd.	AACCH8988B	<ul style="list-style-type: none"> Dhanlakshmi Brokers Pvt Ltd -(Sr No-19), HS Tradecom Pvt Ltd-(Sr No-20), Jayine Tradecom Pvt Ltd.-(Sr No-21), Kirit Dave-(Sr No-54), Pride Distillery-(Sr No-47),Astabhuja Constructions -(Sr No-15), Nityadhara Plaza -(Sr No-17), Padma Impex -(Sr.No-3) have fund transfers with certain common entities like Keshav Madhav, Madanje Associates, Jalaram Enterprises, Jalaram Finvest etc.
21.	Jayne Tradecom Pvt Ltd	AACCJ8342D	<ul style="list-style-type: none"> Fund transfers between Dhanlakshmi Brokers Pvt. -(Sr No-19) Limited and Subh Labh Share Brokers Pvt. Limited, Anugraha Jewellers Limited and Global Infratech and Finance Limited. - (Sr No-1) The director of Subh Labh Share Brokers Pvt. Limited is Kishan Kumar Jhunjhunwala and that of Anugraha Jewellers Limited (new name: Onesource Ideas Venture Ltd.) is B. P. Jhunjhunwala-(Sr No-57). Dhanlakshmi Brokers Pvt. Limited -(Sr No-19) has fund transfers with BLC Trading & Agencies Pvt Ltd, which in turn has fund transfers with Syncom Formulations (I) Ltd-(Sr No-61), Suresh kalani-(Sr No-74), Gokul Securities Pvt Ltd. -(Sr No-59),FFSL, Ranisati Dealers Pvt Ltd-(Sr No-4), Prefer Abasan (Sr No. 45)
22.	Swarna Pushpa Vanijya Private Ltd.	AAJCS0597G	<ul style="list-style-type: none"> As per MCA website, entities at Sl. No. 22-32 have common director viz, Bishwanath Agarwal.
23.	Hari Om Suppliers Private Ltd.	AABCH2251E	<ul style="list-style-type: none"> As per MCA website, all these private companies except BNA Commerce -(Sr No-30), Sanchay Tradecom -(Sr No-31), Sanchay Trexim -(Sr No-32). have common director viz, Uttam Banerjee.
24.	Goldstar Tracom Private Ltd.	AADCG8045K	<ul style="list-style-type: none"> BNA Commerce Pvt Ltd - (Sr No-30), Swarnapushpa Vanijya Pvt Ltd-(Sr No-22), Hariom Suppliers- (Sr No-23), Swarnapriya Vanijya Pvt Ltd -(Sr No-26), Goldstar Tracom Pvt Ltd-(Sr No-24), Kalakar Commercial Pvt Ltd-(Sr No-25) were shareholders in Surbhika Vyapaar Pvt. Limited-(Sr No-27) as on March 31, 2011.
25.	Kalakar Commercial Private Ltd.	AADCK9346B	



अनुवर्ती :
Continuation :

भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

26.	Swarnapriya Vanijya Private Ltd.	AAJCS0595E	<ul style="list-style-type: none">Anchal Vyapaar Pvt Ltd- (Sr No-29), BNA Commerce Pvt Ltd – (Sr No-30), Swarnapushpa Vanijya Pvt Ltd-(Sr No-22), Surbhika Vyapaar Pvt. Limited -(Sr No-27), Sanchay Tradecomm Pvt Ltd -(Sr No-31), Sanchay Trexim Pvt Ltd -(Sr No-32), Swarnapriya Vanijya Pvt Ltd -(Sr No-26) were shareholders in Hariom Suppliers- (Sr No-23) as on March 31, 2011.Ritesh Enclave Pvt. Limited and Ritesh Properties Pvt. Limited were shareholders of Hariom Suppliers Pvt. Limited- (Sr No-23) and Surbhika Vyapaar Pvt. Limited -(Sr No-27) as on March 2011.Shareholders of Ritesh Projects Pvt. Limited viz, Anchal Vyapaar Pvt. Limited – (Sr No -29), Apostel Distributors Pvt. Limited, Finlink Distributor Pvt. Limited and Indico Vanijya Pvt. Limited are also shareholders of Hariom Suppliers Pvt. Limited- (Sr No-23), Kalakar Commercial Pvt. Limited -(Sr No-25), Swarnapriya Vanijya Pvt. Limited -(Sr No-26), Swarnapushpa Vanijya Pvt. Limited-(Sr No-22), Goldstar Tracom Pvt.-(Sr No-24), Limited and Surbhika Vyapaar Pvt. Limited -(Sr No-27). Hence all these entities are connected to each other and to Dynamic Portfolio -(Sr No-2) and FPSL.	
27.	Surbhika Vyapaar Private Ltd.	AAJCS0680C		
28.	Nandan Kanan Iron And Steel Private Ltd.	AABCN8968J		
29.	Anchal Vyapaar Private Ltd.	AAFCA2480C		
30.	Bna Commerce Private Ltd.	AABCB0727D		
31.	Sanchay Tradecomm Private Ltd.	AAPCS2005M		
32.	Sanchay Trexim Private Ltd.	AAPCS1999E		
33.	Stardox Vinimoy Private Ltd.	AAECS0352C		<ul style="list-style-type: none">As per MCA website, all these entities share common directors viz, Biswanath Basak and Swarup Kumar Dey.R. C. Suppliers Pvt. Limited and Raina Vyapaar Pvt. Limited-(Sr No-35) have common address i.e. 161/1, Mahatma Gandhi Road, Kolkata - 700007.Scope Vyapaar Pvt. LTd (new name: Class Commercial Pvt. Ltd.). is shareholder of Ushita Trading and Agencies Ltd. -(Sr No-36) Scope Vyapaar Pvt. Ltd. has off market transactions with Amrit Sales Promotion Pvt Ltd. -(Sr No-10)
34.	R C Suppliers Private Ltd.	AABCR2904A		
35.	Raina Vyapaar Private Ltd	AABCR3482R		
36.	Ushita Trading And Agencies Ltd.	AAACU3269L		
37.	Waltare Investment Pvt Ltd	AAACW2314A	<ul style="list-style-type: none">Parmanand Drolia-(Sr No-39), a director of Falcon Holdings Pvt. Ltd.-(Sr No-40), is the shareholder of GRD Securities.Pramod Drolia and Bimal Drolia are directors in GRD Capital Markets Ltd.-(Sr No-8), GRD Enclave Pvt. Ltd.-(Sr No-41), GRD Securities Ltd.Falcon Holdings Pvt. Limited-(Sr No-40) and Cellour Marketing Pvt. Limited are shareholders of Waltare Investment Pvt. Limited-(Sr No-37).GRD Capital Market.-(Sr No-8) has fund transactions with Waltare Investment Pvt. Ltd. -(Sr No-37)Falcon Holding Pvt. Ltd. has fund transactions with Waltare Investment Pvt. Ltd. -(Sr No-37)Cellour Marketing Pvt. Ltd had fund transactions with Blue Circle Services Ltd.-(Sr No -8)Falcon Holding Pvt. Ltd. (Sr No-40) received funds from Fort Projects Pvt. Ltd. who has fund transfers with Global Infratech and Finance Pvt. Ltd.-(Sr No-1)Waltare's address in KYC documents and Form 20 filed with MCA is same as address of Lifeline Marketing Pvt. -(Sr No-42) Limited i.e. 63, Radha Bazaar Street, Kolkata-700001.Lifeline Marketing Pvt Ltd-(Sr No-42) has fund transfers with Maruti Enterprises, which also has fund transfers with Jaihanuman Multi agencies-(Sr No-18) and Pride Distillery Pvt Ltd. -(Sr No-47)	
38.	GRD Capital Markets Ltd	AABCG9640C		
39.	Cellour Marketing Pvt. Limited	AABCC0603M		
40.	Falcon Holdings Pvt Ltd	AAACF4335Q		
41.	Grd Enclave Pvt Ltd	AABCG9641D		
42.	Life Line Marketing Pvt Ltd.	AAACL5973G		



अनुवर्ती :
Continuation :

भारतीय प्रतिभूति
और विनियम बोर्ड
Securities and Exchange
Board of India

43.	Linton Consultants Private Ltd.	AAACL5784F	<ul style="list-style-type: none">Entities at SL. No. 43,44 share common director in Dilip das and Nand lal Agarwala.Linton Consultants Pvt Ltd-(Sr No-43) had fund transactions with Mansoul Commercial Pvt. Ltd. Aditya Parakh is common director between Mansoul Commercial Pvt. Ltd and Greencrest Financial Services Pvt. Greencrest Financial Services Ltd. had fund transactions with Global Infratech and Finance Pvt. Ltd.- (Sr No-1)
44.	BSR Finance & Consultants Private Ltd.	AABCB0636K	
45.	Prefer Abasan Private Ltd.	AAECP2470J	<ul style="list-style-type: none">Fund transactions with Santosh Manihar-(Sr No-80) (allottee in FFSL), LAN Finance Pvt Ltd (connected to Amit H Patel HUF (Sl. No. 60), allottee in FFSL), Comfort Intech Ltd .-(Sr No-86) and BLC Trading & Agencies Pvt Ltd
46.	Kripa Securities	AACCK2399D	<ul style="list-style-type: none">Shares common directors viz, Ajay Sureka, Dwarka Prasad Sureka and Sandip Kejriwal with Kripa Commodities Pvt Ltd.Kripa Commodities Pvt Ltd appeared under the head unsecured loan of Goldstar Tracom Private Ltd.- (Sr No-24)
47.	Pride Distillery Private Ltd	AACCM6582E	<ul style="list-style-type: none">Jagdish Purohit is the director of Pride Distillery-(Sr No-47) as well as of JMD Sounds Ltd, which is a subsidiary of JMD Telefilms Industries Ltd. JMD Sounds is also a shareholder of Onesource Techmedia Ltd in which S Krishna Rao and Kishan Kumar Jhunjhunwala are directors.Pride Distillery-(Sr No-47) has fund transfers with Dominant Multitrade, Ajay Enterprises, Keshav Madhav Enterprises, Madanji Enterprise, Jalaram Enterprises etc, who also appear in other group entities' bank statements.
48.	Minimum Shares And Securities Private Ltd.	AAGCM0970Q	<ul style="list-style-type: none">Rajani Investment Pvt. Ltd.-(Sr No-49) and R. K. Investment Pvt. Ltd. - (Sr No-50) are the shareholders of Minimum Shares and Securities Pvt. Ltd. -(Sr No-48)Entities at Sl. No. 48-50 have fund transfers with each otherChhatar Singh Banthia and Raj Kumar Bardia are common directors in Rajani Investment-(Sr No-49) and RK Investment.-(Sr No-50)
49.	Rajani Investment Private Ltd.	AABCR2457G	
50.	R K Investment Private Ltd.	AABCR2488R	
51.	Toplight Commercials /Tara Chand Agarwal	AABCT1134Q	<ul style="list-style-type: none">ISG Traders Ltd is a shareholder of Toplight Commercial-(Sr No-51) among others and also appearing in the bank statement of Comfort Intech. -(Sr No-86)
52.	Veena Mohanlal Chandiramani	AAWPC3158M	<ul style="list-style-type: none">Entities at Sl. No. 52-54 have received money from similar entities namely Keshav Madhav Enterprises and Madanji Enterprises/Associates, Dominant Multitrade, Jalaram Enterprises, who have also provided funds to Astabhuj Construction -(Sr No-15), Nityadhara Plaza -(Sr No-17) etc.Kirit Dave-(Sr No-54) has the same address (Chawl No. 3, Lavji Nanji Compound, N.B. Road, Malad West, Mumbai 400064) as Texchem Enterprises and Texchem Enterprises is a shareholder of Nandlal Vyapaar Pvt. Limited, a company where S. Krishna Rao, B.P. Jhunjhunwala-(Sr
53.	Nirmal Kumar Malhotra	AAUPM6284E	
54.	Kirit Vasudeo Dave	AHKPD0543J	



अनुवर्ती :
Continuation :

**भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India**

			No-56) BPJ Holding Pvt. Ltd., Onesource Techmdeia Ltd. are also shareholders.
55.	Prem Lata Nahar	AFAPN8764M	Fund transfers with JMD Sound Ltd. Pawan Kumar Purohit, Kajalash Prasad Purohit and Bal Chand Purohit are director of JMD Sounds Ltd.
56.	B P Jhunjhunwala	ACVPJ5021H	<ul style="list-style-type: none"> S Krishna Rao and Mala Jhunjhunwala, Rohit Jhunjhunwala, Rubi Jhunjhunwala and B.P. Jhunjhunwala are directors in Skyed Network Pvt Ltd, Carewell Consultants Pvt Ltd, Radhasoami Securities Pvt Ltd. S. Krishna Rao, SGF Melkha Singh and B. P Jhunjhunwala are directors in Onesource Tech Media Pvt ltd SGF Melkha Singh and S Krishna Rao were directors in FFSL, Chiraag Suppliers Pvt Ltd, Anurodh Merchandise Pvt Ltd. and Nandlal Vyapaar Pvt Ltd. FFSL has fund transfers with Onesource Techmedia Ltd, Onesource Ideas Pvt , Radhasoami Securities, Meenakshi Enterprises, Carewell Enterprises Other connections are at SI 1-6 & 15-17 in the connection table.
57.	B.P. Jhunjhunwala & Others (HUF)	AACHB0680D	
58.	Anil Agrawal HUF	AACHA9591E	<ul style="list-style-type: none"> Anil Agarwal, karta of Anil Agarwal HUF, is director in Comfort Fincap Ltd.(Sr No-84), Comfort Securities Ltd (Sr No-85) and Comfort Intech Ltd (Sr No 86) Comfort Fincap Pvt. Ltd-(Sr No-84) and Comfort Intech Pvt. Ltd.-(Sr No-86) received funds from FFSL. Allottee in preferential allotment by FFSL
59.	Gokul Securities Private Ltd.	AADCG7372B	<ul style="list-style-type: none"> Ranisati Dealer Pvt. Ltd (Sr No-4), has fund transactions with Nitin T Katwa and Ravi T Katwa who are directors of Gokul Securities Pvt. Ltd.-(Sr No-59) Gokul Securities-(Sr No-59) also share common director (Ashok Soni and Chhaya Soni) with Jaihanuman Multiagencies Private Limited (SI. No. 18) and Rutron International Ltd. Allottee in preferential allotment by FFSL
60.	Amit Hasmukhbhai Patel HUF	AAEHA4171N	<ul style="list-style-type: none"> Hasmukhbhai Patel is father of Amit H Patel. Both have the same address. Amit H Patel (Sr No-60) is director in NMC Industries Pvt Ltd. Amit H Patel HUF had fund transactions with Syncom Formulations (India) ltd. - (Sr. No. 62). Reena Amit Patel (Sr No-60) w/o Amit H Patel (Sr No-60) is a director in LAN Finance Pvt Ltd. Amit H Patel is a shareholder in LAN Finance Pvt Ltd. LAN Finance Pvt Ltd has fund transfers with Ranisati Dealers Pvt Ltd-(Sr No-4), Prefer Abasan, Tirupati Developers and Advent Developers. NMC Industries Pvt Ltd has fund transfers with FFSL, LAN Finance Pvt Ltd. Shiv Ratan Agarwal was a director in Comfort Securities Ltd and before that in Lan Finance Pvt Ltd Both are allottees in preferential allotment by FFSL
61.	Hasmukhbhai B Patel HUF	AABHH5224A	
62.	Syncom Formulations (India) Ltd.	AAFCS6794R	<ul style="list-style-type: none"> Fund transfers with Chetan Parikh, Kajal Parikh, Vinod Parikh, Dipal Parikh, Dhara Parikh, Pankaj Parikh and Megha Parikh. All these had fund transfers with FFSL. Fund transfer with Padma Impex Ltd -(Sr.No-3) Fund transfers with Ranisati Dealer Pvt. Ltd. (Sr No-4) Fund transfers with BLC Trading & Agencies Pvt Ltd Fund transfers with Amit H Patel (Sr No-60), who is a allottee in FFSL Fund transfers with Sangita Bhuwarka, who has fund transfers with FFSL Fund transfers with Gokul Securities-(Sr No-59), which is an allottee



अनुवर्ती :
Continuation :

भारतीय प्रतिभूति
और विनियम बोर्ड
Securities and Exchange
Board of India

			<ul style="list-style-type: none">Fund transfers with Advent Developers, which has fund transfers with FFSLAllottee in preferential allotment by FFSL
63.	Rajendrakumar Agarwal HUF	AAEHR7685G	<ul style="list-style-type: none">FFSL transferred funds to Lakshya Global Logistics Pvt. Ltd. in which Rajendra Kumar Agarwal-(Sr No-63) and Ritesh Agarwal-(Sr No-64) are directors. Shilpa Agarwal-(Sr No-65) is wife of Ritesh Agarwal-(Sr No-64) and also became director in Lakshya Global Logistics Pvt. Ltd and Adhunik Transport Organisation Ltd in 2015.Rajendra Kumar Agarwal-(Sr No-63) and Ritesh Agarwal-(Sr No-64) are also directors of Adhunik Transport Organisation Ltd. which had fund transactions with Ranisati Dealer Pvt. Ltd (Sr No-4) and Comfort Intech Ltd.-(Sr No-85)All three entities at Sl. No. 63-65 are allottees in preferential allotment by FFSL
64.	Ritesh Agarwal HUF	AAMHR6805C	
65.	Shilpa Agarwal	AERPJ3347N	
66.	Suresh Kumar Khandelia	ABSPK3417A	<ul style="list-style-type: none">Shareholders and promoters of Comfort Fincap Ltd (Sr no 84)Fund transfers with Ranisati Dealer Pvt. Ltd. (Sr No-4)Fund transfers with LAN Finance Pvt Ltd (connected to entities at Sr no 60 and 61)Both are allottees in preferential allotment by FFSL
67.	Manju Khandelia	ABSPK3421A	
68.	Brij Bhushan Singal	AEFPS6298M	<ul style="list-style-type: none">FFSL transferred funds to Marsh Steel Trading Ltd and Vision Steel Ltd. Aarti Singal is a director in Marsh Steel Trading Ltd. and Vision Steel Ltd Aarti Singal is family member of Brij Bhushan Singal. -(Sr No-68)Sanjay Singal is director of Bhushan Power Steel Ltd which transferred funds to Ranisati Dealer Pvt. Ltd (Sr No-4) and Astabhuj Construction Pvt. Ltd. -(Sr No-15)Neeraj Singal-(Sr No-69) has fund transfers with Pine Animation Ltd-(Sr No-13)All are allottees in preferential allotment by FFSL
69.	Neeraj Singal	ANRPS7986B	
70.	Uma Singal	ANRPS7987A	
71.	Ritu Singal	ANRPS7987A	
72.	Bharatbhai Nathabhai Buha	AAWPB3665Q	<ul style="list-style-type: none">Bharatbhai Nathabhai Buha-(Sr No-72) is director of Rutron International Ltd. Rutron Logistics Pvt. Ltd., which has common director (Kailash Todi and Vinay Todi) with Rutron International Ltd., had fund transactions with Padma Impex Pvt. Ltd. -(Sr.No-3).Ashokbhai Nathabhai Buha-(Sr No-73) share common address with Bharatbhai Nathabhai Buha.Both are allottees in preferential allotment by FFSL
73.	Ashokbhai Nathabhai Buha	AECPB5885J	
74.	Nk Agarwal & Sons	AAAHN5067J	<ul style="list-style-type: none">Fund transfers with Nirmla Kumar Agarwal. Nirmla Kumar Agarwal had fund transfers with Rutron International Ltd. (connected to entities at Sl. No. 72,73) and LAN Finance Pvt Ltd (which is connected to Amit H Patel (HUF)- (Sr No-60)Allottee in preferential allotment by FFSL
75.	Suresh Kumar Kalani	ADRPK7629M	<ul style="list-style-type: none">Received funds from BLC Trading & Agencies Pvt LtdAllottee in preferential allotment by FFSL
76.	Mukesh Atal (HUF)	AADHM9088H	<ul style="list-style-type: none">Mukesh Atal -(Sr No-76) has fund transfer with Minimum Shares and Securities Pvt Ltd-(Sr No-48)Balkishan & Sons-(Sr No-77), Karuna Atal-(Sr No-79), Rajni Atal-(Sr No-78) and Rajesh Atal-(Sr No-80) are family members of Mukesh Atal-(Sr No-76) and share same address.All are allottees in preferential allotment by FFSL
77.	Balkishan & Sons (HUF)	AAEFB0727D	
78.	Rajni Atal	AAEPA0263F	
79.	Karuna Atal	ABHPA0900D	
80.	Rajesh Atal	AAEPA0264C	
81.	Santosh Maniher	ACSPM8149E	



अनुवर्ती :
Continuation :

भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

82.	Giriraj Prasad Manihar HUF	AAAHG6195E	<ul style="list-style-type: none"> Had fund transfers with Santosh Manihar-(Sr No-81) and shares same address with her Allottee in preferential allotment by FFSL
83.	Anshul Jain	ALGPJ9222L	<ul style="list-style-type: none"> Anshul Jain-(Sr No-83) has fund transfers with Mukesh Jain, who inturn has fund transfers with Santosh Manihar-(Sr No-81) and Girraj Prasad Manihar-(Sr No-82). Girraj Prasad Manihar HUF-(Sr No-82) and Santosh Manihar-(Sr No-81) were allottees in FFSL. Allottee in preferential allotment by FFSL
84.	Comfort Fincap Ltd. (CFL)	AABCP4792J	<ul style="list-style-type: none"> Share common directors viz. Anil Agrawal-(Sr No-58), Bharat Namubhai Shiroya, Jugal Chandrakant Thacker.
85.	Comfort Securities Ltd. (CSL)	AABCC9625R	
86.	Comfort Intech Ltd. (CIL)	AAACC5567H	
87.	Mala Jhunjhunwala	ACTPJ4169L	Entities are family members of B.P. Jhunjhunwala (Sl no. 57). Other comments at Sl. No. 56,57 may be seen.
88.	Ruhi Jhunjhunwala	AFGPJ6887B	

6. Patch 1 (15/05/2012- 08/02/2013) -Price rise with negligible volume:

The FFSL scrip was suspended by BSE during June 2000 to July 08, 2011. After revocation the scrip was traded on only two days i.e July 08, 2011 and November 16, 2011. Investigation revealed that the price of the scrip increased from May 15, 2012 to February 08, 2013 (Patch 1). During Patch 1, the price of the scrip opened at Rs. 5.35, reached a high of Rs. 263.45 and closed at Rs. 263.45 i.e an increase of Rs. 258.1 (4824.3%) in the price from the Last Traded Price (LTP increase). Further, 22 entities bought and 26 entities sold during Patch 1 and there were a total of 124 trades for 2,653 shares on 115 trading days during the Patch. Out of 115 trading days on 107 days, there was only a single trade executed in the scrip.

7. Investigation revealed that one of the buyers Ms. Prem Lata Nahar (hereinafter referred to as Ms. Lata) contributed Rs. 74.94 increase in positive LTP in 34 trades for 785 shares. It was observed that all the 34 trades of Ms. Lata were first trades and for each trade the buy order was placed before the sell order with the buy order quantity being more than the sell order quantity. Further, In 32 of 34 trades (90.05% trades), the counterparty was a related entity B. P Jhunjhunwala and others HUF (hereinafter referred to as BPJ). These 32 trades contributed Rs. 67.49 increase in positive LTP. Additionally, it was observed that Ms. Lata contributed Rs. 74.94 (29%) to the cumulative New High Price of the scrip. Hence, Ms. Lata contributed Rs. 74.49 to the increase in positive LTP and cumulative New High Price through 34 first trades. Thus, it is alleged that the trades of Ms. Lata were carried out with a manipulative intent to artificially increase the scrip price. The extracts of the trades of Ms. Lata during the patch 1 are placed at Annexure 3.

8. Investigation also revealed that during Patch 1, the seller BPJ contributed 78.55% increase in the total positive as well as net LTP through its trades. The LTP contribution by the BPJ was analysed. The details are as follows:

PAN	Seller Name	All trades				Positive trades			
		LTP	% of LTP	Trade d qty.	No. of trades	LTP	% of LTP	Trad ed qty.	No. of trades



अनुवर्ती :
Continuation :

भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

AACHB0680D	B P Jhunjhunwala & OthersHUF	202.73	78.55	620	89	202.73	78.55	615	88
------------	------------------------------	--------	-------	-----	----	--------	-------	-----	----

It is observed from the above table that BPJ contributed Rs. 202.73 to the net LTP in 89 trades for 620 shares and Rs. 202.73 to market positive LTP in 88 trades for 615 shares of which 32 trades were with Ms. Lata a connected person. The details of the trades by BPJ are placed at Annexure 4.

9. The order book analysis of the BPJ (Copy of order book extract of the BPJ enclosed as Annexure 5) revealed that there was a large demand (buy order quantity) for FFSL shares during the period in which BPJ sold FFSL shares in the market. Further, analysis of the demat statement of BPJ (Annexure 6) revealed that it was holding 21140 shares as on May 22, 2012. However, it was found that despite large buy demand and, BPJ repeatedly placed sell orders for small quantities of shares. The analysis of the orders of BPJ are as below:

TABLE-3

S. No.	Order date	Order time	Order No.	Client name sell	Sell order rate	sell order qty	LTP variation	pending buy order at this price	SHP before the order
1	03/07/2012	13:40:11	23000066000123	B P JHUNJHU NWALA & OTHERSHUF	7.14	5	0.34	19100	21140
2	04/07/2012	14:10:38	21000139007577		7.49	5	0.35	20795	21135
3	05/07/2012	14:17:37	19000286000057		7.86	10	0.37	20400	21130
4	09/07/2012	14:15:42	15000093000047		8.25	5	0.39	26885	21120
5	11/07/2012	12:02:04	14000196002380		9.09	5	0.43	28050	61957
6	12/07/2012	14:22:35	15000087001663		9.54	10	0.45	18984	61952
7	16/07/2012	14:56:41	15000080000045		10.01	5	0.47	18785	61942
8	20/07/2012	14:05:32	12000079004782		11.58	5	0.55	16990	61937
9	25/07/2012	14:20:25	15000079002373		12.15	10	0.57	25379	61932
10	26/07/2012	14:28:31	22000086000019		12.75	5	0.6	20689	61922
11	02/08/2012	14:10:25	15000091000017		14.74	5	0.7	9732	61917
12	03/08/2012	13:57:35	18000109003401		15.47	10	0.73	12632	61912
13	06/08/2012	12:06:44	13000068003434		16.24	5	0.77	11680	61902
14	09/08/2012	11:13:26	22000082000022		17.05	10	0.81	12180	41897
15	16/08/2012	13:46:06	12000253000009		17.9	5	0.85	9010	31887
16	17/08/2012	15:21:34	13000076001239		18.79	5	0.89	11880	31882
17	24/08/2012	13:44:34	14000097002714		19.72	5	0.93	10790	31877
18	28/08/2012	15:18:10	12000143004040		20.7	5	0.98	13380	31872
19	30/08/2012	15:22:27	17000094000042		21.73	5	1.03	11280	31867
20	03/09/2012	15:00:59	12000083000148		22.8	5	1.07	10030	31862
21	07/09/2012	15:24:51	17000099000028		25.05	5	1.15	11050	31857
22	11/09/2012	15:29:39	130000970000399		26.3	5	1.25	10345	31852
23	12/09/2012	15:24:39	12000077001208		27.6	5	1.3	10395	31847
24	14/09/2012	13:05:16	12000104000008		28.95	5	1.35	10745	31842
25	20/09/2012	15:07:43	23000075000377		31.85	10	1.5	12260	31837
26	24/09/2012	10:56:12	23000084000333		33.4	5	1.55	12210	31827
27	28/09/2012	15:21:20	12000081000054		35.05	10	1.65	8810	31822
28	04/10/2012	12:42:59	12000093003807		36.8	10	1.75	8605	31812
29	08/10/2012	15:25:17	22000100001716		38.6	10	1.8	7140	31802
30	11/10/2012	12:33:20	15000144000495		40.5	15	1.9	5440	31792
31	12/10/2012	13:32:14	16000113000008		42.5	25	2	8105	31777
32	15/10/2012	15:28:56	14000177003148		44.6	15	2.1	6200	31752
33	16/10/2012	11:09:12	18000129005139		46.8	10	2.2	9840	31737
34	17/10/2012	13:11:32	21000104000009		49.1	5	2.3	7700	31727
35	19/10/2012	15:28:21	12000076002353		51.55	10	2.45	8400	31722



अनुवर्ती :
Continuation :

भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

36	25/10/2012	15:26:57	23000088004703	54.1	10	2.55	3700	31712
37	26/10/2012	14:36:48	14000116000253	56.8	5	2.7	4000	31702
38	29/10/2012	14:35:44	22000097001657	59.6	10	2.8	4200	31697
39	31/10/2012	13:54:51	16000114002564	62.55	5	2.95	3700	31687
40	01/11/2012	13:50:45	13000091001196	65.65	10	3.1	7900	31682
41	02/11/2012	14:23:29	22000097001343	68.9	5	3.25	9050	31672
42	05/11/2012	11:56:48	11000079002811	72.3	5	3.4	8000	31667
43	07/11/2012	12:18:49	16000113001011	75.9	5	3.6	8400	31662
44	08/11/2012	12:33:49	14000115003090	79.65	10	3.75	8800	31657
45	09/11/2012	11:55:34	13000094004645	83.6	5	3.95	8200	31647
46	12/11/2012	13:12:03	20000087004540	87.75	5	4.15	8000	31642
47	15/11/2012	12:02:19	16000112001431	89.5	5	1.75	7900	31637
48	16/11/2012	13:15:16	19000129000030	91.25	10	1.75	8100	31632
49	19/11/2012	14:42:44	22000097003790	93.05	5	1.8	8300	31622
50	20/11/2012	11:15:39	20000164000018	94.9	5	1.85	2900	31617
51	22/11/2012	11:26:13	13000126007592	98.65	5	1.9	8200	31612
52	23/11/2012	14:29:23	20000109000045	100.6	5	1.95	8000	31607
53	27/11/2012	11:44:48	19000126013610	102.6	5	2	8000	31602
54	29/11/2012	14:08:18	14000122000048	104.65	10	2.05	8300	31597
55	03/12/2012	12:51:42	20000151000916	106.7	10	2.05	7600	31587
56	04/12/2012	14:17:27	22000090005461	108.8	5	0	8521	31577
57	05/12/2012	15:13:13	15000097000064	110.95	5	2.15	3100	31572
58	06/12/2012	15:10:03	14000105000819	113.15	10	2.2	8250	31567
59	07/12/2012	15:21:46	14000106001236	115.4	5	2.25	9700	31557
60	11/12/2012	15:02:34	11000075000032	117.7	5	2.3	8800	31552
61	12/12/2012	15:15:10	12000084004349	120.05	10	2.35	8800	31547
62	13/12/2012	15:19:45	11000071006325	122.45	5	2.4	9200	31537
63	14/12/2012	14:12:41	22000091000076	124.85	5	2.4	9200	31532
64	17/12/2012	15:00:45	12000094000055	127.3	10	2.45	8950	31527
65	18/12/2012	14:57:36	12000138000059	129.8	5	2.5	9400	31517
66	19/12/2012	14:08:10	20000100000041	132.35	5	2.55	8750	31512
67	20/12/2012	15:03:29	17000108000036	134.95	5	2.6	2680	31507
68	21/12/2012	14:10:09	13000089000026	137.6	10	2.65	2690	31502
69	26/12/2012	15:03:42	18000148000266	143.15	10	2.8	2800	31492
70	27/12/2012	15:13:29	13000069001683	146	5	2.85	2800	31482
71	28/12/2012	15:18:08	16000093000793	148.9	5	2.9	2550	31477
72	04/01/2013	15:17:21	17000096006814	164.25	5	3.2	1975	31472
73	07/01/2013	15:21:58	19000111000075	167.5	5	3.25	1920	31467
74	08/01/2013	15:16:48	15000087000059	170.85	10	3.35	1920	31462
75	09/01/2013	14:44:22	23000071000091	174.25	5	3.4	1920	31452
76	10/01/2013	14:53:58	20000090002872	177.7	5	3.45	1700	31447
77	11/01/2013	15:29:28	21000080000680	181.25	5	3.55	1785	31442
78	17/01/2013	15:02:49	11000061003318	192.25	5	3.75	1600	31437
79	18/01/2013	15:18:00	20000096000267	196.05	10	3.8	1602	31432
80	21/01/2013	14:48:12	14000093000656	199.95	5	3.9	1612	31422
81	23/01/2013	15:13:13	15000121000022	207.95	5	4.05	1550	31417
82	25/01/2013	15:14:26	16000093000191	216.3	5	4.2	1300	31412
83	29/01/2013	15:08:18	17000095000073	225	5	4.4	1250	31407
84	30/01/2013	15:04:57	17000093007278	229.5	10	4.5	1250	31402
85	31/01/2013	14:39:36	11000101000030	234.05	5	4.55	1252	31392
86	01/02/2013	14:51:58	12000083000563	238.7	5	4.65	1262	31387
87	04/02/2013	15:06:40	12000071001904	243.45	5	4.75	1250	31382
88	05/02/2013	14:18:27	14000092000236	248.3	5	4.85	1250	31377
89	06/02/2013	14:07:46	20000093006906	253.25	10	4.95	1252	31372

2

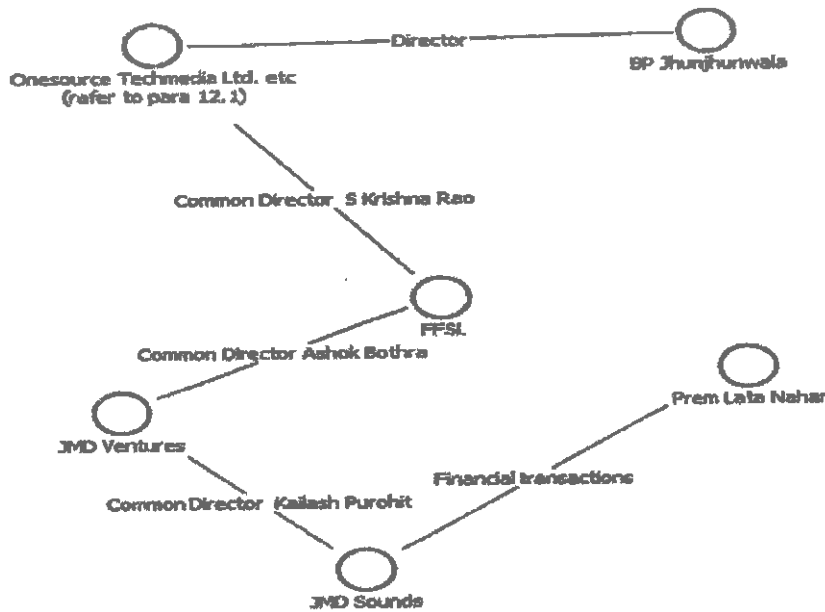


अनुवर्ती :
Continuation :

भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

10. It is observed from the above table that BPJ placed sell orders for small quantity when large quantity of buy orders were pending and it was holding sizeable number of tradable FFSL shares. Despite having a sizeable shareholding and large buy demand for FFSL shares, BPJ chose to sell only 620 shares during Patch 1 with each sale order ranging from 5-25 shares. Such a trading pattern in illiquid scrip like FFSL, indicates that BPJ being in control of the tradable shares of this scrip played a major role in manipulating the price of the scrip, thereby resulting in 78.55% increase in positive as well as net LTP through its trades as seller during Patch 1.
11. In addition to the above, it was observed that Mr. B.P. Jhunjhunwala (karta of BPJ) and BPJ sold 35,412 shares after Patch 1 for a total value of Rs. 1,03,45,773.50. Thus, it is alleged that B P Jhunjhunwala and Others HUF indulged in price manipulation and thereby benefitted by selling the shares at a substantially high value.

Pictorial presentation of connection among Prem Lata Nahar, B P Jhunjhunwala and FFSL is presented below:



12. In view of the above, it is alleged that the entities which were connected to the company i.e, Prem Lata Nahar and B P Jhunjhunwala and Others HUF traded/dealt with the FFSL scrip with a manipulative intent to increase the price of the scrip. The price manipulation by Prem Lata Nahar and B P Jhunjhunwala was observed to be a part of a scheme devised by FFSL with one of the allottees of its Preferential allotment viz Anil Agarwal and his group companies (Comfort Intech Ltd, Comfort Fincap Ltd. and Comfort Securities Ltd hereinafter collectively referred to as Comfort group of entities). The said fraudulent scheme is described in subsequent paragraphs.

13. FRAUDULENT SCHEME BY FFSL-

13.1 Transactions of FFSL with Comfort Group companies and other entities:





अनुवर्ती :
Continuation :

भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

It was observed that Mr. Anil Agarwal was holding directorship in three connected group entities mentioned at serial no. 84, 85, 86 of Table 1 i.e Comfort Securities Ltd., Comfort Intech Ltd. and Comfort Fincap Ltd. (hereinafter referred to as Comfort Group companies). Investigation revealed that these Comfort Group companies played a key role in the process of preferential allotment of FFSL that had resulted into huge profitable exit to the preferential allottees. The role of each Comfort Group Entities is as follows:

I. Role of Comfort Intech Ltd.(CIL)

On perusal of the replies of CIL vide letters dated May 20, 2017, June 21, 2017, July 12, 2017 and July 18, 2017 and the documents submitted therewith (copies at Annexure 7), several fund transactions were observed between FFSL and CIL. The details are as follows:

a) Transactions through which CIL funded FFSL before preferential allotment:

- FFSL and CIL entered in an agreement on March 29, 2011 for grant of loan of Rs 4 crore to FFSL (with an interest of 9% p.a.) for a period of 12 months. It was observed that the above agreement does not mention the purpose for which the loan was being taken by FFSL and also does not have any witness signatures, which are basic requirements for any commercial loan agreements.
- Out of agreed Rs 4 crore, CIL disbursed a total of Rs 3.75 crore to FFSL in Financial Years (FY) ending 2011 and 2012 as follows:

Sn	Date of fund disbursal	Amount of fund disbursed
1	March 31, 2011	1 crore
2	February 25, 2012	Rs 1.9 crore
3	February 29, 2012	Rs 85 lakhs

- With respect to amount of Rs 1 crore disbursed on March 31, 2011, CIL submitted that the said amount was earmarked on March 04, 2011 and March 07, 2011 itself, based on a decision on March 04, 2011 to lend to FFSL. However, no supporting documents in this regard has been provided by CIL. Further, although the actual disbursal by CIL was on March 31, 2011 i.e, pursuant to the agreement with FFSL on March 29, 2011, the interest is stated to be charged w.e.f March 04, 2011. CIL failed to explain why part of loan amount was earmarked for lending to FFSL before the formal agreement and why interest was charged w.e.f from before the disbursal date.
- It is observed that although the loan agreement was for a term of one year, the ledger of FFSL reflects that the loan was repaid by FFSL between 30/04/2011 and 02/08/2012 (i.e. more than a year) without any enabling clause in the original agreement or any other supporting document provided by the company in this regard. Further, the total interest repaid by FFSL (Rs. 9.22 lakh) is much lesser than the actual interest accrued on a sum of Rs. 3.75 crore lent for a period of 1 year at 9% p.a.

Thus, it is observed that CIL entered into bogus financial transactions to transfer funds amounting to 3.75 crore to FFSL.

2



अनुवर्ती :
Continuation :

भारतीय प्रतिभूति
और विनियम बोर्ड
Securities and Exchange
Board of India

b. Other transactions between CIL and FFSL:

- CIL entered into a commercial lease agreement with FFSL on December 14, 2011 at a monthly rent of Rs 15,000, which was terminated in January 2014. It was observed that FFSL paid an abnormally high security deposit of Rs 1 crore (on December 14, 2011 and January 28, 2012) as security deposit for a property worth Rs 15,000/- as monthly rent. The security deposit was refunded by CIL to FFSL on February 06, 2014, March 07, 2014, April 28, 2014 and April 30, 2014.
- No rent was paid for the period December 2011 to March 2012 and for March 2013. Also, as per the lease agreement, the initial term of lease was 11 months with an initial rent of Rs 15,000, with an option of renewal for further 11 months subject to rent being increased by 10% every time. However, the rent received till January 2014 was of Rs 15,000 only. Further, details of receipt of maintenance charges by CIL for periods other than for June 2013, August 2013, October 2013 and November 2013 were not been furnished.
- FFSL granted loan to Jugal C Thacker, one of the directors in CIL and CSL during the IP, for an amount of Rs 15 lakh with an interest @12% p.a. for a period of 12 months. However, the loan amount of Rs 15 lakh was repaid on March 25, 2014 without any interest payment.
- Initially, CIL denied having any relation with Ranisati Dealer (Refer Table 1 entity connected to FFSL) in letter dated January 27, 2015, subsequently it submitted having lent money to Ranisati Dealer in letter dated September 09, 2015. CIL also furnished a copy of agreement dated July 15, 2010 with Ransati Dealer Pvt Ltd for a loan amount of Rs 12 crore for a period of one year. However, the said agreement was not registered and was made on a plain paper with no legal sanctity.
- CIL also made contradictory submissions with respect to fund transfer with Prefer Abasan Pvt Ltd. CIL in its letter dated January 27, 2015 admitted to have lent funds to Prefer Abasan whereas vide letter dated September 09, 2015, it submitted to have negotiated a deal with Prefer Abasan for purchase of a property in Rajasthan and paid an advance of Rs 1 crore to the latter on December 29, 2011. CIL submitted that the said deal failed to fructify and the advance was returned in two tranches of Rs 50 lakh each on January 19, 2012 and January 20, 2012. However, no documentary evidence in this regard is submitted by CIL in support of its submissions.
- CIL also made contradictory submissions with respect to fund transfers with BLC Trading Agencies Pvt Ltd. CIL. Vide letter dated January 27, 2015 it stated that a loan of Rs 3.90 crore was given to BLC on October 21, 2010, which was returned on the same day. However, vide letter dated September 09, 2015, CIL stated that the amount of Rs 3.90 was erroneously credited to BLC's account, which was rectified on the same day by debiting BLC's account.
- Apart from the above, there were various fund transfers of CIL with Adhunik Transport Organisation Ltd (Adhunik) during the IP. The directors of Adhunik are Rajendra Kumar

2



अनुवर्ती :
Continuation :

**भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India**

Agarwal and Ritesh Kumar Agarwal, whose Hindu Undivided Families were allottees in the preferential allotments made by FFSL. In this regard, CIL has stated that the funds were transferred to Adhunik as a loan. However, no document such as ledger copy or loan agreement or interest payment details been submitted by CIL to substantiate its claim.

- Fund transfers between CIL and Kuber Kamna Marbles Pvt Ltd were also observed. In this regard, CIL has stated that Rs 1.25 crore were transferred as loan to Kuber Kamna Marbles Pvt Ltd in February 2012, which was subsequently repaid in March 2012. However, no loan agreement been submitted by CIL in support of its submission. Also, no interest was paid by Kuber Kamna Marbles Pvt Ltd to CIL in this regard.

In view of the above, it is observed that CIL failed to provide a satisfactory explanation or documentary proof in support of its claim of having transactions with FFSL and other entities mentioned above, strictly for business/commercial purpose. It is, therefore, concluded that these transactions appear to be bogus and a means to transfer funds.

II. Comfort Fincap Ltd. (CFL)

On perusal of the replies of CFL vide letters dated May 20, 2017, July 14, 2017 and emails dated June 08, 2017, June 16, 2017, June 29, 2017 (Annexure 8), several fund transaction were observed between FFSL and CIL. The details are as follows:

a. Transactions through which CFL funded FFSL before preferential allotment:

- FFSL and CFL entered into an agreement on July 15, 2011 for grant of loan of Rs 90 lakh to FFSL (with an interest of 9% p.a.) for a period of 6 months. The loan amount of Rs 90 lakh was disbursed in two tranches of Rs 50 lakh and Rs 40 lakh on July 20, 2011 and July 27, 2011. The said loan was repaid with interest between October 03, 2011 and December 13, 2011. It was observed that the above agreement does not mention the purpose for which the loan was being taken by FFSL and also does not have any witness signatures, which are basic requirements for any commercial loan agreements.

Thus, it is observed that CFL entered into bogus financial transactions to transfer funds amounting to 90 lakhs to FFSL.

b. Other transactions between that CFL and FFSL:

- CFL granted loan to Lakshya Global Logistics Pvt Ltd (connected to FFSL as per Table 1 entity at sn. 63-65), through two agreements dated April 30, 2012 and June 06, 2012 for loans of Rs 50 lacs each with an interest of 19% p.a. for a period of 3 months. These loans are stated to have been repaid with interest by July 30, 2014. The above two agreements furnished by CFL are on a plain paper with no notarization or legal affirmation. Further, though above agreements were for payment within 3 months, it is observed that the last payment of principal amount was on September 02, 2013 i.e. more than a year later.
- CFL stated that loans of Rs.55 lakh and Rs.35 lakh were given on August 03, 2010 and August 09, 2010 respectively to Ranisati Dealers Pvt. Ltd. (connected to FFSL as per Table entity at sn. 6) CFL stated that these loans were granted by old promoters of the CFL, i.e.

4



अनुवर्ती :
Continuation :

भारतीय प्रतिभूति
और विनियम बोर्ड
Securities and Exchange
Board of India

Saraf Holdings Pvt. Ltd. and Surface Holdings Ltd. However, CFL was unable to provide any details of the said loans to Ranisati Dealer in 2010-2011.

- CFL was unable to provide supporting documents relating to fund transfers of Rs 2.20 crore and Rs 1 crore on August 12, 2011 and September 21, 2011 by CFL to Ranisati Dealer respectively and a fund receipt of Rs 1.22 crore from Ranisati Dealer on December 21, 2011, although CFL has claimed that the above payments and receipt of funds to/from Ranisati Dealer were pursuant to a loan to the latter and repayment of same. Further, it is seen from the ledger copy furnished by CFL that no interest was received from Ranisati Dealer in this regard.

In view of the above, it is observed that CFL failed to provide a satisfactory explanation or documentary proof in support of its claim of having transactions with other entities mentioned above, strictly for business/commercial purpose. It is, therefore, concluded that these transactions appear to be bogus and a means to transfer funds.

III. Role of Comfort Securities Ltd.

CSL had financial transactions with FFSL and it was also observed to be the broker to some of the entities who were the counterparty buyers to the sale of shares by allottees during post lock-in period.

- i. It is observed from the bank statements of FFSL that during July 1, 2011 to March 31, 2014, FFSL paid Rs 5,27,40,737 to CSL and received Rs. 50,92,778 from them. During this period, net purchase of securities by FFSL through CSL was for an amount of Rs. 4,72,39,135.55. It is observed that most of the purchases by FFSL through CSL were in the scrip of Luharuka Media and Infra Ltd (i.e for a net purchase value of Rs. 4,71,77,696.45). The details of the trading by FFSL as described above are placed at Annexure 9.
- ii. It is observed that Luharuka Media and Infra Ltd had connections with the Comfort group entities as Mr. Anil K. Nevatia, one of the directors of CFL and CIL, was a director in Splash Media & Infra Ltd (now known as Luharuka Media and Infra Ltd). Further, in his capacity as a Chartered Accountant, Mr. Anil K. Nevatia had submitted the valuation certificate of FFSL to BSE for pricing of its equity shares issued on preferential basis. Apart from the above, it is also seen that Mr. Anil Agrawal HUF along with CIL and CFL became promoters of Luharuka Media & Infra Ltd pursuant to an open offer in 2014. The details regarding the same are placed at Annexure 10.
- iii. Additionally, it was observed from the Annual Report of FFSL for the FY 2011-12 and 2012-13, that a significant portion of the investment by FFSL in listed shares was in the scrip of Splash Media and Infra Ltd. Thus, in the FY 2011-12, FFSL had invested Rs. 4,73,96,702 (74.95% of the total investment in listed shares) in Splash Media and Infra Ltd. and in the FY 2012-13, FFSL had invested Rs. 3,19,65,299 (53.31% of the total investment in listed shares) in Splash Media and Infra Ltd.
- iv. Hence, the majority of funds transactions of FFSL with CSL was for trading in a company, which had close connection with the Comfort group entities and subsequently, became a part of the Comfort group under the control of Mr Anil Agarwal. This fact when seen in conjunction with

4



अनुवर्ती :
Continuation :

**भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India**

transfer of significant portion of allotment proceeds to CSL for trading of FFSL in securities market, which has been discussed in paragraph 13.4, cannot be a mere coincidence. Therefore, it is observed that FFSL and CSL shared more than just a business relationship as client and broker.

- v. Further, 8 entities of connected entities (Table 1) group had bought in scrip of FFSL through CSL and 13 entities of connected entities group (Table 1) had sold through CSL. In total 18 entities of connected entities group, which includes 3 entities who have both bought and sold traded in the scrip through CSL. It was observed from the trade log of FFSL for the IP, that CSL was the top broker for both the buy side as well as sell side during the IP. The buy value of the trades of CSL as broker was Rs. 37,97,98,806 (13% of the market buy value) and the sell value of the trades of CSL as broker was Rs. 40,98,86,352 (14% of the market sell value). There were a total of 179 brokers on the buy side and 182 brokers on the sell side. Thus it is observed that CSL had a significant contribution to the trades in FFSL as trading member during the IP.
- vi. Hence, it is observed that CSL had a significant role to play as a broker to certain connected entities mentioned at Table 1 who traded in FFSL during the IP and also to FFSL for its trading in the securities market, bulk of which was for purchase of shares of Splash Media & Infra Ltd (now known as Luharuka Media and Infra Ltd) a company connected to FFSL through Comfort group companies.

13.2 As mentioned earlier, Mr. Anil Agrawal was the common promoter and director of CIL, CFL and CSL during the IP. Further, CFL vide its letter dated January 15, 2015, has admitted that Mr. Suresh Kumar Khandelia and Ms. Manju Khandelia were part of the promoter group of CFL in the past. As per the quarterly shareholding details of CFL as available on BSE website, Mr. Suresh Khandelia and Ms. Manju Khandelia were promoters of CFL with 1.84% total shareholding from December 2012 to September 2013. Hence, it is observed that these entities shared more than business relationship with FFSL and other entities mentioned at paras 13.1 (I, II, III).

13.3 In view of the findings of investigation mentioned at paragraphs 13.1 (I, II, III) and 14.3 the transactions of Comfort group entities, Mr. Suresh Khandelia and Ms. Manju Khandelia with FFSL cannot be considered merely towards business or commercial purposes. The informal fund transactions of Comfort group/its directors with FFSL and connected entities for significant amounts can only take place if the parties to transactions are known to each other. Further, the occurrence and timing of such transactions, when seen with the findings in following para 13.4 regarding Comfort group entities being directly or indirectly the recipient of the allotment proceeds and facilitating other allottees / buyers during the IP, cannot be a mere coincidence. Thus, it is alleged that CIL and CFL who are connected to FFSL through Anil Agarwal funded FFSL before preferential allotment.

13.4 UTILISATION OF PROCEEDS OF PREFERENTIAL ALLOTTMENT

- a. FFSL vide its replies dated May 30, 2017, June 02, 2017, June 14, 2017, June 23, 2017, June 27, 2017 and July 07, 2017 (Annexure 11) submitted the following details of utilization of allotment proceeds as reflected in its bank statements:-

Preferential Allotment I

TABLE- 4	
Particulars of the issue and use of the proceeds	Amount utilized till May 30, 2017 (Rs in lacs)



अनुवर्ती :
Continuation :

भारतीय प्रतिभूति
और विनियम बोर्ड
Securities and Exchange
Board of India

Investment in unquoted shares	165
Deposit in Spa	90
Repayment of loan taken	120
Loans and advances given	702.80
Utilisation for pre issue expenses	10.02
Total	1087.82

Preferential Allotment 2

TABLE-5

Particulars of the issue and use of the proceeds	Amount utilized till May 30, 2017 (Rs in lacs)
Purchase	207.07
Repayment of loan taken	30
Loans and Advances given	205
Utilisation for pre issue expenses	9.59
Total	451.66

- b. FFSL submitted the details of the entities to whom proceeds of preferential allotment were transferred in furtherance of the objectives for which funds through preferential allotment were raised. The details of such transferee entities and the amount transferred to them are as follows:

1st Preferential Allotment

TABLE-6

Sl no	Name of the entity	Amount (Rs in lacs)	Date of bill/transaction	of	Utilised towards object
1	Marsh Steel Trading Ltd	100	16/09/2011 14/12/2011	and	Investment in unquoted shares
2	Vision Steel Ltd	50	16/09/2011		
3	Noble Express Services Pvt Ltd.	5	20/09/2011		
4	Malpani Alloys Extractions P. Ltd.	10	07/09/2011		
5	Comfort Intech Ltd.	90	14/12/2011		Deposit in Spa
6	Comfort Pincap Ltd.	30	03/10/2011		Repayment of loan taken
7	Asianlak Capital and Finance Ltd. (now known as Global Infratech and Finance Ltd.)	19	07/09/2011		
8	Dixon Export and Finance Pvt. Ltd. (now "Radhasoami Resources Ltd.")	27	07/09/2011		
9	Kaizen Cold Formed Steel Pvt. Ltd.	44	07/09/2011, 23/09/2011 27/09/2011	and	
10	Bina Himanshu Mehta	242	08/09/2011, 09/09/2011, 12/09/2011 14/09/2011	and	Loans and Advances given
11	Parikh group (Chetan S Parikh HUF, Pankaj S Parikh, Vinod S Parikh, Kajal P Parikh, Dhara V Parikh, Dipal C Parikh, Megha P Parikh)	436.8	09/09/2011, 12/09/2011, 14/09/2011, 16/09/2011, 20/09/2011, 26/09/2011, 03/10/2011		
12	Annurodh Mercantile Pvt. Ltd.	20	07/09/2011		
13	Green Vista Finance	4	14/09/2011		
	Total	1077.8			

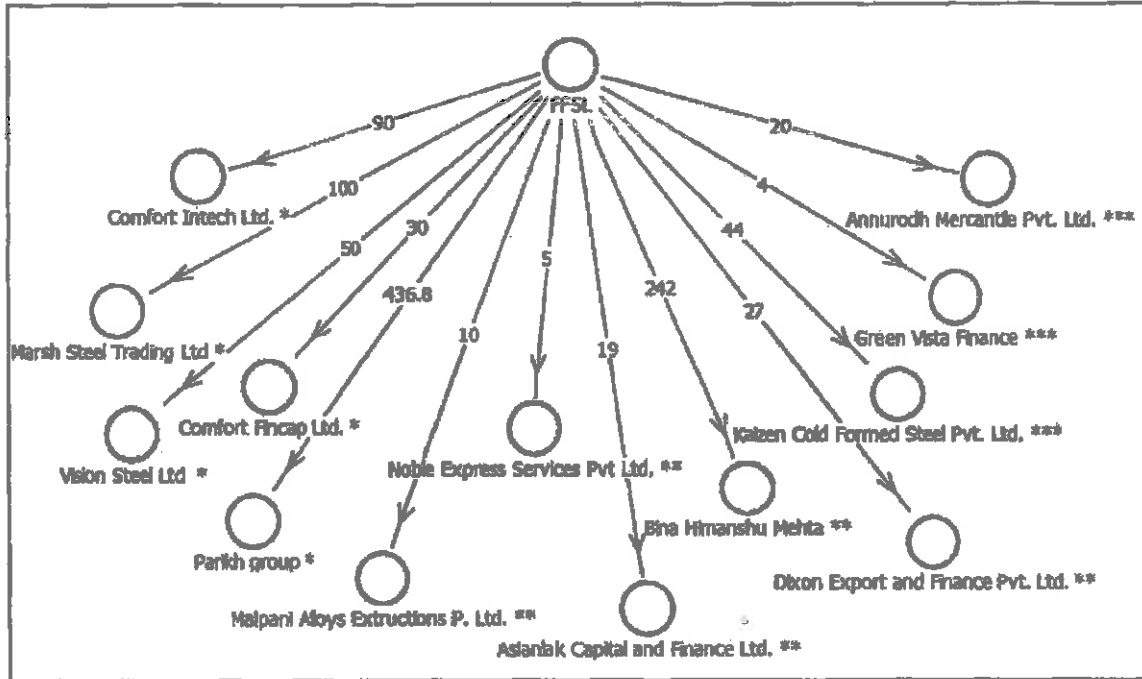
4



अनुवर्ती :
Continuation :

भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

The details of the above transfers can be pictorially represented as follows:



Note: All the figures are in Rs. Lakh
 ** denotes entities connected to the allottees/ who transferred funds eventually to allottees
 *** denotes entities connected to the company/connected entities group
 **** denotes other entities not covered in the above two categories

2nd Preferential Allotment.

TABLE 7

Sl no	Name of the entity	Amount (Rs in lacs)	Date	Utilised towards object
1	Comfort Securities Ltd.	207.07	13/03/2012, 20/03/2012, 28/03/2012, 29/03/2012	Purchase
2	Comfort Intech Ltd	30*	04/05/2012	Repayment of loan taken
3	Kuber Kamna Marbles Pvt Ltd.	105	13/03/2012 and 16/03/2012	Loans and Advances given
4	Tirupati Developers	5	20/03/2012	
5	Advent Developers Pvt Ltd	40	20/03/2012	
6	Chiraag Suppliers	50	22/03/2012	
7	Sangita Bhuwalka	5	24/03/2012	
	Total	442.07		

Note : *The total amount transferred to Comfort Intech Ltd. on 04/05/2012 was Rs. 75 lakh.

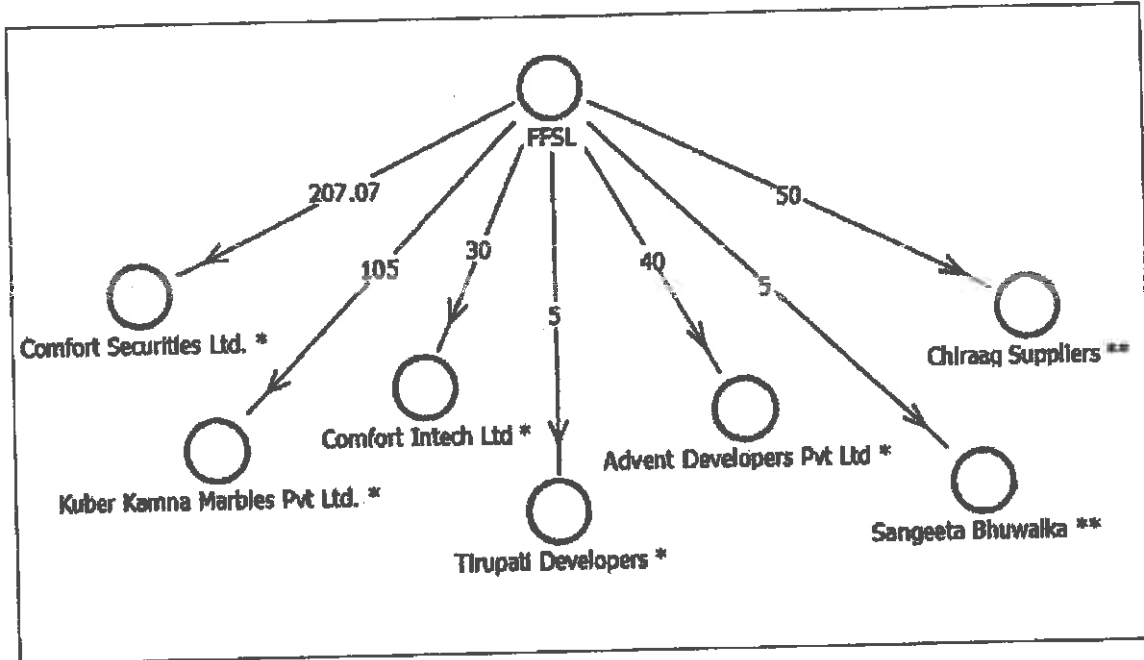
The details of the above transfers can be pictorially represented as follows:

W



अनुवर्ती :
Continuation :

भारतीय प्रतिभूति
और विनियम बोर्ड
Securities and Exchange
Board of India



Note: All the figures are in Rs. Lakh
** denotes entities connected to the allottees/ who transferred funds eventually to allottees
*** denotes entities connected to the company/connected entitled group.

- c. FFSL has provided loan documents only in respect of transactions with CFL, CIL, Parikh group, Green Vistas Finance, Kuberkamna Marbles Pvt Ltd, Tirupati Developers and Sangeeta Bhuwalka. As regards other transferees mentioned at Tables 6 & 7, the company has provided only internal ledger copies without any document evidencing a loan.
- d. Further, on perusal of copies of loan agreements furnished with respect to aforesaid entities, it is observed that the agreements are not registered and are made on plain company letter heads with no witness signatures or purpose of loans mentioned therein. Further, loan agreement with Kuber Kamna Marbles Pvt Ltd was not even on a letterhead but on a plain paper with signatures of concerned parties.
- e. Almost all transfers made by FFSL out of allotment proceeds for loans/advances (except for those with Comfort Intech Ltd, Comfort Fincap Ltd, Green Vistas Finance, Tirupati Developers and Advent Developers Pvt Ltd) were interest free loans wherein no interest have been paid or received by FFSL. Also, the loan agreement with Sangita Bhuwalka was an interest-free advance against a property although no details of any property are mentioned in the said agreement.
- f. Although the loan agreements with Tirupati Developers, Advent Developers Pvt Ltd and Sangeeta Bhuwalka were for a term of one year, the said loans were either repaid after 3 years of disbursal or remained outstanding till October 2016, without any enabling clause in the original agreement or any other supporting document provided by the company in this regard.

4



अनुवर्ती :
Continuation :

**भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India**

- g. As regards the transfer of Rs 90 lakh to CIL in December 2011, it is observed that although the same is claimed by FFSL to be towards a security deposit for lease of a property w.r.t a spa, it is seen that the company included "wellness spa and related activities" in its objects in June 07, 2012 i.e almost after 6 months of the lease agreement.
- h. Payment to Kaizen Cold Formed Steel Pvt Ltd (entity at Sl no 9) and Anurodh Mercantile Pvt Ltd (entity at Sl no 12) at Table 6 as claimed by FFSL above could not be traced in bank statements of FFSL. In this regard, FFSL has submitted that on specific instructions of Kaizen Cold and Anurodh Mercantile at the time of repayment of loans, the amount was paid to Shree Ganesh Ventures Limited, creditor of Kaizen and Annurodh. However, it is observed that no such communication / request made by Kaizen and Anurodh have been furnished by FFSL in support of its submission.
- i. It is observed that apart from copies of shareholders' resolutions dated August 25, 2011 and March 12, 2012 and copies of Board resolutions submitted in support of investments to the tune of Rs 50 lakh each in Marsh Steel Trading Ltd and Vision Steel Ltd and Rs 5 lakh in Noble Express Services Pvt Ltd, the company has not been able to provide documents in support of any rationale in the deployment of allotment proceeds.
- j. The Annual Reports of FFSL for the years 2011-12, 2012-13 and 2013-14 under "Human Resources policies" mentioned that "at present the Directors of the company were taking care of the operations mainly. However, the Company has plans to appoint staff now to improve the business." It is observed that for any corporate, especially a listed one to function and to venture into the areas as mentioned under the purpose of allotment at Tables 4 and 5 above, it would require professionals and employees to carry out its operations. In this regard, FFSL submitted a list of employees on its payroll since 2011. It is observed that apart from Nirmal Singh Mertia, the Whole Time Director of the company, the company had only two employees till March 2012 and thereafter no employee till November 2014.
- k. Investigation revealed that many of the fund transfers stated to be towards loan/repayment of loan are with entities wherein S Krishna Rao, director of FFSL at the relevant time was/had been a director. The details of such entities connected to the company/allottees and to whom the allotment funds have been transferred are summarized below (The documents related to basis of the connections are placed at Annexure 12):

TABLE 8

Sl No	Name of the entity	Details of connection
1	Marsh Steel Trading Ltd	Aarti Singal, who is related to Brijbhushan Singal (allottee in FFSL) was the director in the company from 2004-2013.
2	Vision Steel Ltd	Aarti Singal, who is related to Brijbhushan Singal (allottee in FFSL) was the director in the company from 2004-2013
3	Noble Express Services Pvt Ltd	Has fund transfers with Ranisati Dealer Pvt Ltd (Group 1 entity) in 2010 and Rutron International Ltd (director of Rutron International is part of Group 1; other details of connection are mentioned at Table 1) in February 2012.
4	Malpani Alloys Extractions P Ltd	Has fund transactions with Dixon Export and Finance Pvt. Ltd. (another transferee in Table 6)
5	Bina Hemanshu Mehta	Director in Padma Impex until November, 2012, Shareholder in Padma Impex Ltd alongwith Ranisati Dealers Pvt Ltd (both being Group 1 entities).



अनुवर्ती :
Continuation :

भारतीय प्रतिभूति
और विनियम बोर्ड
Securities and Exchange
Board of India

6	Parikh Group	Has fund transactions with Syncom Formulations (I) Ltd, an allottee in FFSL
7	Comfort Intech Ltd.	Anil Agarwal, an allottee in FFSL, is director/promoters
8	Comfort Fincap Ltd.	Anil Agarwal, an allottee in FFSL, is director / promoter
9	Asianlak Capital and Finance Ltd. (now known as Global Infotech and Finance Ltd.	S Krishna Rao, director of FFSL, was director in the company from 2011- 2014.
10	Dixon Export and Finance Pvt. Ltd. (now "Radhaoarni Resources Ltd.")	S Krishna Rao, director of FFSL, was director in company from 2010- 2016.
11	Comfort Securities Ltd	Anil Agarwal, an allottee in FFSL, is director in CSL
12	Kuber Kamna Marbles Pvt Ltd.	Have fund transfers with Comfort Intech Ltd and BPJ Holdings Pvt Ltd, who are related to Anil Agarwal HUF (allottee in FFSL) and BP Jhunjhunwala (Group 1 entity) respectively.
13	Tirupati Developers	Fund transfers with Syncom Formulations (I) Ltd, an allottee in FFSL.
14	Advent Developers Pvt Ltd	Fund transfers with Syncom Formulations (I) Ltd, an allottee in FFSL and Pine Animation Ltd (Group 1 entity)
15	Chiraag Suppliers Pvt Ltd	S Krishna Rao, director of FFSL, was director from 2008-2013
16	Sangeeta Bhuwalka	Has fund transfer with Vivek Bhuwalka who in turn has fund transfers with FFSL, LAN Finance Pvt Ltd (connected to Amit H Patel HUF, allottee in FFSL) and Syncom Formulations (I) Ltd, allottee in FFSL.

- i. Further, certain transferees mentioned at Tables 6 & 7 above immediately transferred funds received from FFSL to certain allottees. The details are as under (The related documents are placed at Annexure 13):

TABLE 9

Sl No	Entity receiving funds from FFSL post allotment	Further transfer of funds
1	Advent Developers Pvt Ltd	Transferred Rs 40 lakh to LAN Finance Pvt Ltd on March 21, 2012, which was immediately transferred to NMC Industries Pvt Ltd on March 22, 2012. Both LAN Finance Pvt Ltd and NMC Industries are connected to Amit H Patel HUF (allottee in FFSL).
3	Kuber Kamna Marbles Pvt Ltd	Transferred Rs 1.05 crore to Comfort Intech Ltd, which is connected to Anil Agarwal HUF (allottee in FFSL)
4	Tirupati Developers	Transferred Rs 5 lakh to LAN Finance Pvt Ltd on March 21, 2012, which was immediately transferred to NMC Industries Pvt Ltd on March 22, 2012. Both LAN Finance Pvt Ltd and NMC Industries are connected to Amit H Patel HUF (allottee in FFSL).

- m. It is observed that out of total allotment proceeds of Rs 15 crore, funds to the tune of Rs 6.57 crore have been directly/indirectly transferred back to the allottees. Further, approximately Rs 7.94 crore were transferred to entities having connections with FFSL directly/indirectly. In this regard, as mentioned above, with respect to most of transfers by FFSL pursuant to allotment, no satisfactory explanation or documentation has been furnished by company to support its claim of such transfers being genuine commercial transactions. The whole pattern of fund transfer indicates that the transferor and transferee were pre-determined as the funds received as proceeds of preferential allotments were immediately transferred to various entities on the same day or next day. Hence, on the basis of the documents provided by the company in respect of the above transfers, it is observed that the company did not retain any funds for fulfilling its stated objectives at the time of allotments.



अनुवर्ती :
Continuation :

भारतीय प्रतिभूति
और विनियम बोर्ड
Securities and Exchange
Board of India

- n. The Board of FFSL in its meeting on September 12, 2015 passed a resolution for ratification of alteration / variation of utilization of proceeds of preferential allotments by FFSL in 2011 and 2012 and for alteration in the object clause of its Memorandum of association. The explanatory statement of the postal ballot notice issued to shareholders of FFSL in respect to the above board resolution stated that the company has sought ratification for variation in utilization of allotment funds, as and when considered advantageous compared to proposed utilization. The copy of board resolution and explanatory statement is attached as Annexure 14. However, it is observed from the Annual reports of FFSL for FYs 2011-12, 2012-13 and 2013-14 that the company's profits came down in 2011-12, marginally increased on 2012-13 and significantly decreased in 2013-14. Hence, the claims of the company that funds were utilized in variation with original purpose for benefit of the company is not tenable.
- o. Moreover, as per the said postal ballot notice, FFSL repaid loans to the extent of Rs 180 lakh from 1st allotment proceeds and utilized Rs 4.48 crore from 2nd allotment proceeds towards grant of loans/advances. However, as per submissions made by FFSSL to SEBI, Rs 1.20 crore was utilized out of 1st allotment proceeds towards repayment of loan and Rs 2.05 crore was utilized towards loans and advances out of 2nd preferential allotment. Hence, there is a discrepancy in disclosures made in notice to shareholders for seeking ratification of alteration.
- p. In the present matter SEBI passed an ad-interim ex-parte order dated December 19, 2014 and August 11, 2015 restraining 154 entities including FFSL from accessing the securities market and buying, selling or dealing in securities, either directly or indirectly, in any manner, till further directions. The interim order dated December 19, 2014 *inter-alia* mentioned non- utilization of the proceeds as per disclosed purposes. In view of the same, the company's above ratification after 3 years of allotment seems to be an afterthought and this act of FFSL adds to the findings above that FFSL did not utilize the allotment proceeds towards the disclosed purposes.

13.5 Financial transactions between FFSL/connected entities and the preferential allottees

During investigation, certain fund transactions were observed between FFSL and several preferential allottees. The details of the same are as follows:

- i. **Anil Agarwal HUF:** Anil Agarwal (karta of Anil Agarwal HUF) is the director/promoter of CFL, CIL and CSL and Anil Agarwal (HUF) was a preferential allottee in FFSL. Further, as given at Table 6 and Table 7, CFL, CIL and CSL received Rs 3.57 crore directly from FFSL out of the allotment proceeds and Rs 1.05 crore indirectly through Kuber Kamna Marbles Pvt Ltd, which had received the same amount from FFSL out of allotment proceeds. In this regard, as already detailed at para 13.1 (I,II,III), the above transactions of Comfort group entities with FFSL and Kuber Kamna Marbles Pvt Ltd, stated to be in respect of loans/advances, deposit in spa and for trading by FFSL, were not found to be for genuine commercial purposes. Hence, it is alleged that a significant portion of allotment proceeds i.e, Rs 4.62 crore was indirectly routed to Anil Agarwal, the karta of Anil Agarwal (HUF).
- ii. **Brij Bhushan Singal, Neeraj Singal Uma Singal, Ritu Singal:** As can be seen in Table 6 above, FFSL transferred Rs 1 crore and Rs. 50 lakh to Marsh Steel Trading Ltd and Vision Steel Ltd respectively by way of investments in these companies on September 19, 2011. One entity named



अनुवर्ती :
Continuation :

**भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India**

Aarti Singal, a relative of Brij Bhushan Singal, Neeraj Singal, Uma Singal and Ritu Singal (hereinafter referred to as 'the Singals') was a director in Marsh Steel Trading Ltd and Vision Steel Ltd during the relevant period.

However, the Singals have contended that due to a family dispute they have no connection with Marsh Steel Trading Limited and Vision Steel Limited, which are controlled by Mr. Sanjay Singal and his family members. The said dispute and litigation since 2006 was settled finally by virtue of a compromise in November 2011.

In the above context, investigation revealed that entity Bhushan Steel Ltd in which Mr. Sanjay Singal held directorship (refer Annexure 12) made a disclosure on BSE website on November 15, 2011 that "in order to settle the ongoing litigations between Mr. B. B. Singal, Mr. Neeraj Singal and Mr. Sanjay Singal, a settlement deed was executed late evening on November 14, 2011. Pursuant to this deed, Mr. B. B. Singal and Mr. Neeraj Singal will have exclusive control on the Company and Mr. Sanjay Singal & his associates will disassociate as Promoters. Sanjay Singal and Aarti Singal are common directors in Bhushan Power & Steel Limited." Therefore, as per the disclosures made on BSE, Aarti Singal was a promoter in Bhushan Steel Ltd till quarter ending September 30, 2011 along with Sanjay Singal, Brij Bhushan Singal, Neeraj Singal, Uma Singal and Ritu Singal.

Hence, considering the above, transfer of Rs 1.50 crore out of the allotment proceeds towards investments to Marsh Steel Trading Ltd. and Vision Steel Ltd resulted in an indirect transfer of allotment proceeds to the Singal family allottees.

- iii. **Amit H Patel (HUF) and Hasmukhbhai B Patel (HUF) –** FFSL transferred Rs 5 lakh to Tirupati Developers and Rs 40 lakh to Advent Developers Pvt Ltd, out of allotment proceeds on March 20, 2012. Tirupati Developers and Advent Developers Pvt Ltd further transferred Rs 5 lakh and Rs 40 lakh respectively to LAN Finance Pvt Ltd on March 21, 2012. LAN Finance Pvt Ltd thereafter transferred Rs 45 lakh to NMC Industries Pvt Ltd on March 22, 2012.

It is observed that LAN Finance Pvt Ltd has Reena Amit Patel, wife of Amit H Patel, as a director and also has fund transfers with Amit H Patel. Further, Amit H Patel (HUF) was an allottee in FFSL and Amit H Patel (karta) is a director in NMC Industries Pvt Ltd. Hence, the allotment proceeds to the tune of Rs 45 lakh were indirectly transferred to Amit H Patel (karta of Amit H Patel HUF).

It is also observed that NMC Industries Pvt Ltd had received funds to the tune of Rs 1.35 crore from FFSL on December 07, 2011, which was transferred to Hasmukhbhai Patel (Rs 72 lakh) and Amit H Patel (Rs 63 lakh) on December 07, 2011 and December 08, 2011 respectively. In this regard, FFSL did not provide any satisfactory explanation or documentary evidence to explain the nature of the transaction. Hasmukhbhai Patel (HUF) and Amit H Patel (HUF) had together invested Rs 1.5 crore in the preferential allotment of FFSL. Hence, the Amit H Patel HUF and Hasmukhbhai Patel HUF received Rs 1.35 crore indirectly from FFSL for the purpose of investing in latter's preferential allotment.

- iv. **Suresh Kumar Khandelia and Manju Khandelia:** It is observed that Suresh Kumar Khandelia and Manju Khandelia were promoters of CFL and received funds to the tune of Rs 20 lakh each from LAN Finance Pvt Ltd on September 03, 2011 and September 09, 2011 respectively for making

4



अनुवर्ती :
Continuation :

भारतीय प्रतिभूति
और विनियम बोर्ड
**Securities and Exchange
Board of India**

investments in preferential allotment of FFSL. As already mentioned above, Amit H Patel through LAN Finance Pvt Ltd was indirectly in receipt of Rs 45 lakh out of the allotment proceeds of FFSL on March 21, 2012. Hence, investments made by Suresh Khandelia and Manju Khandelia in FFSL with the help of LAN Finance Pvt Ltd, can be stated to have been subsequently returned by FFSL out of allotment proceeds.

It is further observed that CIL transferred Rs 90 Lakh to Ranisati Dealer Pvt. Ltd. on July 14, 2012 and on the same day Ranisati Dealer Pvt. Ltd transferred Rs 50 lakh to Suresh Kumar Khandelia and Rs 40 Lakh to Manju Khandelia. As mentioned at Tables 6 & 7, CIL had received funds to the tune of Rs 1.20 crore out of allotment proceeds of FFSL in December 2011 and May 2012. In this regard, as already detailed at para 13.1 (I,II,III), the above transactions of CIL with Ranisati Dealer and FFSL were not found to be for genuine commercial purposes. Hence, in this manner also, Suresh Khandelia and Manju Khandelia can be stated to have received funds indirectly out of the allotment proceeds.

- v. **Rajendra Kumar Agarwal HUF, Ritesh Agarwal HUF, Shilpa Agarwal:** Investigation revealed that Rajendra Kumar Agarwal and Ritesh Agarwal, directors of Lakshya Global Logistics Pvt. Ltd and Adhunik Transport Organisation Pvt Ltd along with Shilpa Agarwal received funds to the tune of Rs 15 lakh each from Adhunik Transport Organisation Ltd between March 22, 2012 to March 27, 2012 for making investments in preferential allotment of FFSL.

It is observed that Adhunik Transport Organisation Ltd had received Rs 25 lakh from CFL on November 05, 2011, which in turn had received funds to the tune of Rs 30 lakh from FFSL out of allotment proceeds on October 03, 2011, as can be seen from Table 6 above. Hence, the allotment proceeds to the tune of Rs 25 lakh can be stated to have been indirectly transferred by FFSL to Rajendra Kumar Agarwal HUF, Ritesh Agarwal HUF and Shilpa Agarwal.

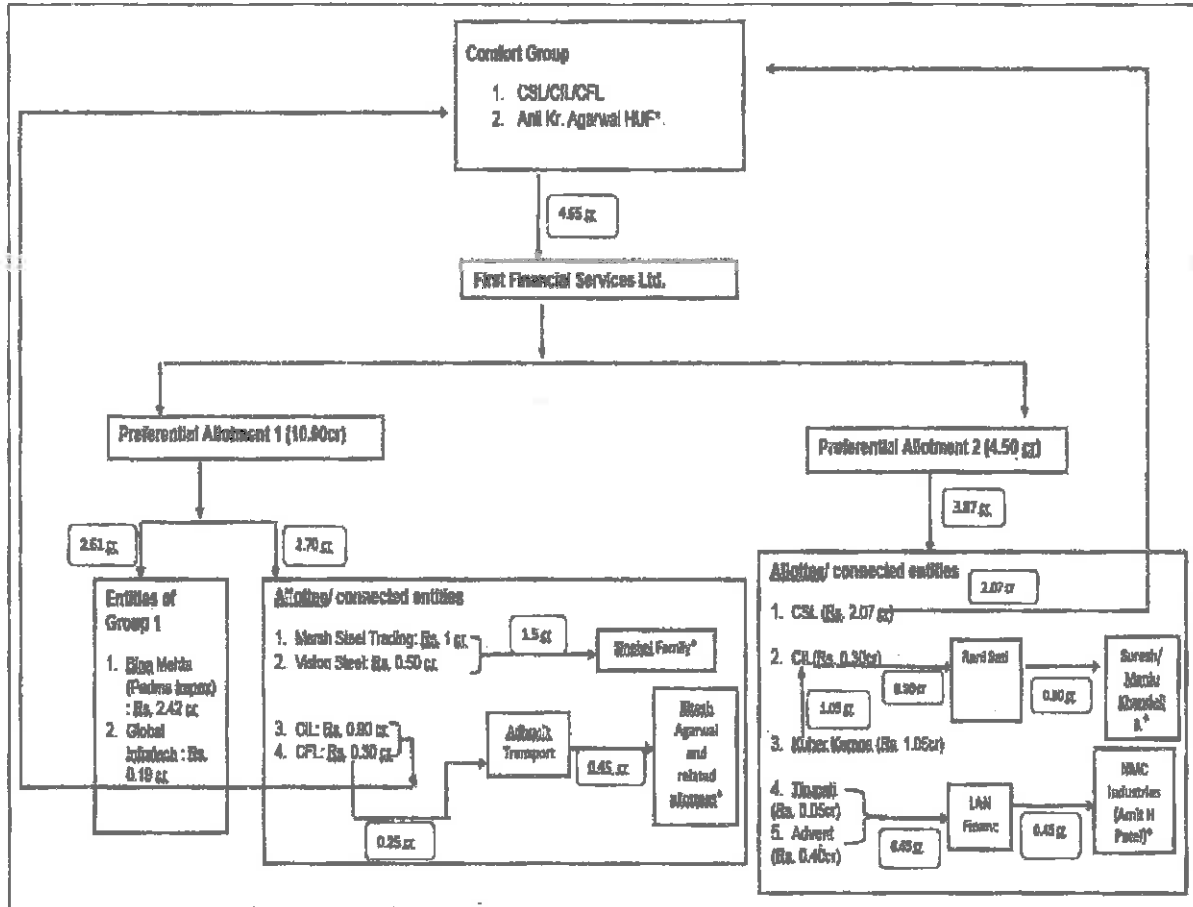
Pictorial representation of transfer of allotment proceeds by FFSL to Comfort group and other connected entities

4



अनुवर्ती :
Continuation :

भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India



Note: All figures are in Rs. Crore. "*" represents the preferential allottees in the scrip of FFSL.

Thus, the allotment proceeds were transferred by FFSL either to entities under control of allottees or to certain entities which through multiple layers transferred the same to the allottees. In this regard, it has already been discussed in detail at paragraph 13.4 that the company has not been able to furnish any satisfactory explanation or documents to substantiate its claim of transfer of allotment proceeds being strictly commercial in nature. Further, the manner in which the allotment proceeds were immediately transferred to entities connected to certain allottees directly/indirectly cannot be a mere coincidence and indicates that the transfers were premeditated in a way to benefit the said allottees.

Thus, it can be inferred that a significant portion of the allotment proceeds were transferred through Kuber Kamna Marbles Pvt. Ltd., Tirupati Developers, Advent Developers Pvt. Ltd., Vision Steel Ltd., Marsh Steel Trading Ltd. and Comfort group entities through multiple layers and rerouting of funds to ultimately benefit allottees viz, Anil Agarwal HUF, Amit H Patel HUF, Rajendra Kumar Agrawal HUF, Ritesh Agrawal HUF, Shilpa Agrawal, Suresh Khandelia, Manju Khandelia, Brij Bhushan Singal, Uma Singal and Neeraj Singal. Further, in view of the close connection of Adhunik Transport Organisation Ltd., NMC Industries Pvt. Ltd. and LAN Finance Pvt. Ltd. with the allottees, it is concluded that these three entities also played a significant role as a conduit for the ultimate benefit of the said allottees.



अनुवर्ती :
Continuation :

भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

13.6 Financial transactions between FFSL/connected entities and other entities who are not allottees

- i. Investigation revealed that FFSL had financial transactions with some entities other than the preferential allottees, where money received from the preferential allotment was immediately transferred to these entities. Further, the outflow of fund from these entities was observed to be primarily towards the purchase of FFSL shares.
- ii. In this regard, as mentioned at Tables 6 & 7 above, FFSL transferred a significant part of the allotment proceeds i.e, Rs 2.42 crore to Bina Hemanshu Mehta on various dates in September 2011. As observed at para 13.4 above, the transactions between FFSL and Bina Hemanshu Mehta were not found to be for genuine commercial purpose. Bina Hemanshu Mehta was a director in Padma Impex Pvt. Ltd. until November 2012 and also one of the three shareholders of Padma Impex Pvt. Ltd. (the others being Ranisati Dealer Pvt Ltd and Rakesh Bansal), which was amongst top buyers in FFSL scrip during patches 2,3 and 4 during the IP. (Copy of trade log and Order log for complete IP is enclosed as Annexure 15.)
- iii. FFSL transferred Rs 19 lakh out of the allotment proceeds to Asianlak Capital & Finance Ltd (now known as Global Infratech & Finance Ltd), which is one of the top buyers in Patches 2 and 4.
- iv. Further, it is observed from the bank statement of Ranisati Dealer Pvt Ltd, that there were fund transfers from Anil Agarwal to Ranisati Dealer Pvt Ltd in May 2012 and from Anil Agarwal HUF to Ranisati Dealer Pvt Ltd on March 11, 2013, April 16, 2013, April 17, 2013, April 22, 2013 and April 25, 2013. Entire funds received in April 2013 from Anil Agarwal (HUF) by Ranisati Dealer Pvt Ltd was transferred to its broker, CSL. Further, Ranisati Dealer Pvt Ltd was observed to be one of the top buyers in Patches 2 and 3.
- v. Similarly, it was observed that funds were received by Ranisati Dealer Pvt Ltd from Adhunik Transport Organisation Ltd (companies connected to allottees viz, Rajendra Kumar Agarwal HUF, Ritesh Agarwal HUF, Shilpa Agarwal) on April 25, 2013, May 16, 2013, May 27, 2013, May 30, 2013, June 11, 2013, June 24, 2013, June 26, 2013, June 27, 2013, July 02, 2013, July 05, 2013, July 11, 2013, July 15, 2013, July 18, 2013, July 23, 2013 and July 29, 2013. These funds were further transferred to CSL, broker for Ranisati Dealer Pvt Ltd.
- vi. Further, Ranisati Dealer Pvt Ltd was also in receipt of funds to the tune of Rs 6.50 crore from Bhushan Power and Steel Ltd on March 07, 2012, March 12, 2012, March 17, 2012 and March 21, 2012. Aarti Singal and Sanjay Singal, related to preferential allottees namely, Brij Bhushan Singal, Neeraj Singal, Uma Singal (refer paragraph 13.5), are directors of Bhushan Power and Steel Ltd and the Singal family is observed to have received funds indirectly to the tune of Rs 1.50 crore out of the allotment proceeds in September 2011.
- vii. Thus, in view of paragraphs 13.6 (i to vi) it is observed that Bina Hemanshu Mehta and Global Infratech & Finance Ltd received funds directly from FFSL out of the allotment proceeds while Ranisati Dealers Pvt Ltd had significant funds transactions with entities connected to allottees, who had received funds from FFSL out of the allotment proceeds.



अनुवर्ती :
Continuation :

भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

viii. From the bank statement analysis of the following connected group entities viz, Astabhuja Construction Pvt Ltd, Nityadhara Plaza Pvt Ltd, HS Tradecom Pvt Ltd, Dhanlakshmi Brokers Pvt Ltd, Jayine Tradecom Pvt Ltd, Kirit Vasudeo Dave, Pride Distillery Pvt Ltd, Padma Impex Pvt Ltd, Nirmal Kumar Malhotra and Veena Chandiramani it is observed that they received funds from various common entities like Keshav Madhav Enterprises, Madanje Associates, Madanji Enterprises, Jalaram Enterprises, Jalaram Finvest, Balu India, Ajay Enterprises, Dominant Multitrade Pvt Ltd and Marck Boiscience, which were immediately transferred to their brokers during the IP. These entities were top buyers in FFSL scrip during Patch 2, 3 and 4 which further corroborates the fact that they were connected to FFSL.

14. Summary of violations:

- i. During the period of sharp price rise in Patch 1, the price of the scrip opened at Rs.5.35, reached a high of Rs.263.45. Neither the financials of the company nor any corporate announcements during the relevant period justified such a significant price rise. Two company connected entities viz Prem Lata Nahar and B.P Jhunjunwala and others HUF were observed to have manipulated the scrip price leading to a sharp rise during Patch 1.
- ii. It was observed that FFSL made two preferential allotments of shares on December 08, 2011 and April 28, 2012 for 54,50,000 and 22,50,000 equity shares respectively. Investigation revealed that the company was also observed to have indirectly funded two allottees (Amit H Patel HUF and Hasmukhbhai B Patel HUF) for investing in its preferential allotment. Further, the price manipulation in Patch 1 was a part of a scheme devised by the company with a major role played by one of the allottees viz Anil Agarwal HUF and his group of companies (i.e Comfort Group Companies). It was observed that CIL and CFL companies had transferred significant amounts to FFSL before the allotment and received the said funds back, directly/ indirectly out of the allotment proceeds. They engaged in commercial transactions which appeared to be non-genuine and a device to give appearance of reason for fund transfers (bogus transactions). Although the said transactions have been stated to be commercial in nature, the findings in the investigation do not support the same. Further, Comfort group companies controlled by Anil Agarwal were also observed to have facilitated the routing of allotment proceeds to few other allottees. The brief details are as follows:
 - a. The Comfort group entities under the control of Anil Agarwal transferred around Rs.4.65 crore to FFSL by way of bogus commercial transactions (refer para 13.1) before the latter's preferential allotments in 2011 and 2012. Pursuant to the two preferential allotments, a significant portion of the allotment proceeds i.e, around Rs. 4.62 crore (refer para 13.5 (i)) was transferred back to CIL, CFL and CSL, directly or indirectly.
 - b. Certain allottees viz, Brij Bhushan Singal, Neeraj Singal, Uma Singal, Rajendra Kumar Agarwal HUF, Ritesh Agarwal HUF, Shilpa Agarwal, Amit H Patel (HUF), Hasmukhbhai B Patel (HUF), Suresh Kumar Khandelia, Manju Khandelia and Anil Agarwal HUF were observed to have received funds, directly/indirectly out of allotment proceeds of FFSL through bogus commercial transactions (refer paragraph 13.5). It was observed that FFSL transferred allotment proceeds to Brij Bhushan Singal, Neeraj Singal, Uma Singal through Marsh Steel Trading Ltd. and Vision Steel Ltd.

4



अनुवर्ती :
Continuation :

भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

- c. Certain entities connected to FFSL viz Padma Impex Pvt Ltd (through Bina Mehta), Global Infratech & Finance Ltd and Ranisati Dealer Pvt Ltd were also observed to have received funds, directly/indirectly out of allotment proceeds of FFSL. (refer para 13.6) It was observed that Ranisati Dealer Pvt. Ltd after receiving funds indirectly from FFSL transferred funds to Manju Khandelvia and Suresh Khandelvia who were preferential allottees. It was also observed that allottees viz, Amit H Patel (HUF) and Hasmukhbhai B Patel (HUF) received funds indirectly from FFSL for the purpose of making investment in preferential allotment in FFSL in December 2011. (refer paragraph 13.5).
- d. Moreover investigation revealed that certain other entities (not connected to FFSSL) also played a significant role in the routing/ re-routing of the funds for the ultimate benefit of allottees. These entities include Kuber Kamna Marbles Pvt. Ltd., Tirupati Developers, Advent Developers Pvt. Ltd., Vision Steel Ltd., Marsh Steel Trading Ltd., Adhunik Transport Organisation Ltd., NMC Industries Pvt. Ltd. and LAN Finance Pvt. Ltd.
- iii. It is thus alleged that FFSL had no intention to utilise the funds raised through the allotments as per the disclosed objects at the time of allotment and the preferential allotment was used as a device to route a significant portion of allotment money to certain company connected allottees/entities. This when coupled with the findings regarding price manipulation by company connected entities in Patch 1 establishes that the preferential allotments were only a façade to benefit certain company connected allottees by sale of shares post the lock-in period.
- iv. The allottees who were found to be connected to the company made significant gains (Rs. 67.79 crore) by the sale of shares post the lock in period. The details of the profit made by the Group 1 entities by way of sale of shares after the lock in period are as follows:

TABLE 10

S. No.	Name of the allottee	No. of shares allotted	Value of shares allotted	No. of shares sold	Value of shares sold	Profit (Rs.)
1.	Anil Agrawal Huf	250000	5000000	250000	72570303.9	67570303.9
2.	Amit H Patel Huf	375000	7500000	2175000	68661167.34	61161167.3
3.	Brij Bhushan Singal	225000	4500000	225000	65749627.15	61249627.2
4.	Neeraj Singal	225000	4500000	225000	64835210.5	60335210.5
5.	Suresh Kumar Khandelvia	112500	2250000	112500	31245539.45	28995539.5
6.	Manju Khandelvia	100000	2000000	100000	27897219	25897219
7.	Uma Singal	75000	1500000	75000	22178900	20678900
8.	Hashmukhbhai B Patel Huf	375000	7500000	1535000	22025296.9	14525296.9
9.	Gokul Securitics Private Limited	300000	6000000	300000	81397816.8	75397816.8
10.	Suresh Kumar Kalani	100000	2000000	100000	29456462	27456462
11.	N K Agarwal & Sons	100000	2000000	100000	29379910	27379910
12.	Syncom Formulations (India) Limited	100000	2000000	100000	24963016	22963016
13.	Ritesh Agarwal Huf	75000	1500000	75000	21931342.5	20431342.5
14.	Rajendrakumar Agarwal Huf	75000	1500000	75000	21902905	20402905
15.	Shilpa Agarwal	75000	1500000	75000	21843584.5	20343584.5
16.	Rajni Atal	50000	1000000	50000	14728900	13728900
17.	Karuna Atal	50000	1000000	50000	14718700	13718700
18.	Rajesh Atal	50000	1000000	50000	14718580	13718580
19.	Bharatbhai Nathabhai Buha	50000	1000000	50000	14703370.7	13703370.7
20.	Mukesh Atal (Huf)	50000	1000000	50000	14702000	13702000
21.	Bal Kishan & Sons Huf	50000	1000000	50000	14693300	13693300
22.	Anshul Jain	50000	1000000	50000	14597500	13597500



अनुवर्ती :
Continuation :

भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

23.	Ashokbhai Nathabhai Buha	50000	1000000	50000	14590647.5	13590647.5
24.	Santosh Manihar	25000	500000	25000	7355600	6855600
25.	Giriraj Prasad Manihar HUF	25000	500000	25000	7318400	6818400
Total		3012500	60250000	5972500	738165299.2	677915299

15. It is alleged that the company, its directors and Comfort group orchestrated a fraudulent scheme involving preferential allotments, wherein (a) such preferential allotments were used as a façade which ultimately benefitted few allottees and was never retained for utilization as per stated objects; (b) the scrip price was thereafter manipulated by 2 company connected entities in Patch 1 with low volume so as to enable company connected allottees to make significant gains by sale of allotment shares after completion of lock-in period.
16. A company is a separate legal entity, it cannot act by itself, but only through its directors who are expected to exercise their powers on behalf of the company with utmost care, skill and diligence. A director who would be having knowledge of the day to day affairs/financial standing of the company along with preferential allotments could not deny his liability of the acts of the company. Hence, FFSL could not have implemented the above scheme involving the preferential allotments, pursuant to which the price of the scrip was manipulated by company connected entities, without its non-independent directors viz, Mr S. Krishna Rao, Mr P. Natrajan and Mr. Nirmal Singh Mertia being a party to it.
17. In view of the above, it is alleged that the entities mentioned at paragraph 14 and 16 (along with Kartas in case of HUF) have violated regulations 3(a),(b), (c) and (d) and 4(1), (2) (a) and (e) of SEBI (PFUTP) Regulations, 2003 and sections 12A(a), (b) and (c) of SEBI Act, 1992. The details of these entities are as follows:

Sl.	PAN	Name of the Entity	Sl.	PAN	Name of the Entity
1.	AAACF1145J	First Financial Services Ltd, FFSL	28.	AADHM9088H	Mukesh Atal (Huf)
2.	AKHPM8437G	Nirmal Singh Mertia, Director of FFSL	29.	AAEPA0266A	Mukesh Atal(Karta)
3.	AGWPR341DR	S Krishna Rao, Director of FFSL	30.	AAEFP0727D, AAIHB0200R (new PAN)	Balkishan & Sons (Huf)
4.	AAAPN9499G	Ponuswamy Natrajan , Director of FFSL	31.	AHNPA3020A	Balkishan Atal (Karta)
5.	AFAPN8764M	Prem Lata Nahar	32.	AAEPA0263F	Rajni Atal
6.	ACVPJ5021H	B P Jhunjhurwala	33.	ABHPA0900D	Karuna Atal
7.	AACHB0680D	B P Jhunjhurwala & others HUF	34.	AAEPA0264C	Rajesh Atal
8.	AACHA9591E	Anil Agrawal Huf	35.	ACSPM8149E	Santosh Manihar
9.	ACTPA6034D	Anil Agarwal (Karta)	36.	AAAHG6195E	Giriraj Prasad Manihar Huf
10.	AADCG7372B	Gokul Securities Private Ltd.	37.	ACFPM8242D	Giriraj Prasad Manihar (Karta)
11.	AAEHA4171N	Amit Hasnmkhhbai Patel Huf	38.	ALGPI9222L	Anahul Jain
12.	AAIPP8042M	Amit Hasnmkhhbai Patel (karta)	39.	AADCR7368C	Ranisati Dealer Pvt. Ltd.
13.	AAFCS6794R	Syncom Formulations (India) Ltd.	40.	AAACLA269P	Padma Impex Pvt. Ltd.
14.	AAEHR7685G	Rajendrakumar Agarwal Huf	41.	AABCA4255H	Global Infratech and Finance Ltd.
15.	AEUPA5643K	Rajendrakumar Agarwal (Karta)	42.	AABCP4792J	Comfort Pincap Ltd.
16.	AAMHR6805C	Ritesh Agarwal Huf	43.	AAACC5567H	Comfort Intech Ltd.
17.	ADMFA2038F	Ritesh Agarwal (Karta)	44.	AABCC9625R	Comfort Securities Ltd.
18.	AERPJ3347N	Shilpa Agarwal	45.	AABCK7530K	Kuber Kamma Marbles Pvt. Ltd.
19.	ABSPK3417A	Suresh Kumar Khandelia	46.	AAEFT9675M	Tirupati Developers
20.	ABSPK3421A	Manju Khandelia	47.	AAFCA3158H	Advent Developers Pvt. Ltd.
21.	AEFPS6298M	Brij Bhushan Singal	48.	AABCV8232B	Vision Steel Ltd.
22.	ANRPS7986B	Neeraj Singal	49.	AADCM7569E	Marsh Steel Trading Ltd.
23.	ANRPS7987A	Uma Singal	50.	AAACA4457G	Adhunik Transport Organisation Ltd.
24.	AAWPB3665Q	Bharatbhai Nathabhai Buha	51.	AACCN0703B	NMC Industries Pvt. Ltd.

2



अनुवर्ती :
Continuation :

भारतीय प्रतिभूति
और विनियम बोर्ड
Securities and Exchange
Board of India

25.	AECPB5885J	Ashokbhai Nathabhai Buba	52.	AAACLI502F	LAN Finance Pvt. Ltd.
26.	AAAHNS067J	Nk Agarwal & Sons	53.	AFRPM2040L	Bina H Mehta
27.	ADRPK7629M	Suresh Kumar Kalani			

18. In addition to the above, investigation also revealed that several connected group entities also traded during Patch 3 and Patch 4 of the investigation report with a manipulative intent which resulted into price fall in the scrip of FFSL. The details of their trading are as follows:

18.1 Patch 3 (24/07/13 to 12/12/13) –Price fall.

- During Patch 3, the price of the scrip opened at Rs.295.50, reached a low of Rs.176 and closed at Rs.178.45 i.e., a decrease of Rs. 117.05 (39.59%), in the price from the Last Traded Price (Negative LTP).
- Investigation revealed that 15 connected entities (as per Table 1) contributed Rs -230.90/- (40.95%) decrease in LTP (Negative LTP) in 699 trades for 90,417 shares during Patch 3. The details of the trading of these 15 entities is as follows:

Table 11

S. No.	Seller Name	Net LTP			Positive LTP			Negative LTP			Zero LTP		% of Negative LTP to Total Market Negative LTP
		LTP impact	QTY traded	No of trades	LTP impact	QTY traded	No of trades	LTP impact	QTY traded	No of trades	QTY traded	No of trades	
Group 1													
1.	Gokul Securities Private Limited	-41.35	250000	732	13.6	16945	25	-54.95	25221	135	207834	572	9.75
2.	Amit H Patel Huf	-23.85	72500	653	25.45	3347	29	-49.3	9427	59	59726	565	8.74
3.	Anil Agrawal Huf	-5.95	83846	882	61.75	10586	171	-67.7	13434	183	59826	528	12.01
4.	Pride Distillery Private Ltd	-5.05	16923	153	2.15	421	5	-7.2	974	16	15528	132	1.28
5.	Bharasbhai Nathabhai Buba	-3.25	39000	397	8.8	3888	48	-12.05	4745	90	30367	259	2.14
6.	Ashokbhai Nathabhai Buba	-3.15	40000	366	3.9	1281	28	-7.05	3905	39	34814	299	1.25
7.	Shilpa Agarwal	-2.75	49500	246	6.15	1952	14	-8.9	7474	71	40074	161	1.58
8.	Syncom Formulations (India) Limited	-2.6	100000	364	7.5	2841	13	-10.1	6626	12	90533	339	1.79
9.	Suresh Kumar Kalani	-2.25	36700	171	0	0	0	-2.25	3310	5	33390	166	0.40
10.	Ritesh Agarwal Huf	-2.2	75000	304	5.45	5715	11	-7.65	8001	76	61284	217	1.36
11.	Kripa Securities Pvt. Ltd.	-0.85	141029	115	0.7	7001	3	-1.55	3300	3	130728	109	0.27
12.	Rajendrakumar Agarwal Huf	-0.75	45500	211	0	0	0	-0.75	500	5	45000	206	0.13
13.	B P Jhunjhunwala & Others Huf	-0.1	31917	64	0.5	2000	2	-0.6	1250	2	28067	60	0.11
14.	Surbhika Vyapaar Private Limited	-0.1	10000	10	0	0	0	-0.1	1000	1	9000	9	0.02
15.	Anshul Jain	-0.1	50000	156	0.65	1150	3	-0.75	1250	2	47600	151	0.13
Sub Total		-94.3	1041315	4824	136.6	57127	352	-230.9	90417	699	893771	3773	40.95

- Further analysis of the abovementioned 699 trades revealed that in 645 trades for 48,835 shares, the counterparties were other connected group entities. Through these 645 trades, the entities have



अनुवर्ती :
Continuation :

भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

contributed Rs. 164.70 decrease in LTP which is 29.21 % of the market LTP. The details pertaining to negative LTP contribution by counterparties who are a part of connected group entities is given below:

S. No.	Buyer PAN	Buyer Name	LTP Difference	Trade Quantity	No. of trades
1	AAACL4269P	Padma Impex Private Limited	-8.85	5128	25
2	AABCJ6667L	Jaihanuman Multi Agencies Private Limited	-10.35	5766	25
3	AACCA3220D	Amrit Sales Promotion Pvt Limited	-0.6	600	2
4	AACCH9988B	He Tradecom Private Limited	-1.25	350	6
5	AACCH342D	Jayine Tradecom Private Limited	-137.1	30968	555
6	AACCM6582E	Pride Distillery Private Ltd	-0.75	203	10
7	AADCN9427C	Nityadharn Plaza Private Limited	-1.6	2885	3
8	AADCR7368C	Ranisati Dealer Private Limited	-0.5	100	1
9	AAECD4759L	Dhanlakhmi Brokers Private Limited	-3.2	1135	17
10	AAECS0352C	Stardox Vinimoy Private Limited	-0.5	1700	1
Grand Total			-164.7	48835	645

The extracts of the trades of connected entities group among themselves during Patch 3 is placed at Annexure 16.

- d. It was observed that the entity Comfort Securities Ltd. (CSL) acted as the broker for the intragroup Negative LTP trades of connected entities group as follows:
- CSL was the broker on the buy side (for 3 entities) for 29 trades for 8,113 shares contributing Rs. -10.95 to the negative LTP.
 - CSL was the broker on the sell side (for 7 entities) for 448 trades for 29,090 shares contributing Rs. -101.10 to the negative LTP.

Thus, CSL acted as a broker in total 477 trades for 37,203 shares contributing Rs. -112.05 to the negative LTP, which is 19.87% of the market negative LTP. Hence, the role of CSL as a broker for the trades connected entities group which contributing to negative LTP in a price fall patch is observed to be significant. Moreover, CSL is a part of connected entities group (refer Table 1 entity at serial no. 85). It is pertinent to note here that Anil Agrawal (Karta of Anil Agrawal HUF – one of the 15 sellers who contributed to decrease in LTP during Patch 3) is director of CSL. In view of the role of CSL as broker mentioned at para para 18.1 (d) and the connection of CSL with connected group entities as detailed in Table 1 it is alleged that CSL as a broker has facilitated the manipulation of the scrip price during Patch 3.

- e. Thus, trading in the scrip by entities at Sl no 1-15 of Table 11 and 1-10 of Table 12 along with CSL was observed to be with a manipulative intent to decrease the price of the scrip during Patch 3.

18.2 Patch 4 (13/12/13 to 31/03/14) –Price fall.

- a. During Patch 4, the price of the scrip opened at Rs.17.60, reached a low of Rs.7.10 and closed at Rs.7.95 i.e., a decrease of Rs 9.65 (54.83%) in the LTP of the scrip (Negative LTP). Investigation revealed that 15 connected entities contributed Rs -29.25/- (38.05%) decrease in LTP (Negative LTP) in 248 trades for 5,29,682 shares during Patch 4. The details of the trading of these 15 entities is as follows:

2



अनुवर्ती :
Continuation :

भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

TABLE-13

S N o	Seller Name	Net LTP			Positive LTP			Negative LTP			Zero LTP		% of Negativ e LTP to Total Market Negativ e LTP
		LTP Impa ct	QTY traded	No of trades	LTP Impa ct	QTY traded	No of tra des	LTP Impa ct	QTY traded	No of tra des	QTY traded	No of tra des	
GROUP 1													
1.	Padma Impex Private Limited	-6.22	96720	488	6.73	5655	42	-12.95	11762	86	79303	360	16.85
2.	Amit H Patel Huf	-4.67	2000000	1060	4.57	49640	39	-9.24	115642	86	1834718	935	12.02
3.	Pride Distillery Private Ltd	-1.75	413784	653	2.39	11625	20	-4.14	14855	35	387304	598	5.39
4.	Comfort Securities Pvt.Ltd.	-0.9	311000	83	0	0	0	-0.9	855	14	310145	69	1.17
5.	Kripa Securities Pvt. Ltd.	-0.63	646641	141	0.5	26213	6	-1.13	12229	11	608199	124	1.47
6.	Rajma Vyapar Private Ltd	-0.15	941800	38	0	0	0	-0.15	70500	3	871300	35	0.20
7.	Bazigar Trading Private Limited	-0.14	580000	35	0.01	42484	1	-0.15	1525	2	539991	32	0.20
8.	Bar Finance And Construction Ltd	-0.14	455000	81	0.01	4000	1	-0.15	64	4	450936	76	0.20
9.	Cellour Marketing Pvt Ltd	-0.1	400000	34	0	0	0	-0.1	50	1	399950	33	0.13
10.	Ritesh Commercial Holdings Limited	-0.1	281000	29	0	0	0	-0.1	47000	1	234000	28	0.13
11.	Sanchay Tradecom Private Limited	-0.1	102500	6	0	0	0	-0.1	200	1	102300	5	0.13
12.	Life Line Marketing Pvt Ltd.	-0.05	455000	6	0	0	0	-0.05	150000	1	305000	5	0.07
13.	R C Suppliers Private Limited	-0.04	340000	14	0.01	3400	1	-0.05	50000	1	286600	12	0.07
14.	Nandan Kanan Iron And Steel Private Limited	-0.03	300000	9	0	0	0	-0.03	50000	1	250000	8	0.04
15.	Kirit Vasudeo Dave	-0.01	5000	1	0	0	0	-0.01	5000	1	0	0	0.01
Sub total (1:15)		15.83	7328445	2678	14.22	143017	110	-29.25	529682	248	6655746	2320	38.05

- b. Further analysis of the abovementioned 248 trades revealed that in 148 trades for 3,01,641 shares, the counterparties were other connected group entities. Through these 148 trades, the entities have contributed Rs. 13.99 decrease in LTP which is 18.2 % of the market LTP. The details pertaining to negative LTP contribution by counterparties who are a part of connected group entities is given below:

Table 134

Sl. No.	Buyer PAN	Buyer Name	LTP Difference	Trade Quantity	No. of trades
1	AACCM6582E	Pride Distillery Private Ltd	-11.31	10100	117
2	AAACL4269P	Padma Impex Private Limited	-1.35	2644	11
3	AAKCA4137B	Astabhuj Construction Private Limited	-0.65	9539	9
4	AACCN9567A	Navdurga Investment Consultants Private Limited	-0.3	11532	5
5	AACCK2399D	Kripa Securities Pvt. Ltd.	-0.18	67001	3
6	AHKPD0543J	Kirit Vasudeo Dave	-0.1	825	1
7	AADCN9427C	Nityadharu Plaza Private Limited	-0.05	50000	1
8	AABCR2457G	Rajani Investment Private Limited	-0.05	150000	1
Grand Total			-13.99	301641	148

The extracts of the trades of connected entities group among themselves during Patch 4 is placed at Annexure 17.

- c. It was observed that CSL acted as the broker for the intragroup Negative LTP trades of connected entities group as follows:
- CSL was the broker on the buy side (for 5 entities) for 27 trades for 74,540 shares contributing Rs. -2.45 to the negative LTP.
 - CSL was the broker on the sell side (for 2 entities) for 63 trades for 3,861 shares contributing Rs. -6.3 to the negative LTP.

Thus, CSL acted as a broker in total 90 trades for 78,401 shares contributing Rs. -8.75 to the negative LTP (including proprietary trades), which is 11.38% of the market negative LTP. Moreover, CSL is a



अनुवर्ती :
Continuation :

भारतीय प्रतिभूति
और विनियम बोर्ड
Securities and Exchange
Board of India

part of connected entities group (refer Table 1 entity at serial no. 85). It is pertinent to note here that Anil Agrawal (Karta of Anil Agrawal HUF – one of the 15 sellers who contributed to decrease in LTP during Patch 3) is director of CSL. In view of the role of CSL as broker mentioned at para 18.2 (c) and the connection of CSL with connected group entities as detailed in Table 1 it is alleged that CSL by trading in its proprietary account as well as by acting as a broker for connected entities group has facilitated the manipulation of the scrip price during Patch 4.

d. Thus, trading in the scrip by Group 1 entities at Sl. No. 1-15 of Table 13 and 1-8 of Table 14 was observed to be with a manipulative intent to decrease the price of the scrip during Patch 4.

19. In view of the above, it is alleged that entities at paragraph 18.1 and 18.2 have violated Regulations 3(a), (b), (c), (d) and Regulations 4(1), 4(2), (a) and (e) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 and Section 12A(a), (b) and (c) of SEBI Act, 1992. The details of these entities are as follows:

Sl.	PAN	Name of the Entity	Sl.	PAN	Name of the Entity
28.	ACVPJ5021H	B P Jhunjhunwala	23.	AABC0636K	Bar Finance And Construction Ltd
29.	AACHB0680D	B P Jhunjhunwala & others HUF	24.	AABCC0603M	Cellour Marketing Pvt Ltd
30.	AACHA9591E	Anil Agrawal Huf	25.	AABCD4759L	Dhanlakshmi Brokers Private Limited
31.	ACTPA6034D	Anil Agarwal (Karta)	26.	AACCH8988B	HS Tradecomm Private Limited
32.	AADCG7372B	Gokul Securities Private Ltd.	27.	AABCJ6667L	Jaihamman Multi Agencies Private Limited
33.	AAEHA4171N	Amit Hasmulchbhai Patel Huf	28.	AACJ8342D	Jayine Tradecomm Private Limited
34.	AAIPP8042M	Amit Hasmulchbhai Patel (karta)	29.	AHKPD0543J	Kirit Vasudeo Dave
35.	AAFCS6794R	Syncom Formulations (India) Ltd.	30.	AACCK2399D	Kripa Securities Pvt. Ltd.
36.	AAEHR7685G	Rajendrakumar Agarwal Huf	31.	AAACL5973G	Life Line Marketing Pvt Ltd.
37.	AEUPA5643K	Rajendrakumar Agarwal (Karta)	32.	AABCN8968J	Nandan Kanan Iron And Steel Private Limited
38.	AAMHR6805C	Ritesh Agarwal Huf	33.	AACCN9567A	Navdurga Investment Consultants Private
39.	ADMPA2038F	Ritesh Agarwal (Karta)	34.	AADCN9427C	Nityadhara Plaza Private Limited
40.	AERPJ3347N	Shilpa Agarwal	35.	AACCM6582E	Pride Distillery Private Ltd
41.	ALGPJ9222L	Anahul Jain	36.	AABCR2904A	R C Suppliers Private Limited
42.	AADCR7369C	Ranvati Dealer Pvt. Ltd.	37.	AAKCA4137B	Astabhaja Construction Private Ltd.
43.	AAACL4269P	Padma Impex Pvt. Ltd.	38.	AABCR3482R	Raina Vyapars Private Ltd
44.	AABCC9625R	Comfort Securities Ltd.	39.	AABCR2457G	Rajani Investment Private Limited
45.	AAWPB3665Q	Bharatbhai Nathabhai Buba	40.	AABCR1974J	Ritesh Commercial Holdings Limited
46.	ABCPB5885J	Ashokbhai Nathabhai Buba	41.	AAPCS2005M	Sanchay Tradecomm Private Limited
47.	ADRPK7629M	Suresh Kumar Kalani	42.	AAACS0352C	Stardox Vinimoy Private Limited
48.	AACCA3220D	Amrit Sales Promotion Pvt Limited	43.	AAJCS0680C	Surbhika Vyapars Private Limited
49.	AABC03052B	Bazigar Trading Private Limited			

The relevant regulations read as under:

Regulation 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;



अनुवर्ती :
Continuation :

भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

(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.

Regulation 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;

(e) any act or omission amounting to manipulation of the price of a security;
SEBI Act, 1992

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

Section 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;

20. In light of the above, the entities mentioned at paragraph 18 and 20 are called upon to show cause as to why suitable directions under Sections 11(1), 11(4) and 11B of the Securities and Exchange Board of India Act, 1992 should not be issued against them for the alleged violations referred to hereinabove.

21. Your reply, if any, should reach the undersigned, at the address given below, as well as through email at maninderc@sebi.gov.in and anamika@sebi.gov.in (in MS-Word format), within 21 days from the date

4



अनुवर्ती :
Continuation :

भारतीय प्रतिभूति
और विनिमय बोर्ड
**Securities and Exchange
Board of India**

of receipt of this notice, failing which it shall be construed that you have no reply to submit and the matter shall be proceeded ex-parte on the basis of the material available on record.

Securities and Exchange Board of India
SEBI Bhavan
Plot No. C4-A, "G" Block,
BandraKurla Complex, Bandra (E)
Mumbai – 400 051
Ph: 022-2644 9520

22. If you are desirous of a personal hearing before the Whole Time Member, SEBI, the same may be intimated accordingly.
23. You are advised to keep SEBI informed about the change in your correspondence address, if any, till the proceedings are complete.
24. You are also advised to submit a photocopy of your identification documents for our records.


MANINDER CHEEMA