WTM/KV/ISD/ISD-SEC-2/32866/2026-27

SECURITIES AND EXCHANGE BOARD OF INDIA

EX-PARTE INTERIM ORDER

UNDER SECTIONS 11(1), 11(4) AND 11B(1) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 IN THE MATTER OF LE LAVOIR LIMITED AND OTHERS

In respect of:

Sr. No.	Names of *Noticees*	PAN
1.	Le Lavoir Limited	AAHCR0315B
2.	Ashok Dilipkumar Jain	AFKPJ3803R
3.	Kajal Ashok Jain	AODPJ1868E
4.	Viha Ashok Jain	ATTPJ3248F
5.	Sachin Vishnu Kapse	AMDPK5287G
6.	Ghantiram Foods Private Limited	AAMCG1153B
7.	Shree Vrajendra Foods Private Limited	ABOCS8012L
8.	Ghura Industries (Proprietor: Daman Ghura)	FKUPS5634B
9.	Archana Jagdish Naik	ABRPN1645A
10.	Shreya Dheeraj Jain	ALLPK0856C
11.	Anuradha Patra	AORPP6823K
12.	Shreeniwas Anand Sanjappa Kumara	ANTPS7776H
13.	Deepti Jairam Chandnani	AIHPC3855C
14.	Vinay Bhushan	AWYPS8262L
15.	Sonali Abhaykumar Parmar	BNEPP3038F

*(The entities mentioned above are individually referred to by their respective names or Noticee no. and collectively referred to as "**Noticees**", unless the context specifies otherwise)*

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A. BACKGROUND

1. Securities and Exchange Board of India (hereinafter referred to as "**SEBI**") while examining evidence gathered during investigation in the matter of Sunshine Capital Limited ("**SCL**"), came across certain material relating to suspected price and volume manipulation in the scrip of Le Lavoir Limited (hereinafter referred to as "**LLL/Company**).

2. Pursuant to the discovery of aforesaid material, SEBI initiated an examination in the matter of LLL to look into possible violations of provisions of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as the "**SEBI Act**"*)*, SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 (hereinafter referred to as the "**PFUTP Regulations**") and/or any other Rules/Regulations. The examination has been undertaken for the period from January 01, 2023 to December 12, 2025 (hereinafter referred to as the "**Examination Period**"). However, for the purposes of examining the preferential allotment of warrants, receipt of subscription/allotment money and its subsequent utilisation, events and transactions prior and subsequent to the aforesaid examination period have also been considered. The examination period may be extended, wherever considered necessary, during the course of further examination/investigation.

3. LLL was incorporated in August 18, 1981 and has its registered office address at Digvijay Plot, Street No. 51, Opposite Makhicha Nivas, Jamnagar, Gujarat, 361005. The Company is listed on BSE Limited (hereinafter referred to as "**BSE**") since April 08, 2016. The promoter of the Company, as on date, is Zeal Dealmark Private Limited. As per the publicly available information, the directors of Zeal Dealmark Private Limited are Sachin Vishnu Kapse, and Dhiraj Lalit Kothari. As per its Annual Report for the FY 2024-25, LLL is engaged in the business of Laundry and allied services. *Noticee no.* 2, Mr. Ashok Dilipkumar Jain (hereinafter referred to as "**ADJ**"), was

appointed as Chairman and Non-Executive Director of LLL with effect from November 19, 2024.

4. The composition of the Board of Directors of the Company as per Annual Report for FY 2024-25 and publicly available information is as under:

Table 1

Details of Board of Directors of LLL

Sr. No	DIN	Name	Designation	Category	Date of Appointment	Date of Cessation
1	8443704	Sachin Kapse	Managing Director	Executive	09/11/2020	28/08/2026
2	9508486	Keya Bhattacharya	Director	Independent	30/03/2022	09/05/2026
3	3013476	Ashok Dilipkumar Jain	Director	Chairman and Non-executive Director	19/11/2024	-
4	1025354	Pradeep Sutodiya	Director	Independent	19/11/2024	17/11/2025
5	7610961	Himanshu Keshubhai Togadiya	Director	Independent	17/11/2025	-
6	10942355	Hardika Ladha	Director	Independent	07/08/2026	-
7	11921050	Swaroop Dylon	Whole-time director	Executive	02/09/2026	-
8	8013906	Manish Shrichand Bachani	Director	Independent	22/09/2026	-
9	9134264	Parin Shirishkumar Bhavsar	Director	Independent	22/09/2026	-

5. A tabular summary of shareholding pattern of the Company during the examination period is as under:

Table 2

Details of Shareholding pattern of LLL during the Examination Period

Particulars		Total Promoter Holding	Public	1% shareholder	Others
As on Mar 31, 2023	No. of shareholders	1	1,143	24	1,119
	%	3.76	96.24	54.66	41.58
As on Jun 30, 2023	No. of shareholders	1	1,203	24	1,179
	%	3.76	96.24	55.99	40.25
As on Sep 30, 2023	No. of shareholders	1	1,280	22	1,258
	%	3.76	96.24	52.66	43.58
As on Dec 31, 2023	No. of shareholders	1	1,285	22	1,263
	%	3.76	96.24	51.93	44.31
As on Mar 31, 2024	No. of shareholders	1	1,623	22	1,601
	%	3.76	96.24	53.59	42.65
As on Jun 30, 2024	No. of shareholders	1	1,609	20	1,589
	%	3.76	96.24	49.07	47.17
As on Sep 30, 2024	No. of shareholders	1	1,531	21	1,510
	%	3.76	96.24	48.86	47

Particulars		Total Promoter Holding	Public	1% shareholder	Others
As on Dec 31, 2024	No. of shareholders	1	1,643	22	1,621
	%	3.76	96.24	49.72	47
As on Mar 31, 2025	No. of shareholders	1	1,616	23	1,593
	%	3.76	96.24	49.63	47
As on Jun 30, 2025	No. of shareholders	1	1,693	23	1,670
	%	3.76	96.24	49.71	47
As on Sep 30, 2025	No. of shareholders	1	1,664	24	1,640
	%	3.76	96.24	52.03	44
As on Dec 31, 2025	No. of shareholders	1	1,652	24	1,628
	%	3.76	96.24	50.47	46
As on Dec 31, 2025	No. of shareholders	1	1560	24	1,536
	%	3.51	96.49	51.56	44.93

6. It is observed from the above table that the shareholding pattern had remained constant throughout the period as the warrants issued, details of which are provided in the findings, have not yet been converted into equity shares as of December 31, 2025. Allotment of 2,28,000 Equity shares (6.57 %) to Ashok Dilipkumar Jain was done on 30th March, 2026 on conversion of warrants issued on a preferential basis.

7. The Financial Performance of the Company over the Examination Period is as under:

Table 3

Details of Financial Performance of LLL

Particulars	Revenue from Operations (in ₹ crore)	Other Income (in ₹ crore)	Operating profit (in ₹ crore)	Profit after Tax (in ₹ crore)
Mar-23	1.76	0.39	0.92	0.56
Mar-24	1.99	0.68	1.87	1.04
Mar-25	2.65	0.63	2.16	1.35
Mar-26	2.00	2.30	2.59	1.66

8. During the investigation in the matter of SCL, certain WhatsApp communications exchanged between ADJ and Mr. Surendra Jain, promoter and director of SCL, were retrieved from the device of Mr. Surendra Jain seized during the search operation conducted by SEBI at his premises on December 05–06, 2024. On examination of the aforesaid communications, it was observed that ADJ was, *inter alia*, discussing the scrip of LLL, providing price targets, recommending the scrip to be added, referring to certain forthcoming announcements and discussing proposed corporate developments, including an increase in the authorized share capital of the Company. The said communications also contained references to the possibility of the price of LLL increasing substantially, including a statement indicating a potential increase of "Minimum 3X from the current prices".

9. On the basis of the aforesaid communications, ADJ was summoned to appear before the Investigating Authority on December 03, 2025. During his statement recorded before SEBI, ADJ informed that he was a director of LLL. Subsequently, considering the references to LLL in the aforesaid communications and the movement in the price and volume of the scrip, a preliminary examination was undertaken to ascertain whether the trading activity in the scrip and the related conduct of persons/entities associated with the Company disclosed possible violations of the PFUTP Regulations and other applicable securities laws.

10. This is an ex-parte interim order being passed during pendency of a detailed examination in the matter, as it has been *prima facie* observed that ADJ was, *inter alia*, discussing the scrip of LLL, providing price targets, recommending the scrip to be added, referring to certain forthcoming announcements and discussing proposed corporate developments, including an increase in the authorized share capital of the Company. All these, *prima facie,* indicate the intention to manipulate the price of the scrip of LLL. *Noticee*s herein have been found to be *prima facie* involved in the scheme of allotment and issuance of shares/warrants on preferential basis to certain allottees in the company where some of the preferential allottees are *prima facie* found to have been funded by ADJ directly or through his connected entities. The proceeds of preferential allotment received by LLL is found to have been *prima facie* routed back to connected entities of ADJ or to entities with a little or no commercial substance.

11. Based on the above, *prima facie* findings have been determined and all *Noticee*s have been found to have *prima facie* violated provisions of the SEBI Act, PFUTP Regulations and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("**LODR Regulations"**). Directions have been issued accordingly.

B. *PRIMA FACIE* FINDINGS OF THE EXAMINATION

12. Based on the examination of the data contained in electronic devices and Call Detail Record (**CDR**) data, the following connections are noted amongst *Noticees*:

Table 4

Details of Connections amongst *Noticee*s

Sr. No	Name	Role	Mode of Connection	Period of calls as per CDR with ADJ	Number of calls
1	**LLL**	Company	Company	NA	NA
2	**Ashok Dilipkumar Jain/ADJ**	ADJ Family	Director of LLL – Allottee in Warrant issue	Family Members	NA
3	**Kajal Ashok Jain**		Spouse of Ashok Dilipkumar Jain and Allottee in Warrant issue		
4	**Viha Ashok Jain**		Daughter of Ashok Dilipkumar Jain and Allottee in Warrant issue		
5	**Sachin Vishnu Kapse**	Managing Director during the examination period	Managing Director of the Company Director at Zeal Dealmark Private Limited (Promoter of LLL)	NA	NA
6	**Archana Jagdish Naik**	LTP and Volume Contributor	Connected to ADJ through CDR and Bank transaction	27/05/2023 to 04/07/2023	2

Sr. No	Name	Role	Mode of Connection	Period of calls as per CDR with ADJ	Number of calls
7	**Shreya Dheeraj Jain**	LTP Contributor	Connected to ADJ through CDR	10/06/2024 to 26/07/2024	5
8	**Anuradha Patra**	LTP and Volume Contributor	Connected as ADJ sharing her ID proofs with Surendra Jain	NA	NA
9	**Shreeniwas Anand Sanjappa Kumara**	LTP and Volume Contributor	Connected to ADJ through CDR	22/05/2023 to 10/09/2023	21
10	**Deepti Jairam Chandnani**	LTP Contributor	Connected to ADJ through CDR	17/05/2023 to 09/07/2026	84
11	**Vinay Bhushan**	LTP Contributor	Connected to ADJ through CDR	29/08/2023 to 14/07/2025	71
12	**Sonali Abhaykumar Parmar**	Warrant Allottee in LLL	Funded by ADJ for subscription in warrants of LLL	16/05/2023 to 30/08/2026	1231
13	**Ghantiram Foods Private Limied**	Receiver of Funds from LLL	Receiver of the warrants' issue proceeds from LLL. LLL acquired 64.5% majority stake after	NA	NA

Sr. No	Name	Role	Mode of Connection	Period of calls as per CDR with ADJ	Number of calls
			induction of ADJ into board of LLL.		
14	**Shree Vrajendra Foods Private Limited**	Receiver of Funds from LLL	Receiver of the warrants' issue proceeds from LLL. LLL acquired 51% majority of the *Noticee* through share swap after induction of ADJ into board of LLL.	NA	NA
15	**Ghura Industries**	Receiver of Funds from LLL	Receiver of the warrants' issue proceeds from LLL. Daman Ghura, Proprietor is connected to ADJ through CDR and Bank transactions.	01/08/2023 to 24/12/2025	14

13. In the later part of the order, it is discussed how Archana Jagdish Naik, Anuradha Patra, Deepti Jairam Chandnani, Shreeniwas Anand Sanjappa Kumara, Vinay Bhushan and Shreya Dheeraj Jain have contributed to LTP during Patch 1 and Patch 2 by placing orders for a few shares as first trades in the scrip of LLL at a price higher

than the closing price of the previous day, thereby significantly contributing to the price rise in scrip of LLL. It is noted that the aforesaid entities have traded against the economic rationale by employing very less capital to influence the opening price of the scrip resulting in *prima facie* manipulating the price to artificial high.

B.1 Preferential allotment of warrants

14. ADJ was appointed as Chairman and Non-Executive Director of LLL with effect from November 19, 2024. Soon after his appointment, the Company convened an Extra-Ordinary General Meeting ("**EGM**") on December 27, 2024, *inter alia*, to consider an increase in its authorised share capital and the issue of up to 37,50,000 convertible warrants of face value ₹ 10/- each, at an issue price of ₹ 264.75/- per warrant, aggregating up to ₹ 99,28,12,500/-, to persons/entities belonging to the non-promoter category on a preferential basis.

15. The objects of the proposed preferential issue, as disclosed by the Company, included purchase of machinery for an estimated amount of ₹ 72 crores, meeting working capital requirements for an estimated amount of ₹ 10 crores and general corporate purposes for an estimated amount of ₹ 17.28 crore. The tentative timeline indicated for utilisation of the proceeds was within twelve months from receipt of the funds.

Table 5

Objects of the issue and estimated utilisation

S. No	Particulars	Estimated Amount to be utilized for each of the Objects	Tentative timeline for utilization of the proceeds from date of receipt of funds
1	Purchase of Machineries	72 Crs	Within 12 months of receipt of funds from proceeds for warrants
2	To meet Working Capital Requirements	10 Crs	

S. No	Particulars	Estimated Amount to be utilized for each of the Objects	Tentative timeline for utilization of the proceeds from date of receipt of funds
3	General Corporate Purposes	17.28 Crs	
	Total	99.28 Crs	

16. Subsequently, at its Board Meeting held on September 27, 2025, the Company reduced the proposed issue size from 37,50,000 warrants to 18,84,000 warrants and consequently the aggregate issue size was reduced from ₹ 99,28,12,500/- to ₹ 49,87,89,000/-. The number of proposed allottees was also reduced from 55 to 35. As per the corporate announcement dated October 15, 2025, LLL allotted 12,66,000 convertible warrants to 15 allottees at an issue price of ₹ 264.75/- per warrant. The initial consideration payable at 25% of the issue price in respect of these warrants aggregated to ₹ 8,37,93,375/-. The details of the allottees and the number of warrants allotted to them are set out below:

Table 6

Details of the Allottees and Convertible warrants issued in the first tranche

Sr. No	Name of the Allottee	Number of Convertible warrants issued	Initial 25% Consideration towards warrants subscription
1	Ashok Dilipkumar Jain	4,88,700	3,23,45,831.25
2	Kajal Ashok Jain	1,95,000	1,29,06,562.50
3	Viha Ashok Jain	1,95,000	1,29,06,562.50
4	Vandana Sandeep Mehta	78,000	54,62,625.00
5	More Yeshwant Laxmanrao	42,300	27,99,731.25
6	Laxmiben K Haria	33,000	21,84,187.50
7	Rita Hitendra Haria	24,000	15,88,500.00

Sr. No	Name of the Allottee	Number of Convertible warrants issued	Initial 25% Consideration towards warrants subscription
8	Neelam Ashok Chheda	15,000	9,92,812.50
9	Rinkal Riken Dedhia	15,000	9,92,812.50
10	Manisha Kiran Rambhia	24,000	15,88,500.00
11	Samosaran Syntex Pvt. Ltd	24,000	15,88,500.00
12	Nahar Nikhil Satejlal	24,000	15,88,500.00
13	VP Javare Gowda	78,000	54,62,625.00
14	Ranasingh Babusingh Patil	15,000	9,92,812.50
15	Bhagyashree Pravinkumar Rathi	15,000	9,92,812.50
TOTAL		**12,66,000**	**8,37,93,375.00**

17. The warrants entitled the allottees to apply for and obtain one fully paid-up equity share of face value ₹ 10/- against each warrant, within 18 months from the date of allotment, upon payment of the balance 75% of the issue price. Thereafter, vide corporate announcement dated October 21, 2025, the Company announced the allotment of a further 3,15,090 convertible warrants to 10 allottees, at an issue price of ₹ 264.75/- per warrant. The initial 25% consideration in respect of this tranche aggregated to ₹ 2,08,55,019/-. The details of the allottees are as under:

Table 7

Details of the Allottees and Convertible warrants issued under the second tranche

S. No	Name of the Allottee	Number of Convertible warrants issued	Initial 25% Consideration towards warrants subscription (Round off)
1	Sonali Abhaykumar Parmar	60,000	39,71,250.00
2	Nightingale Growth	51,000	33,75,562.50
3	Samar Shahaji Ransing	9,000	5,95,687.50

S. No	Name of the Allottee	Number of Convertible warrants issued	Initial 25% Consideration towards warrants subscription (Round off)
4	Preetham B H	24,000	15,88,500.00
5	Raghunandan Ramchandra	15,000	9,92,812.50
6	Megha SR	15,090	9,98,769.38
7	Niranjan Gundila Malli	5,000	3,30,937.50
8	Laxmi Bhupesh Bhond	15,000	9,92,812.50
9	Rekha Bhagat	1,12,000	74,13,000
10	Kiran Pravin Rai	9,000	5,95,687.50
Total		**3,15,090**	**2,08,55,019**

18. The terms of conversion of these warrants were the same as those applicable to the first tranche, i.e. one equity share against each warrant upon payment of the balance 75% of the issue price. Thus, the Company allotted an aggregate of 15,81,090 warrants in the two tranches. It is noted that ADJ, his wife Kajal Ashok Jain and his daughter Viha Ashok Jain were allotted 4,88,700, 1,95,000 and 1,95,000 warrants, respectively. Certain other allottees are identified as persons/entities connected with ADJ, on the basis of call detail records ("**CDRs**") and other material examined by SEBI.

19. It is noted that the three family members of ADJ were allotted an aggregate of 8,78,700 warrants, constituting approximately 55.6% of the total warrants allotted. Further, when the warrants allotted to other entities identified as connected with ADJ are also considered, an aggregate of 13,47,700 warrants, constituting approximately 85.24% of the total preferential allotment have been allotted to ADJ and entities/persons connected with him. The same is depicted below:

Table 8

Details of Convertible Warrants issued by LLL

Sr. No	Name of the Allottee	Number of Convertible warrants issued	% subscribed in Preferential issue of 15,81,090 Warrants Allotted
1	Ashok Dilipkumar Jain	4,88,700	30.91%
2	Kajal Ashok Jain	1,95,000	12.33%
3	Viha Ashok Jain	1,95,000	12.33%
4	Rekha Bhagat	1,12,000	7.08%
5	Vandana Sandeep Mehta	78,000	4.93%
6	VP Javare Gowda	78,000	4.93%
7	Sonali Abhaykumar Parmar	60,000	3.79%
8	Nightingale Growth	51,000	3.23%
9	Samar Shahaji Ransing	9,000	0.57%
10	Laxmiben K Haria	33,000	2.09%
11	Rita Hitendra Haria	24,000	1.52%
12	Samosaran Syntex Pvt. Ltd	24,000	1.52%
Total		**13,47,700**	**85.24%**

20. It is further noted that, vide announcement dated March 30, 2026, LLL informed that 2,28,000 equity shares had been allotted upon conversion of an equivalent number of warrants to ADJ, Kajal Ashok Jain and Viha Ashok Jain. The balance 75% consideration in respect of these warrants, amounting to ₹4,52,72,250/-, was transferred by the said allottees during March 2026. It is noted that ADJ and his family members continued to hold 6,50,700 warrants pending conversion as on the date of the report.

21. I note that the aforesaid facts, particularly the substantial proportion of warrants allotted to ADJ and persons/entities identified as connected with him, are relevant to

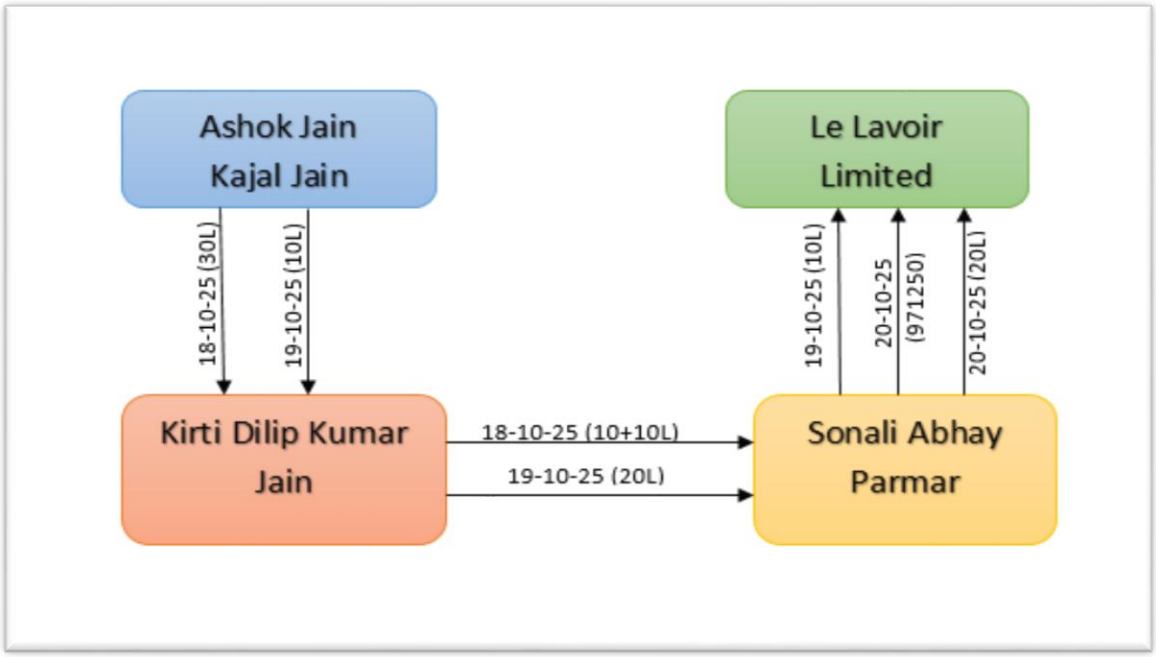
examining whether the preferential allotment was part of a concerted arrangement to consolidate shareholding in the Company and for possible manipulation in the scrip of LLL. The source of subscription funds and the subsequent movement and utilisation of the proceeds are examined in the succeeding paragraphs.

B.2 Funding of subscription by certain preferential allottees

22. The examination of bank statements of certain preferential allottees revealed transactions which *prima facie* indicate that the subscription amounts of some of allottees were funded, directly or indirectly, by ADJ or persons/entities connected with him. The material in respect of two such allottees is discussed below.

Funding in case of Sonali Abhaykumar Parmar

23. Sonali Abhaykumar Parmar was allotted 60,000 warrants in the second tranche, for which she was required to pay an initial subscription amount of ₹ 39,71,250/-. On examination of the bank statements, it was observed that an amount of ₹ 30 lakh was transferred from the joint bank account of ADJ and Kajal Ashok Jain to Kirti Dilipkumar Jain on October 18, 2025, followed by a further transfer of ₹ 10 lakh on October 19, 2025. Kirti Dilipkumar Jain, who is identified as the sister of ADJ, transferred the amounts to Sonali Parmar in corresponding tranches. Sonali Parmar thereafter transferred ₹ 39,71,250/- to LLL towards the initial subscription for the warrants. The fund flow is depicted below:



24. The extracts from the bank statements of Sonali Abhaykumar Parmar, showing receipts from Kirti Dilipkumar Jain and payments to the Company for subscription of warrants are extracted below:

Post Date	Value Date	Description	ChequeNo/Reference No	Debit	Credit	Balance
18-10-2025	18-10-2025	DEP TFRRTGS UTR NO: IDFBR62025101800737443009833704430 6AT 01417 OPERA HOUSE (MUMBAI)			1000000.00	3253223.49
18-10-2025	18-10-2025	DEP TFRRTGS UTR NO: IDFBR62025101800737446009833504430 8AT 01417 OPERA HOUSE (MUMBAI)			1000000.00	4253223.49
19-10-2025	19-10-2025	DEP TFRRTGS UTR NO: IDFBR62025101900746286009985504430 1AT 01417 OPERA HOUSE (MUMBAI)			2000000.00	2013176.29
19-10-2025	19-10-2025	WDL TFRRTGS UTR NO: SBINR52025101902980643009911304430 3AT 01417 OPERA HOUSE (MUMBAI)		1000000.00		13176.29
20-10-2025	20-10-2025	WDL TFRRTGS UTR NO: SBINR52025102003010041009911104430 5AT 01417 OPERA HOUSE (MUMBAI)		971250.00		2041926.29
20-10-2025	20-10-2025	REMT THRU CHQRTGS UTR NO: SBINR52025102003018641	666591	2000047.20		41879.09

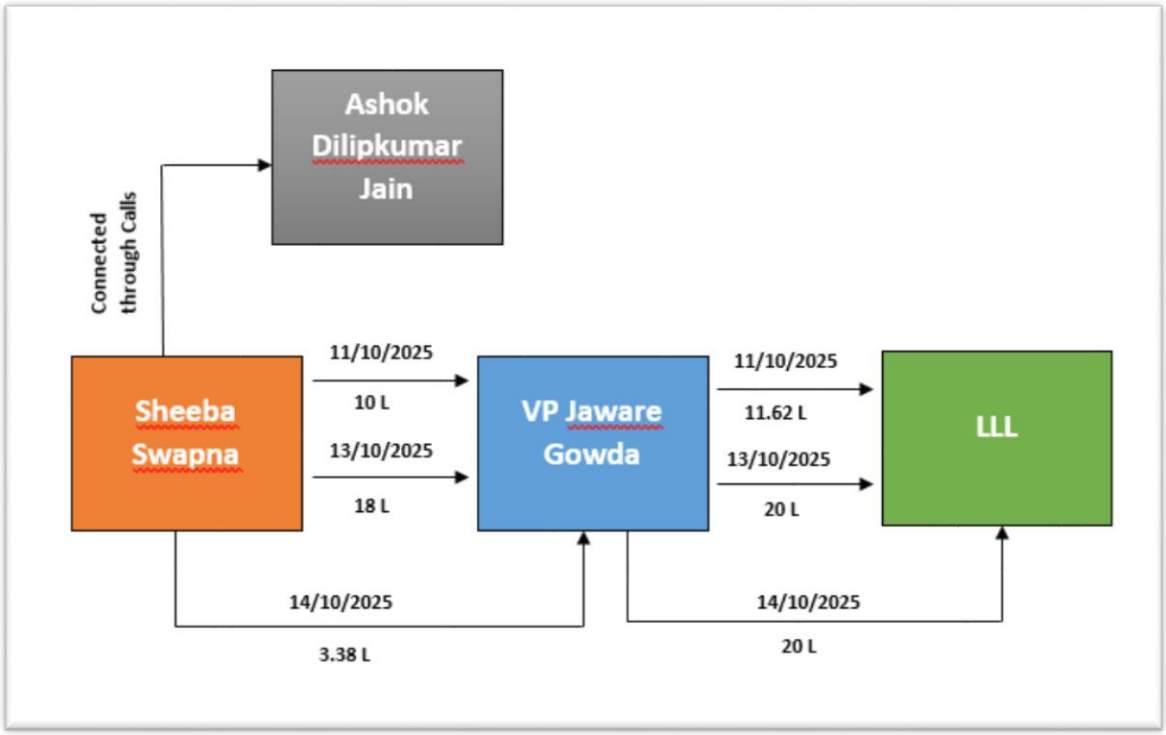
25. The extracts from the bank account statement of Kirti Dilipkumar Jain showing payments received from joint account of Ashok Dilipkumar Jain and Kajal Jain and transferring to Sonali Abhaykumar Parmar is as under:

Trans Date and Time	Value Date	Transaction Details	Ref/Cheque No	Debit	Credit	Balance
18/10/25 07:31	18/10/2	NEFT/HSBCN29185438269/ASHOK DILIPKUMAR JAIN + KAJA			3,000,000.00	3,067,461.66Cr
18/10/25 08:02	18/10/2	RTGS/IDFBR62025101800737443/SONALI ABHAYKUMAR PARM		1,000,000.00		2,067,461.66Cr
18/10/25 08:05	18/10/2	RTGS/IDFBR62025101800737446/SONALI ABHAYKUMAR PARM		1,000,000.00		1,067,461.66Cr
19/10/25 07:01	19/10/2	NEFT/HSBCN29285618826/ASHOK DILIPKUMAR JAIN + KAJA			1,000,000.00	2,067,461.66Cr
19/10/25 09:31	19/10/2	RTGS/IDFBR62025101900746286/SONALI ABHAYKUMAR PARM		2,000,000.00		67,461.66Cr

26. It is noted that apart from the aforesaid transfers, no other amounts were observed to have been transferred by Kirti Dilipkumar Jain to Sonali Parmar during the period examined. On this basis, It is noted that the entire initial subscription amount paid by Sonali Parmar was funded by ADJ and his family members through the intermediary account of Kirti Dilipkumar Jain.

Funding in case of V. P. Jaware Gowda

27. In the case of V. P. Jaware Gowda, who was allotted 78,000 warrants in the first tranche and was required to pay an initial subscription amount of ₹ 51,62,625/-, the examination revealed that an amount of ₹ 31.38 lakh was transferred to him from the bank account of Sheeba Swapna, who is a person connected with ADJ through calls/CDRs. It was further observed that the funds were transferred within minutes out of the account of V. P. Jaware Gowda to LLL. Approximately 60.79% of the initial subscription amount paid by V. P. Jaware Gowda was funded through Sheeba Swapna. The fund flow of transaction is depicted below:



28. Extracts from the bank account statement of VP Jaware Gowda showing payments received from joint account of Sheeba Swapna, a connected entity of ADJ is as under:

Time		Transaction Details	No	Debit	Credit	Balance
11/10/25 21:11	11/10/25	IFT/10182914772/Ms. Sheeba Swapna /24313134			1,000,000.00	1,161,291.50(
1/10/25 21:13	11/10/25	IMPS-OPM/528421478742/LE LAVOIR LIMITED/IOBA0001205/10227/		1.00		1,161,290.50(
1/10/25 21:33	11/10/25	RTGS/IDFBR62025101100678893/LE LAVOIR LIMITED/IOBA		1,100,000.00		61,290.50(
1/10/25 21:40	11/10/25	NEFT/IDFB528449998806/LE LAVOIR LIMITED/IOBA000120		62,624.00		48,666.50(
3/10/25 13:41	13/10/25	IFT/10182914772/Ms. Sheeba Swapna /13294678			1,800,000.00	2,182,104.00(
3/10/25 13:43	13/10/25	RTGS/IDFBR62025101300689864/LE LAVOIR LIMITED/IOBA		2,000,000.00		182,104.00(
4/10/25 14:35	14/10/25	IFT/10182914772/Ms. Sheeba Swapna /15233463			338,000.00	2,016,104.00(
4/10/25 14:36	14/10/25	RTGS/IDFBR62025101400702766/LE LAVOIR LIMITED/IOBA		2,000,000.00		16,104.00(

29. It is observed that in the first tranche of allotment, ADJ, Kajal Ashok Jain and Viha Ashok Jain contributed amounts aggregating to approximately ₹ 5.82 crore towards the initial subscription. When the funding of Sonali Parmar is also taken into account, approximately ₹ 6.21 crore, representing around 59.37% of the total initial subscription amount received by LLL, was sourced from ADJ, his family members and Sonali Parmar, whose subscription was allegedly funded entirely by ADJ and his family.

30. I note that the above transactions raise a *prima facie* concern as to whether the allottees had subscribed to the warrants from their own independent financial resources or whether the subscriptions were funded by ADJ, directly or through intermediaries, with the allottees acting as conduits for acquiring warrants in the Company.

B.3 Utilisation and movement of proceeds of the preferential issue

31. It is noted that LLL received an amount of approximately ₹ 8.38 crore towards the initial subscription from the first tranche of 15 allottees on October 15, 2025, and approximately ₹ 2.09 crore from the second tranche of 10 allottees on October 21, 2025. The aggregate initial subscription amount is approximately ₹ 10.46 crore. Out of the aforesaid funds, an amount of ₹ 1.92 crore was placed in a term deposit and the balance was transferred to various entities as under:

Table 9

Details of funds Transferred from the proceeds of the Preferential Issue

Date	Name of the Entity	Amount Transferred (in ₹)
27/10/2025	Shree Vrajendra Foods	2499000
27/10/2025	Ghantiram Foods	2499000
10/11/2025	Shree Vrajendra Foods	2500000
10/11/2025	Ghantiram Foods-Loan	2500000

Date	Name of the Entity	Amount Transferred (in ₹)
11/11/2025	Shree Vrajendra Foods	2500000
11/11/2025	Ghantiram Foods-Loan	2500000
12/11/2025	Ghantiram Foods-Loan	4000000
12/11/2025	Shree Vrajendra Foods	2500000
13/11/2025	Shree Vrajendra Foods	2500000
14/11/2025	Ghantiram Foods-Loan	6000000
14/11/2025	Shree Vrajendra Foods	2500000
17/11/2025	Ghantiram Foods	4500000
18/11/2025	Shree Vrajendra Foods	4500000
26/11/2025	Ghantiram Foods	2000000
27/11/2025	Ghantiram Foods	2000000
28/11/2025	Ghantiram Foods	2000000
29/11/2025	Slone Infosystems Limited	2500000
29/11/2025	Ghantiram Foods	2000000
30/11/2025	Slone Infosystems Limited	2500000
30/11/2025	Ghantiram Foods	2000000
01/12/2025	Slone Infosystems Limited	4500000
02/12/2025	Slone Infosystems Limited	3000000
05/12/2025	Shree Vrajendra Foods	1900000
12/12/2025	Shree Vrajendra Foods	1900000
18/12/2025	Slone Infosystems Limited	2000000
19/12/2025	Slone Infosystems Limited	2500000
20/12/2025	Slone Infosystems Limited	2000000
05/01/2026	Slone Infosystems Limited	5000000
19/01/2026	Slone Infosystems Limited	4500000
30/01/2026	Slone Infosystems Limited	5000000
TOTAL		**8,87,98,000/-**

32. Thus, as per the bank statement analysis, an aggregate amount of approximately ₹ 8.88 crore was transferred by LLL to Ghantiram Foods Private Limited ("**Ghantiram Foods**"), Shree Vrajendra Foods Private Limited ("**Shree Vrajendra Foods**") and Slone Infosystems Limited. The following broad details of such transfers are noted:

Table 10

Aggregate amounts transferred by LLL

S. No.	Recipient entity	Amount recorded in the report
1	Ghantiram Foods Private Limited	₹ 3,19,90,000/-
2	Shree Vrajendra Foods Private Limited	₹ 2,32,99,000/-
3	Slone Infosystems Limited	₹ 3,35,00,000/-

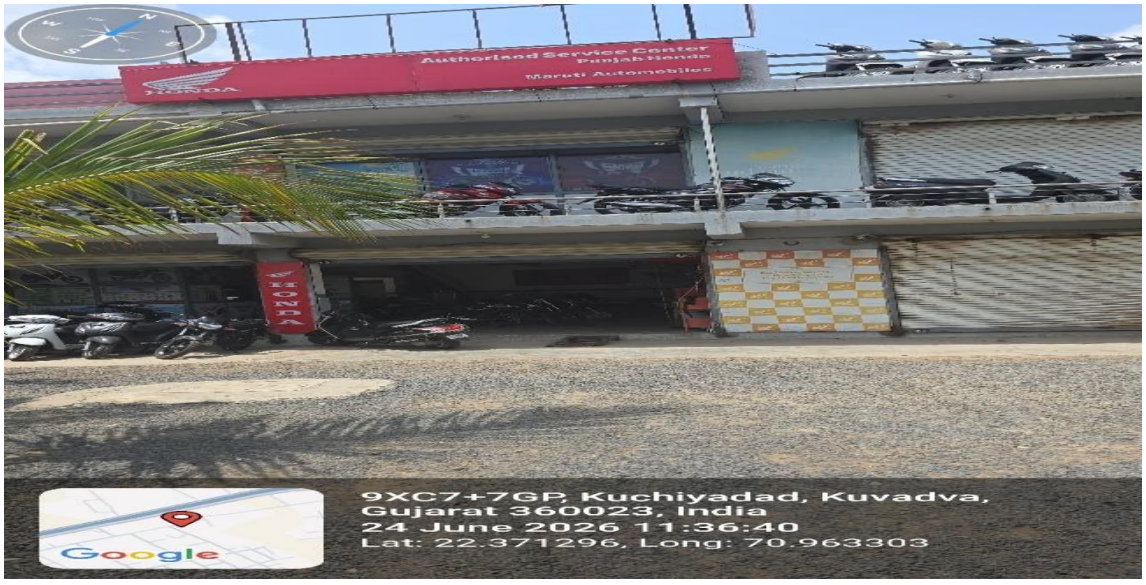
33. In respect of Ghantiram Foods, I note that an amount of approximately ₹ 3.20 crore was transferred by LLL. Ghantiram Foods was incorporated on June 09, 2025, and LLL had acquired a 64.5% stake in the said company in July 2025. Ghantiram Foods claims to be engaged in the food processing and manufacturing sector, primarily involving flour milling and the production of wheat flour, whereas LLL claimed to be engaged in the laundry and allied services business. This also raises questions regarding the commercial rationale for transferring a substantial amount to a newly incorporated company operating in an unrelated line of business.

34. Further, the examination of bank statements of Ghantiram Foods further revealed that substantial amounts received from LLL were followed by cash withdrawals on the same or subsequent days. To illustrate, against a transfer of ₹ 25 lakh received from LLL on November 10, 2025, a cash withdrawal of ₹ 20 lakh was made on the same day. Similarly, amounts received on November 11 and November 12, 2025 were followed by cash withdrawals, including withdrawals of ₹ 30 lakhs and ₹ 40 lakhs. Other instances of substantial cash withdrawals following transfers from LLL are also noted.

35. A site visit was also conducted at the registered office address of Ghantiram Foods. As gathered from the publicly available data, the registered address of the Company was found to be Kailash Park Plot No 22 Near Honda Showroom Rajkot Gujarat 360023. Accordingly, an inspection of premises of Ghantiram at the aforementioned address was undertaken. However, the office could not be traced at the location. The snapshots taken at the address are placed below:



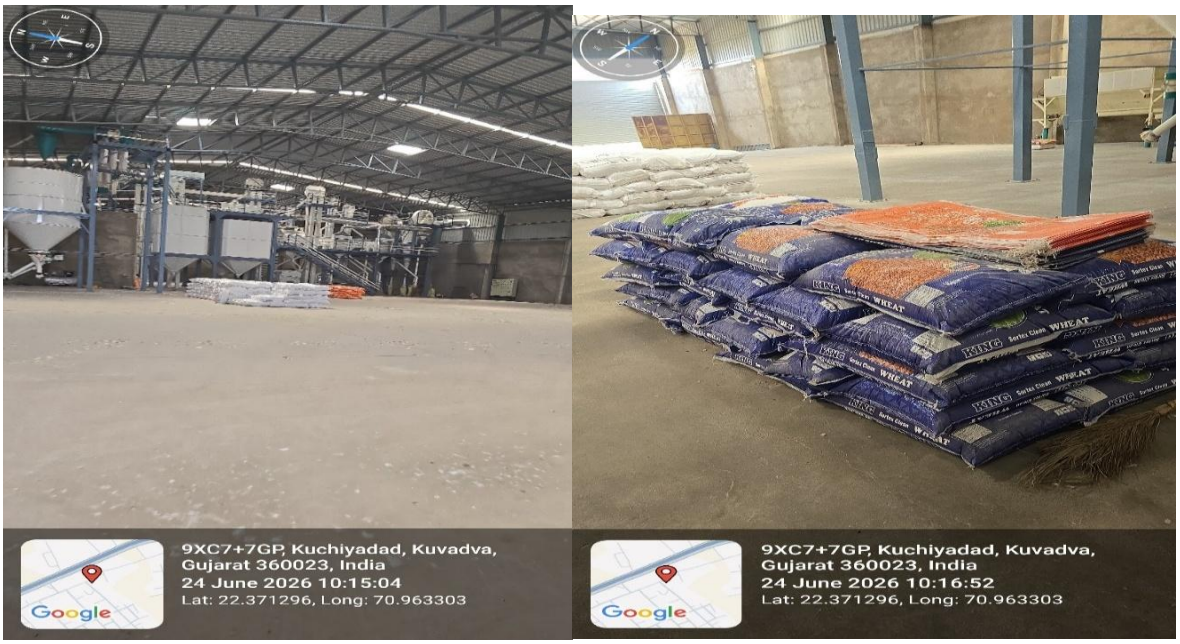




36. Another address of Ghantiram Foods, as obtained from their website, was found to be at Shree Nathji Industrial Zone-6, Plot No. 5, Satda Road, Opp. Kuvadava GIDC,

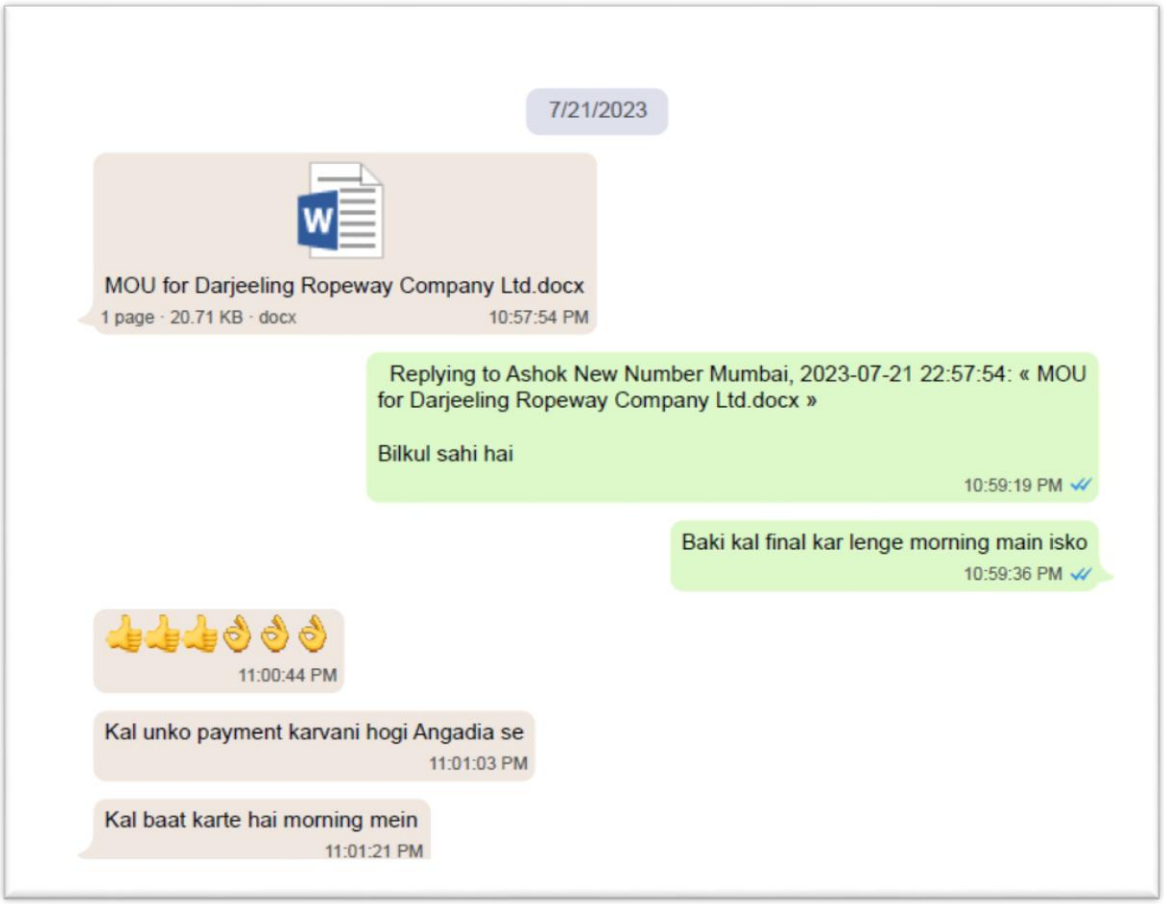
Jiyana, District Rajkot – 360023, Gujarat, India. The inspection of the premises at the aforementioned address was undertaken and the warehouse of the Company was found. Snapshots of the premises is placed below:





37. During site visit, only a few packets of wheat/flour were found at the premises and one labor was present, who was unable to furnish bills or other supporting documents. The labor stated that the owner resided in Mumbai.

38. I note that given the sequence of events such as induction of ADJ to the Board of LLL, acquiring 64.50% stake in Ghantiram Foods, preferential issue of warrants, diversion of the substantial amount of issue proceeds received by LLL to Ghantiram Foods *prima facie* appears to be unjustified, unsupported by physical stocks. Further, the money being withdrawn in cash further raises questions regarding the fund flow and utilization of the LLL's resources. I also note that as per one of Whatsapp chat of ADJ with Surendra Jain, ADJ is also involved in money transfer through Angadia channels. The screenshot of the Whatsapp chats between Surendra Jain [Mobile-xxxxxx9895] and Ashok Dilipkumar Jain [Mobile- xxxxxx1515][1], extracted from the device of Surendra Jain in this regard is reproduced below:



[1] *Contact numbers have been redacted and may be supplied to Noticees during inspection of documents or to Hon'ble SAT and Courts during court proceedings, if any.*

39. I take particular note of the fact that Ghantiram Foods was also used as conduit in diverting the preferential money from Darjeeling Industries Limited, another company where ADJ is a Managing Director and the same has been mentioned in the SEBI Order in the matter of Ashok Diipkumar Jain and Ors dated June 30, 2026. These observations, read with the scale and timing of the transfers and the subsequent cash withdrawals, *prima facie* raise concerns regarding the commercial substance of the transactions and the utilisation of the funds received from LLL.

40. In respect of Shree Vrajendra Foods, it is found that there were transfers aggregating to approximately ₹ 2.33 crore from LLL. Shree Vrajendra Foods was incorporated on December 09, 2024, and is stated to be engaged in the food grains, edible oils and agricultural sector. The examination of its bank statements revealed that amounts received from LLL were followed by cash withdrawals of substantially similar amounts on the same or subsequent days. It is noted that the transfers were substantial when compared with the revenue of LLL and were made to an entity operating in a business unrelated to LLL's laundry and hotel services activities. These circumstances raise questions regarding the commercial rationale and substance of the payments.

41. It is noted that an amount of approximately ₹ 3.35 crore was transferred to Slone Infosystems Limited, a listed company. It is further noted that one of the directors of Slone Infosystems Limited, Mr. Rajesh Srichand Khanna, was connected with ADJ through calls/CDRs. It is noted that this connection is a relevant circumstance which needs further examination of the purpose of the transfers and the ultimate utilisation of the funds.

42. The report also examines the utilisation of the balance 75% consideration received from ADJ and his family members upon conversion of 2,28,000 warrants into equity shares. It is noted that an aggregate amount of ₹ 4,52,72,250/- was received from ADJ, Kajal Ashok Jain and Viha Ashok Jain during March 2026. The funds were

thereafter transferred by LLL to Dhanashree Electronics and Ghura Industries. In particular, payments aggregating to ₹ 2.61 crore have been made to Dhanashree Electronics towards loan repayment and ₹ 1.55 crore to Ghura Industries towards vendor advance. The details of aforesaid transfers are as under:

Table 11

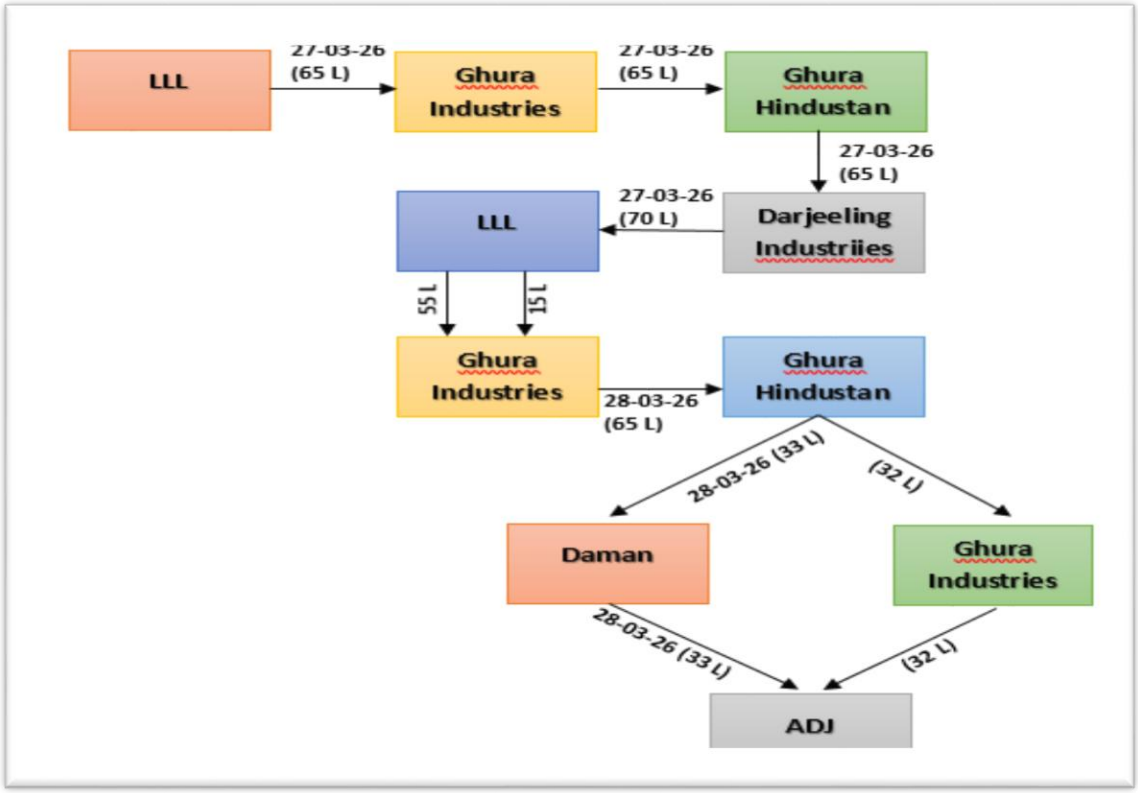
Details of payment made by LLL on receipt of remaining consideration

Date	Amount (₹)	Particulars
24/03/2026	90,00,000	to Dhanshree –Loan Repayment
25/03/2026	1,25,00,000	to Dhanshree –Loan Repayment
26/03/2026	46,00,000	to Dhanshree –Loan Repayment
27/03/2026	65,00,000	To Ghura Industries-Vendor Advan
30/03/2026	90,00,000	to Ghura Industries- Vendor Advan
TOTAL	**4,16,00,000**	

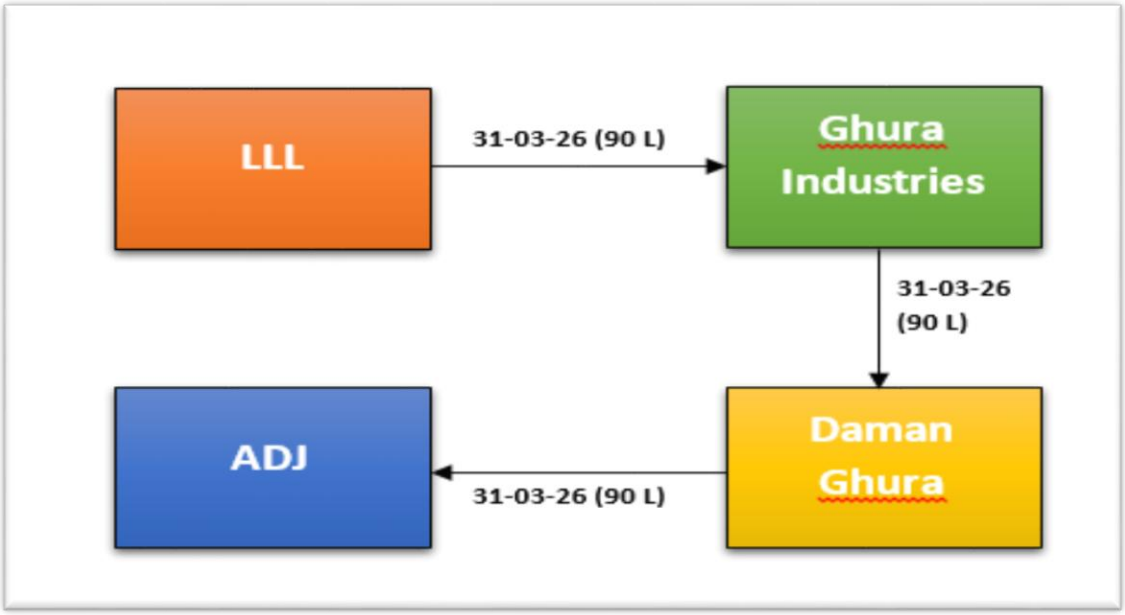
43. With respect to the payment of ₹ 2.61 crore to Dhanashree Electronics, it is noted that the bank statement of LLL for FY 2025–26 did not reflect any receipt of the loan amount from Dhanashree during that financial year. As per the annual reports of Dhanashree Electronics for FY 2023–24 and FY 2024–25, its borrowings and interest income did not appear to correspond with the loan repayment recorded by LLL. This raises a question as to whether the amount described as loan repayment represented a genuine loan transaction between Dhanashree Electronics and LLL and whether the corresponding asset was reflected in the books of Dhanashree Electronics.

44. In respect of Ghura Industries, it is noted that Ghura Industries is a sole proprietorship concern and the registered address of the entity is same as the residential address of Daman Ghura. In respect of transactions of ₹ 65.00 lakhs and ₹ 90.00 lakhs made to Ghura Industries on March 27, 2026 and March 30, 2026, it is noted that the funds were transferred from Ghura Industries through multiple other entities before finally reaching to ADJ. The movement of funds is shown in the diagram below:

Transactions of ₹ 65.00 lakhs



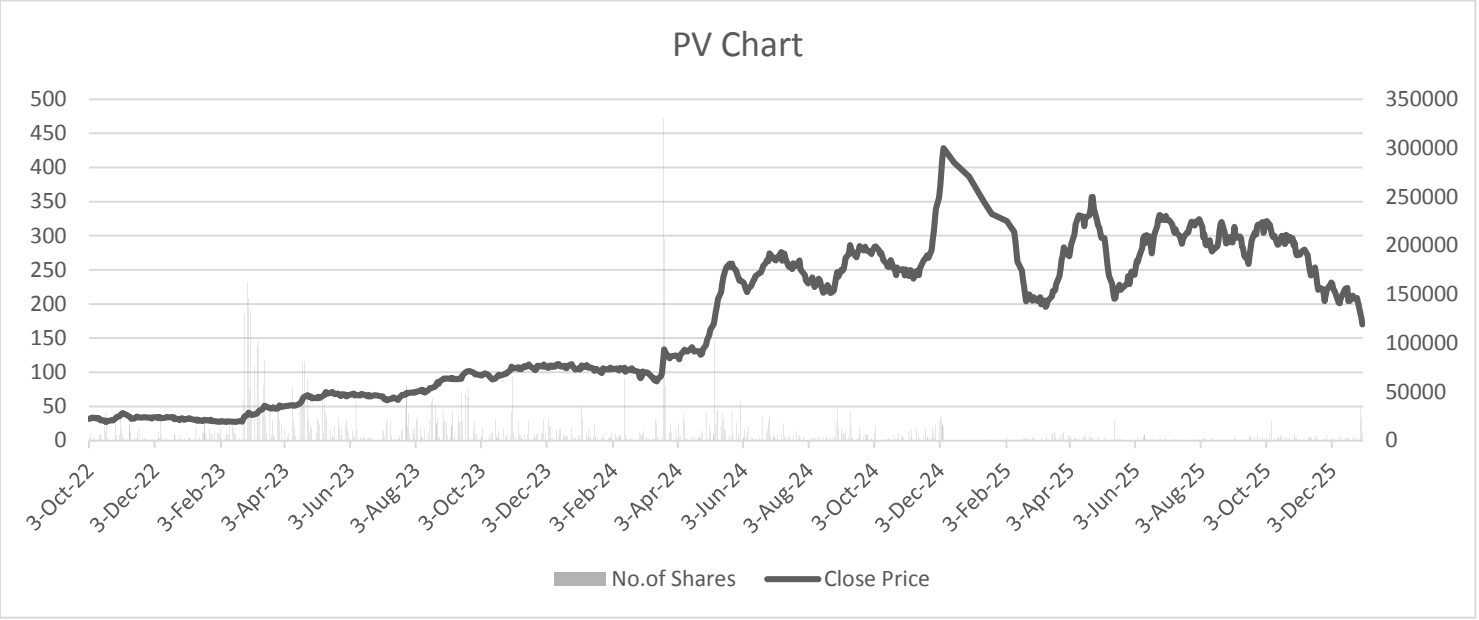
Transactions of ₹ 90.00 lakhs



45. On the basis of the aforesaid transactions, it is noted that a substantial portion of the funds received by LLL through the preferential allotment was transferred to other entities, some of which were identified as connected with ADJ, and that certain transfers were followed by substantial cash withdrawals and certain parts of proceeds of preferential issue were routed back to the bank account of ADJ. The stated objects of the preferential issue included purchase of machinery and meeting working capital requirements, whereas the funds were transferred to entities operating in different business sectors and some part of it was routed back to ADJ. These circumstances raise serious concern as regards utilization of the proceeds of the preferential issue as per the objects disclosed by the Company and it *prima facie* appears that ADJ has not acquired the shares of LLL for lawful consideration.

B.4 Trading pattern and contribution to price and volume movement

46. The price volume chart (PV chart) in the scrip of company during the examination period is as under:



47. In view of the increase in the price and volume of the scrip during the examination period, SEBI examined the trade log received from BSE. For this purpose, the trading period is divided into the following patches:

Table 12

Phase-wise classification of Trading Activity

Phases	Period	Activity
Pre-Examination period;	October 01, 2022 to December 31, 2022	Price range bound
Patch-1	January 01, 2023 to Feb 29, 2024	Price increased during this period.
Patch-2	March 01, 2024 to December 06, 2024	Price increased during this period.
Patch-3: Resting Phase	December 07, 2024 to December 12, 2025	Volume decreased and price also remained range-bound

48. The summary of patch-wise analysis of PV data during the Examination Period is provided as below:

Table 13

Summary of trading activity and price movement during the examination period (Source: BSE website)

Period	Price (in Rs) / Volume (qty)	Opening Price & volume on first day of the period	Closing Price & volume on last day of the period (Rs.)	Low Price & Volume during the period (Rs.)	High Price & Volume during the period (Rs.)	No. of days the scrip traded to trading days	Total no. of shares traded	Avg. no. of shares traded per day	Avg. no. of trades per day
Pre-Examination period October 01, 2022 to December 31, 2022	Price	32.65	30.65	27.0 (19/10/2022)	40.90 (04/11/2022)	62 days out of 62 days	3,09,513	4,992.14	27.29
	Volume	2,060	2,548	3 (28/12/2022)	29126 (19/10/2022)				
Patch-1 January 01, 2023 till Feb 29, 2024	Price	32.9	93.8	26.1 (30/01/2023)	120 (14/12/2023)	289 days out of days 289 days	44,68,067	15,460.44	50.62
	Volume	2,284	5,239	149 (03/01/2023)	1,62,433 (27/02/2023)				
Patch-2 March 01, 2024 to December 06, 2024	Price	95.95	428.60	78.85 (14/03/2024)	432.5 (06/12/2024)	190 out of 190 days	20,53,592	10,808.38	68.36
	Volume	7,262	14,244	25 (08/10/2024)	3,30,097 (20/03/2024)				
Patch-3 December 07, 2024 to December 12, 2025	Price	407.20	211.70	186.2 (12/03/2025)	407.20 (16/12/2024)	211 out of 251 days	4,32,194	2048.31	35.58
	Volume	639	911	3 (27/05/2025)	20,696 (14/05/2025)				

49. The price and volume data, as set out in the examination report, indicate that the closing price of the scrip increased from ₹ 30.65/- at the end of the pre-examination period to a high of ₹ 120/- during Patch 1. During Patch 2, the price increased from ₹ 86.74/- as on March 14, 2024 to ₹ 428.60/- as on December 06, 2024. The average daily trading volume during Patch 1 was approximately three times the average daily volume during the pre-examination period. Although the average daily volume declined during Patch 2 as compared to Patch 1, it remained approximately twice the average daily volume during the pre-examination period. During Patch 3, the price and volume declined and the scrip remained relatively range-bound.

50. The contribution of individual entities to the Last Traded Price ("**LTP**") of the scrip was examined considering the price at which a trade was executed vis-à-vis the price of the immediately preceding trade. The opening trade of a day vis-à-vis the previous day's closing price was also considered. Entity-specific LTP contribution at the PAN level has been calculated and instances where entities repeatedly contributed positively to the LTP by placing orders at prices higher than the prevailing market price have been identified.

51. The details of the top LTP contributors in the scrip in Buy side during Patch-1 is shown in the below table:

Table 14

Details of Positive and Net LTP contributions by leading entities during Patch 1

No.	Name of Entities	+ LTP (A)	- LTP (B)	Net LTP (C=A+B)	% of + LTP contribution to market (D=A/ΣA*100)	% of Net LTP contribution to market (E=C/ΣC*100)
1	ARCHANA JAGDISH NAIK	291.37	-68.06	223.31	9.46%	180.10%
2	*A***A *I*A* ***H	104.28	-3.65	100.63	3.39%	81.16%
3	KANCHAN KISHOR BEJJALWAR	86.55	-2.86	83.69	2.81%	67.50%
4	SHREYA DHEERAJ JAIN	98.42	-28.5	69.92	3.20%	56.39%
5	P***K D****H S***	40.16	-0.8	39.36	1.30%	31.74%
6	N*** P**** S***	35	0	35	1.14%	28.23%
7	B****A I******L SINGH	32.66	-1.06	31.6	1.06%	25.49%
8	ANURADHA PATRA	71.53	-41.23	30.3	2.32%	24.44%
9	RANJAN SHANTILAL SHAH	31.08	-5.48	25.6	1.01%	20.65%
10	NAGESHWARRAO SRIKRISHNA DUVVURI	41.6	-16.42	25.18	1.35%	20.31%
11	V****A N***A P***	27.55	-4	23.55	0.89%	18.99%
12	SHREENIWAS ANAND SANJAPPA KUMARA	36.05	-13.31	22.74	1.17%	18.34%
13	R G*** P*****	20.27	-0.05	20.22	0.66%	16.31%
14	P***G N********N ****A	17.89	-0.52	17.37	0.58%	14.01%
15	DEEPTI JAIRAM CHANDNANI	47.3	-30.38	16.92	1.54%	13.65%
16	R***** K***R A***	22.2	-5.75	16.45	0.72%	13.27%
17	M******U C******L J***** ****Y	14.29	0	14.29	0.46%	11.53%
18	V***** G**** HUF	25.97	-11.92	14.05	0.84%	11.33%
19	VINAY BHUSHAN	18.52	-4.55	13.97	0.60%	11.27%
20	A*** *********A	14.73	-0.79	13.94	0.48%	11.24%
21	JAIRAM DURUKUMAR CHANDNANI	25.33	-11.57	13.76	0.82%	11.10%
22	C****** P****** J***	18.45	-4.9	13.55	0.60%	10.93%
23	S**** S******	13.55	0	13.55	0.44%	10.93%
24	D**** A***** K******	13.33	-0.05	13.28	0.43%	10.71%
25	SAMAR SHAHAJI RANSING	21.28	-8.14	13.14	0.69%	10.60%
	Total Market (Σ)*	**3,078.95**	**-2,954.96**	**123.99**	**100.00%**	**100.00%**
	Connected entities to market	**769.03**	**-230.5**	**538.53**	**25%**	**434%**

***Note 1** – (Σ) Sigma represents the sum of all positive and negative LTP contributions for the whole market. The Net LTP contribution is used as the basis to compute the percentage of Net LTP contribution to market.*

***Note 2:** Name of certain entities who are not Noticees in this Order have been redacted and may be supplied to Noticees during inspection of documents or to Hon'ble SAT and Courts during court proceedings, if any.*

52. Out of the above, entities at Sr. no 1, 3, 4, 8, 9, 10, 12, 15, 19, 21 and 25 are connected to ADJ through calls, contributing to 25% of the Positive LTP (₹ 769.03 in actual ₹ terms) and 4.3 times of the cumulative Net LTP (₹ 538.53 in actual ₹ terms out of ₹ 123.99 in the total market). It is observed from the chat between ADJ and Surendra Jain that the details/ID proofs of Entities at Sr. No 8, 15 and 21 are shared by ADJ with Surendra Jain. Apart from the above, it is also observed that ADJ too have contributed ₹ 33.36 to cumulative Positive LTP in ₹ terms. The screenshot of the Whatsapp chats between Surendra Jain [Mobile-xxxxxx9895] and Ashok Dilipkumar Jain [Mobile- xxxxxx1515][2], extracted from the device of Surendra Jain evidencing such sharing of PAN card, UID Aadhaar Card of Anuradha Patra, Jairam Chandnani and Deepti Jairam Chandnani is as under:

Screenshot 1 Chats between ADJ and Surendra Jain dated November 25, 2022: It is observed that ADJ is sharing shareholding details of a company, possibly Reliable Finance Limited [a company owned by Surendra Jain] wherein Jairam Chandnani, Deepti Chandnani and Anuradha Patra are the shareholders along with ADJ himself.

[2] *Contact numbers have been redacted and may be supplied to Noticees during inspection of documents or to Hon'ble SAT and Courts during court proceedings, if any.*

WhatsApp - Ashok New Number Mumbai

11/25/2022

K Sandeep

281, 8th Main Road, J.P.Nagar 4th Phase,
Bangalore - 560078

Mobile: +91-98450-73563

3:00:23 PM

Address for courier of share certificates
3:00:24 PM

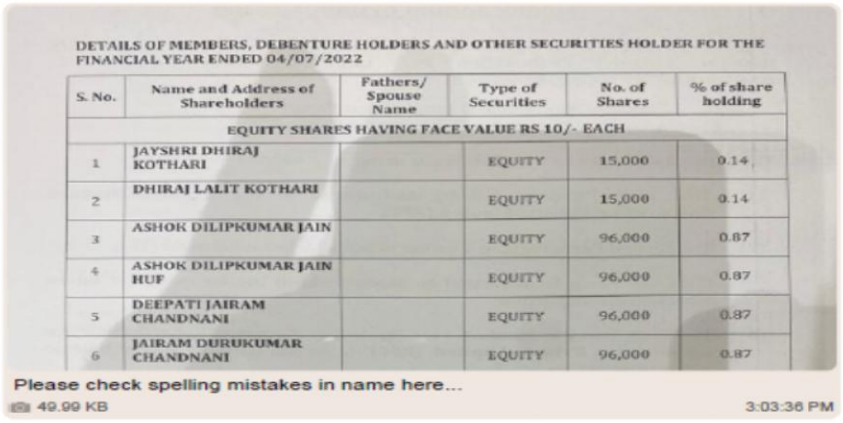
Okk
3:01:41 PM

Mujhe yaha meri file nahi mil rahi hai
3:01:56 PM

I'm looking it
3:02:14 PM

Otherwise I ask papers from u
3:02:24 PM

Wait some time
3:02:29 PM



DETAILS OF MEMBERS, DEBENTURE HOLDERS AND OTHER SECURITIES HOLDER FOR THE FINANCIAL YEAR ENDED 04/07/2022

S. No.	Name and Address of Shareholders	Fathers/ Spouse Name	Type of Securities	No. of Shares	% of share holding
EQUITY SHARES HAVING FACE VALUE RS 10/- EACH					
1	JAYSHRI DHIRAJ KOTHARI		EQUITY	15,000	0.14
2	DHIRAJ LALIT KOTHARI		EQUITY	15,000	0.14
3	ASHOK DILIPKUMAR JAIN		EQUITY	96,000	0.87
4	ASHOK DILIPKUMAR JAIN HUF		EQUITY	96,000	0.87
5	DEEPATI JAIRAM CHANDNANI		EQUITY	96,000	0.87
6	JAIRAM DURUKUMAR CHANDNANI		EQUITY	96,000	0.87

Please check spelling mistakes in name here...

49.99 KB 3:03:36 PM



9	CHANDRAKANT PANCHAL HUF		EQUITY	99,000	0.90
10	KUSUM DILIPKUMAR JAIN		EQUITY	99,000	0.90

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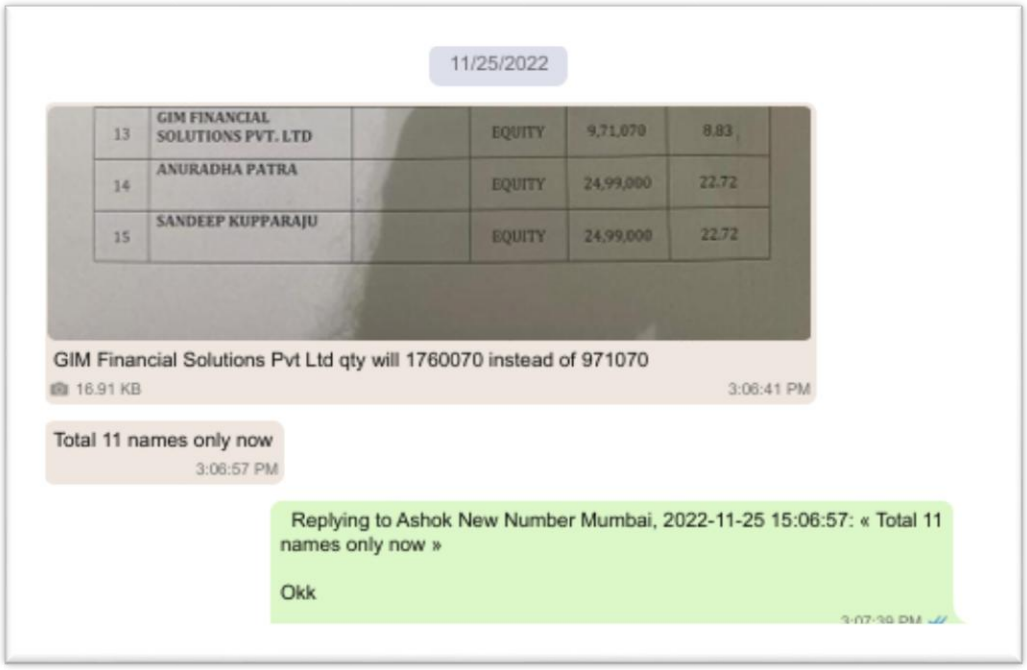
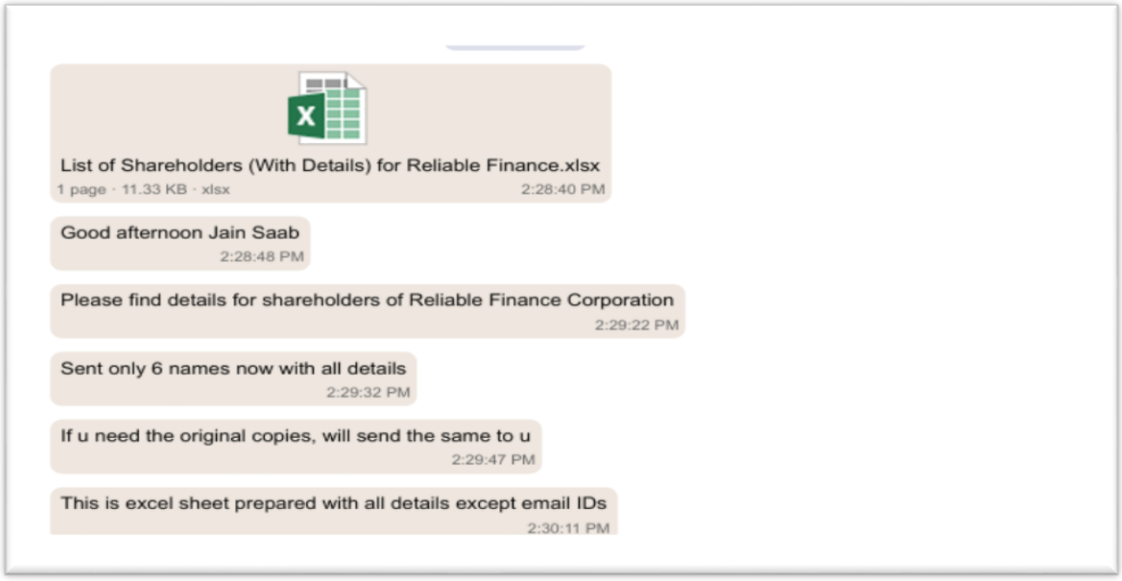


Screenshot 2 Chats between ADJ and Surendra Jain dated December 12, 2022: It is observed that ADJ and Surendra Jain had agreed to some form of scheme in the Company of Reliable Finance, a company which is owned by Surendra Jain and the list of the shareholders have been reduced to 6 from the earlier 15 shareholders. In the follow up chats ADJ is sharing the Aadhaar Card and PAN card of the above entities with Surendra Jain. The redacted image is produced below for reference:



12/12/2022



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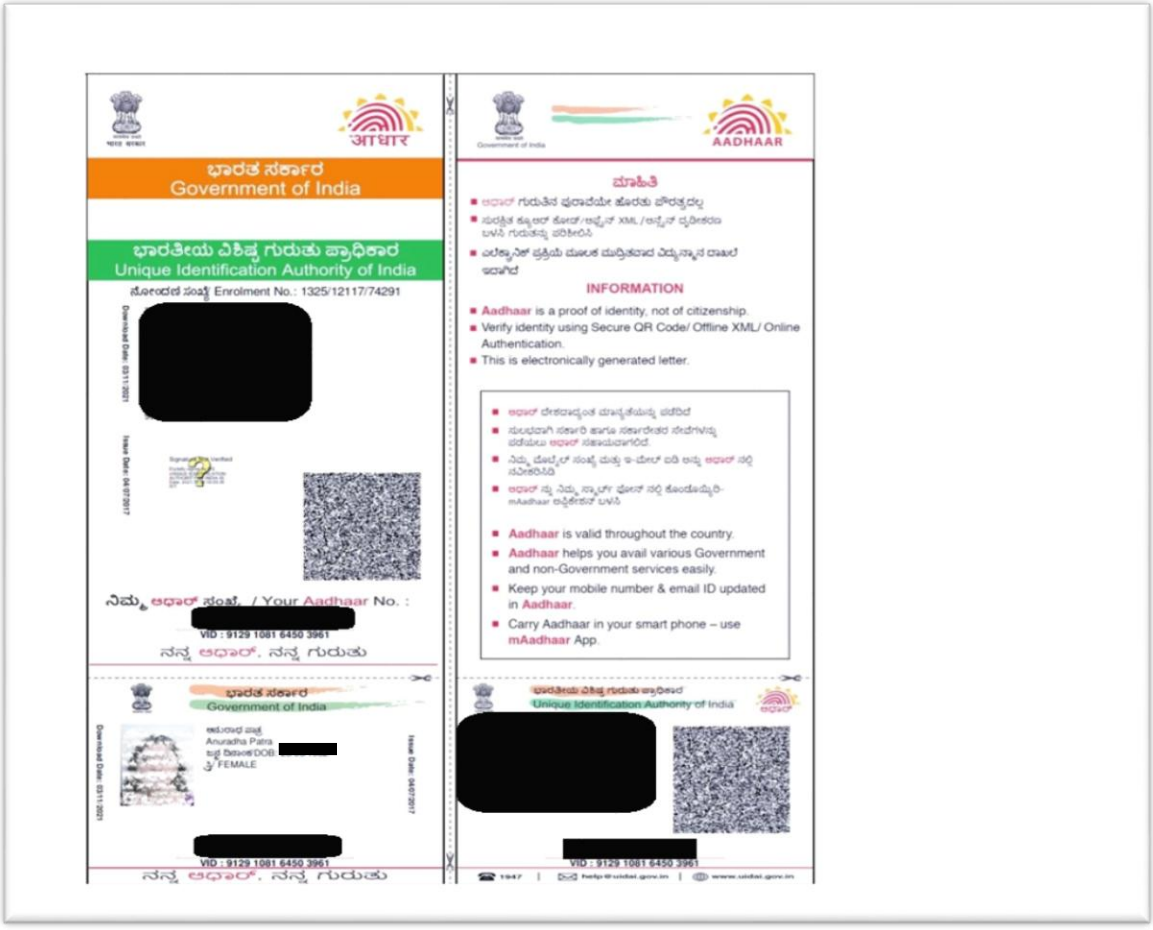
This was original list prepared earlier with 15 names, now only 6 names made instead of 15

2:35:31 PM

FINANCIAL YEAR ENDED 04/07/2022

S. No.	Name and Address of Shareholders	Fathers/ Spouse Name	Type of Securities	No. of Shares	% of share holding
EQUITY SHARES HAVING FACE VALUE RS 10/- EACH					
1	JAYSHRI DHIRAJ KOTHARI		EQUITY	15,000	0.14
2	DHIRAJ LALIT KOTHARI		EQUITY	15,000	0.14
3	ASHOK DILIPKUMAR JAIN		EQUITY	96,000	0.87
4	ASHOK DILIPKUMAR JAIN HUF		EQUITY	96,000	0.87
5	DEEPATI JAIRAM CHANDNANI		EQUITY	96,000	0.87
6	JAIRAM DURUKUMAR CHANDNANI		EQUITY	96,000	0.87
7	PRITESH VIJAY RANDERIA HUF		EQUITY	96,000	0.87
8	PRITESH VIJAY RANDERIA		EQUITY	96,000	0.87
9	CHANDRAKANT PANCHAL HUF		EQUITY	99,000	0.90
10	KUSUM DILIPKUMAR JAIN		EQUITY	99,000	0.90
11	SAMTA PRITESH RANDERIA		EQUITY	99,000	0.90
12	POPATLAL SHANTILAL JAIN HUF		EQUITY	4,98,000	4.53
13	GIM FINANCIAL SOLUTIONS PVT. LTD		EQUITY	9,71,070	8.83
14	ANURADHA PATRA		EQUITY	24,99,000	22.72
15	SANDEEP KUPPARAJU		EQUITY	24,99,000	22.72


आयकर विभाग
INCOME TAX DEPARTMENT
भारत सरकार
GOVT. OF INDIA
ANURADHA PATRA
PARAMESWAR PATRA
[redacted]
Permanent Account Number
AORPP6823K
[redacted]
Signature
23062006


आधार
भारत सरकार
Government of India
भारतीय विशिष्ट गुरुतु प्राधिकार
Unique Identification Authority of India
Enrolment No.: 1325/12117/74291
[redacted]
Your Aadhaar No. :
[redacted]
VID : 9129 1081 6450 3961
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AADHAAR
ಮಾಹಿತಿ
INFORMATION
Aadhaar is a proof of identity, not of citizenship.
Verify identity using Secure QR Code/ Offline XML/ Online Authentication.
This is electronically generated letter.
Aadhaar is valid throughout the country.
Aadhaar helps you avail various Government and non-Government services easily.
Keep your mobile number & email ID updated in Aadhaar.
Carry Aadhaar in your smart phone – use mAadhaar App.
Anuradha Patra
FEMALE
[redacted]
VID : 9129 1081 6450 3961
ನನ್ನ ಆಧಾರ್, ನನ್ನ ಗುರುತು
Unique Identification Authority of India
[redacted]
VID : 9129 1081 6450 3961


भारत सरकार
Government of India
जयराम दुरुकुमार चंदनानी
Jairam Durukumar Chandnani
जन्म तारीख/ DOB: [redacted]
पुरुष / MALE
[redacted]
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INCOME TAX DEPARTMENT
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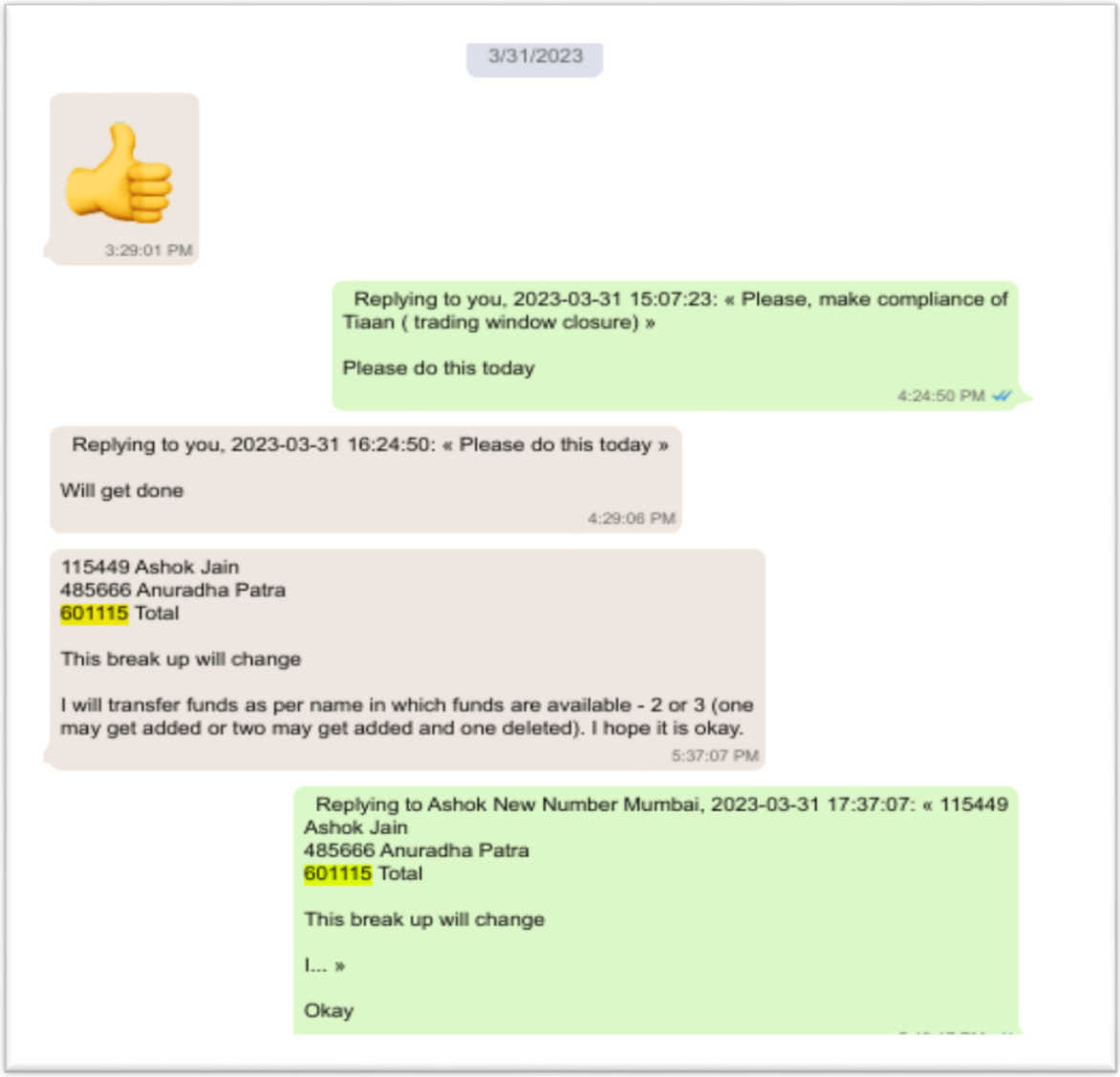
GOVT. OF INDIA
JAIRAM CHANDNANI
DURUKUMAR SHAMBHULAL CHANDNANI
[redacted]
Permanent Account Number
AFFPC8336K
[redacted]
Signature





Screenshot 3: From the below screenshot dated March 31, 2023, it is also observed that ADJ is sharing some specific details of Anuradha Patra with Surendra Jain and also states that he will transfer funds as per the name whenever the funds are available. The two names mentioned in the chat are Anuradha Patra and ADJ himself. Transferring of funds

from ADJ indicates that the accounts of Anuradha Patra are controlled and managed by ADJ.



53. Thus, the examination reveals *prima facie* connection between various LTP contributors and ADJ through calls/CDRs and WhatsApp communications between ADJ and Surendra Jain in which ADJ shared identity and KYC documents of certain persons, including Anuradha Patr, Jairam Chandnani and Deepti Jairam Chandnani. The report notes that the said communications included references to shareholding details and the transfer of funds in the names of certain individuals. In particular, the

communication dated March 31, 2023 wherein ADJ had referred to transferring funds in the names of Anuradha Patra and himself. These communications, along with the trading data and call records are material to examining the relationship between ADJ and certain LTP contributors.

54. The examination further identified instances in which certain entities placed orders for a small number of shares, including single-share orders, which were executed as the first trades of the day and contributed positively to the LTP. The examination reveals, *inter alia*, that:

(i) Archana Jagdish Naik placed first trades on multiple occasions, including instances where a single-share order contributed to the increase in the price of the scrip, the details of which are as under:

Table 15

Date-wise LTP Contribution by Archana Jagdish Naik

Trade Date	LTP Contributed in % terms	Trade Quantity	Order Quantity
25/04/2023	-1.08	1	100
16/05/2023	3.75	1	135
17/05/2023	1.1	1	1
18/05/2023	-0.08	1	1
22/05/2023	4.1	1	1
31/05/2023	4.44	1	1
01/06/2023	4.36	1	1
02/06/2023	3.01	1	1
05/06/2023	3.84	1	1
09/06/2023	2.82	1	1
06/07/2023	0.83	9	9
28/07/2023	-0.64	6	25
29/08/2023	2.55	9	9
31/10/2023	4.09	5	5

Trade Date	LTP Contributed in % terms	Trade Quantity	Order Quantity
Total	**33.09**		
Contribution through first trades and 1 share	23.59		

(ii) Deepti Jairam Chandnani placed first trades on 12 days, and the order quantity contributing to the price increase on those days was one share, the details of which are as under:

Table 16

Date-wise LTP Contribution by Deepti Jairam Chandnani

Trade Date	LTP Contributed in % terms	Trade Quantity	Order Quantity
03/01/2023	4.06	1	1
11/01/2023	7.64	1	1
12/01/2023	2.44	1	1
13/01/2023	7.69	1	1
16/01/2023	4.35	1	1
18/01/2023	1.36	1	1
19/01/2023	9.67	1	1
24/01/2023	1.39	1	1
25/01/2023	4.93	1	1
27/01/2023	3.99	1	1
02/02/2023	8.56	1	1
03/02/2023	0	1	2
Total	56.08		

Total Contribution through First Trades and 1 share	56.08		

(iii) Shreeniwas Anand Sanjappa Kumara placed one-share orders on certain days, contributing to 8.77% of the cumulative LTP through first trades, the details of which are as under:

Table 17

Date-wise LTP Contribution by Shreeniwas

Trade Date	LTP Contributed in % terms	Trade Quantity	Order Quantity
05/07/2023	4.41	1	1
17/07/2023	-2	7	10
18/07/2023	4.36	1	1
20/07/2023	-1.36	100	100
Total	5.41		
Total Contribution through First Trades and 1 share	8.77		

(iv) Anuradha Patra contributed to the LTP through first trades , the details of which are as under:

Table 18

Date-wise LTP Contribution by Anuradha Patra

Trade Date	LTP Contributed in % terms	Trade Quantity	Order Quantity
10/01/2023	4.23	140	177
17/01/2023	1.58	91	3600
31/01/2023	6.64	1	1
01/02/2023	6.01	1	1
07/02/2023	2.33	100	100
08/02/2023	4.97	1	1
16/02/2023	8.33	1	1
20/02/2023	0	1	1
22/02/2023	-3.16	900	1000
08/03/2023	4.76	1	1
Total	35.69		
Total Contribution through First Trades and 1 share	30.71		

(v) Shreya Dheeraj Jain contributed to the 7.37% of the cumulative LTP through first trades, the details of which are as under:

Table 19

Date-wise LTP Contribution by Shreya Dheeraj Jain

Trade Date	LTP Contributed in % terms	Trade Quantity	Order Quantity
31/01/2024	0.91	200	210
02/02/2024	2.67	15	15

Trade Date	LTP Contributed in % terms	Trade Quantity	Order Quantity
05/02/2024	1.39	200	225
06/02/2024	-0.62	30	40
09/02/2024	2.53	63	100
23/02/2024	0.49	40	40
Total	**7.37**		

55. It is noted that ADJ himself contributed to 9.82% of the cumulative LTP through first trades on certain days by placing an order of single share. The details are as under:

Table 20

Date-wise LTP Contribution by ADJ

Trade Date	LTP Contributed in % terms	Trade Quantity	Order Quantity
14/02/2023	9.82	1	1
22/03/2023	-1.91	2	10000
14/02/2024	-2.06	20	20
20/02/2024	2.12	25	222
Total	7.97		
Total Contribution through First Trades and 1 share	9.82		

56. It is noted that, in the majority of the instances identified, single-digit orders or small quantity orders were placed and executed in a manner that contributed positively to the LTP by employing the connected entities of ADJ.

57. During Patch 2, ADJ and certain entities connected with him were amongst the leading LTP contributors in Buy Side. These included Vinay Bhushan, Hemant Naresh Jain HUF, Alka Jaysing Tambe, Shreya Dheeraj Jain and Sanjay Nirmal Jain HUF.

Table 21

Contribution of ADJ and Connected Entities to Net LTP During Patch 2

No.	Name of Entities	+ LTP (A)	- LTP (B)	Net LTP (C=A+B)	% of + LTP contribution to market (D=A/ΣA*100)	% of Net LTP contribution to market (E=C/ΣC*100)
1	P******** K**** S****	1,101.22	-45.29	1,055.93	20.89%	212.56%
2	J**** K******** J***	143.45	0	143.45	2.72%	28.88%
3	VINAY BHUSHAN	206.06	-131.22	74.84	3.91%	15.07%
4	ASHOK DILIPKUMAR JAIN	168.7	-97.45	71.25	3.20%	14.34%
5	SANJAY NIRMAL JAIN HUF	136.4	-84.05	52.35	2.59%	10.54%
6	HEMANT NARESH JAIN HUF	69.05	-19.35	49.7	1.31%	10.00%
7	ALKA JAYSING TAMBE	77.4	-28.92	48.48	1.47%	9.76%
8	N**** C********** S***	48.25	-1.25	47	0.92%	9.46%
9	A******* S***	38.2	-1.5	36.7	0.72%	7.39%
10	SHREYA DHEERAJ JAIN	51	-17.71	33.29	0.97%	6.70%
11	S******** A********* A*********	30.9	0	30.9	0.59%	6.22%
12	HALEBEEDU EREGOWDA PAVITHRA	31.1	-1.7	29.4	0.59%	5.92%

No.	Name of Entities	+ LTP (A)	- LTP (B)	Net LTP (C=A+B)	% of + LTP contribution to market (D=A/ΣA*100)	% of Net LTP contribution to market (E=C/ΣC*100)
13	R******* R** P******	26.25	0	26.25	0.50%	5.28%
14	P***** N**** S***	25.92	0	25.92	0.49%	5.22%
15	P***** J***** M****	25.8	0	25.8	0.49%	5.19%
16	L***** P********** V*****	24.2	-0.15	24.05	0.46%	4.84%
17	M***** B*****	34.55	-10.6	23.95	0.66%	4.82%
18	A*** K**** T*****	23.78	0	23.78	0.45%	4.79%
19	KIRAN INDRABHAN KARNAWAT	43.95	-20.5	23.45	0.83%	4.72%
20	PRATIBHA RAVINDRAN NAIR	39.8	-16.95	22.85	0.76%	4.60%
21	P********** T******* T****	22.76	-0.4	22.36	0.43%	4.50%
22	N**** S***** J****	27.25	-4.9	22.35	0.52%	4.50%
23	S*** S****** R*****	22.15	0	22.15	0.42%	4.46%
24	M***** S***** * S**** A******** P******** L********	20.95	0	20.95	0.40%	4.22%
25	SONAL RAKESH MEHRA	29.6	-9.05	20.55	0.56%	4.14%
-	Total Market	5,271.19	-4,774.42	496.77	100%	100%
	Connected entities to market	875.21	-426.9	448.31	16.60%	90.24%

***Note 1** – (Σ) Sigma represents the sum of all positive and negative LTP contributions for the whole market. The Net LTP contribution is used as the basis to compute the percentage of Net LTP contribution to market.*

***Note 2:** Name of certain entities who are not Noticees in this Order have been redacted and may be supplied to Noticees during inspection of documents or to Hon'ble SAT and Courts during court proceedings, if any.*

58. Out of the above, entities at Sr. no 3,4,5,6,7,10,12,19,20,23 and 25 are connected to ADJ (Sr. no. 4) contributing to 16.60% of the positive LTP (₹ 875.21 in actual ₹. Terms) and 90.24% of the cumulative Net LTP (₹ 448.31 in actual ₹ Terms out of ₹ 496.77 in the total market).

59. It is noted that ADJ contributed to the cumulative LTP through single share orders on multiple occasions. There are also instances of one-share orders which contributed to the LTP on certain occasions by Samar Shahaji Ransing, who was also a preferential allottee. The details of the aforesaid orders are as under:

Table 22

LTP Contribution in Patch-2 by ADJ through single share orders

Trade Date	LTP Contributed in % terms	Trade Quantity	Order Quantity
01/03/2024	9.39	1	1
01/03/2024	7.78	1	1
01/03/2024	0.19	1	1
01/03/2024	6.44	1	1
01/03/2024	-0.26	1	1
01/03/2024	-0.52	1	1
01/03/2024	-1.05	1	1
06/03/2024	4.06	1	1

Trade Date	LTP Contributed in % terms	Trade Quantity	Order Quantity
06/03/2024	3.88	1	1
18/03/2024	4.64	1	1
18/03/2024	-0.53	1	1
18/03/2024	-0.53	1	1
18/03/2024	-0.54	1	1
18/03/2024	-0.54	1	1
18/03/2024	6.81	1	1
19/03/2024	-6.54	1	1
19/03/2024	4.58	1	1
23/04/2024	5.47	1	1
23/04/2024	-0.7	1	1
29/04/2024	0	1	1
Total through single share	42.03		
Total through first trade and single share	4.17		

60. Similarly, Vinay Bhushan also contributed to cumulative LTP by 12.3% by placing order of 1 share on 18 instances. Further, it is observed that Shreya Dheeraj Jain contributed to 9.96% of the LTP on cumulative basis by placing an order of 1 share on 7 instances.

61. It is noted that the entities identified as connected with ADJ contributed to the trading volume during Patch 1 and Patch 2. In Patch 1, certain entities identified as connected with ADJ were amongst the top volume contributors and accounted for approximately 16.29% of the volume contributed during that patch. The volume contribution in Patch-1 is shown below:

Table 23

Trade Volume Contribution of Entities Connected with ADJ during Patch 1

S. No	Name	Buy Qty	Sel Qty	Vol	Volume %
1	NAGESHWARRAO SRIKRISHNA DUVVURI	338584	0	338584	3.79
2	S**** S*****	20	176937	176957	1.98
3	B***** K********** M****** HUF	66355	66355	132710	1.49
4	ANURADHA PATRA	66159	65459	131618	1.47
5	K****** B*****	100559	30519	131078	1.47
6	DAMAN GHURA	113000	17003	130003	1.45
7	S***** B*****	0	126280	126280	1.41
8	ARCHANA JAGDISH NAIK	40208	80146	120354	1.35
9	A**** K**** G*** HUF	63174	53030	116204	1.30
10	ISRAR ALI KHAN	55500	55490	110990	1.24
11	S**** A***** G*******	101790	0	101790	1.14
12	K****** R***	50000	50000	100000	1.12
13	ANURADHA KHAN	50000	49990	99990	1.12
14	SHREENIWAS ANAND SANJAPPA KUMARA	3073	74899	77972	0.87
15	VI***** S***** J****	0	77550	77550	0.87
16	DILIP KESHRIMAL SANKLECHA	77500	0	77500	0.87

S. No	Name	Buy Qty	Sel Qty	Vol	Volume %
17	ASHOK DILIPKUMAR JAIN	56648	17861	74509	0.83
18	SUBHASH NATHAMAL JAIN	48503	24062	72565	0.81
19	MEHRA SONAL RAKESH	72506	0	72506	0.81
20	V******** S**** P***** L******	0	70000	70000	0.78

Note:

***Note 1** – Entities at Sr. No 1,4,6,8,10,13,14,16,18 and 19 are connected to ADJ (Entity at Sr. No 17) through calls and have contributed 16.29% the volume during the Patch-1.*

***Note 2:** Name of certain entities who are not Noticees in this Order have been redacted and may be supplied to Noticees during inspection of documents or to Hon'ble SAT and Courts during court proceedings, if any.*

62. Similarly, during Patch 2, I note that the connected entities of ADJ have contributed to 11.21% of the market volume during Patch-2.

63. The average number of shares traded per day increased from approximately 5,000 shares during the pre-examination period to approximately 15,000 shares during Patch 1 and approximately 10,000 shares during Patch 2. From the facts presented above, it, prima-facie appears that the connected entities of ADJ were instrumental in increasing the price and volume in the scrip of LLL.

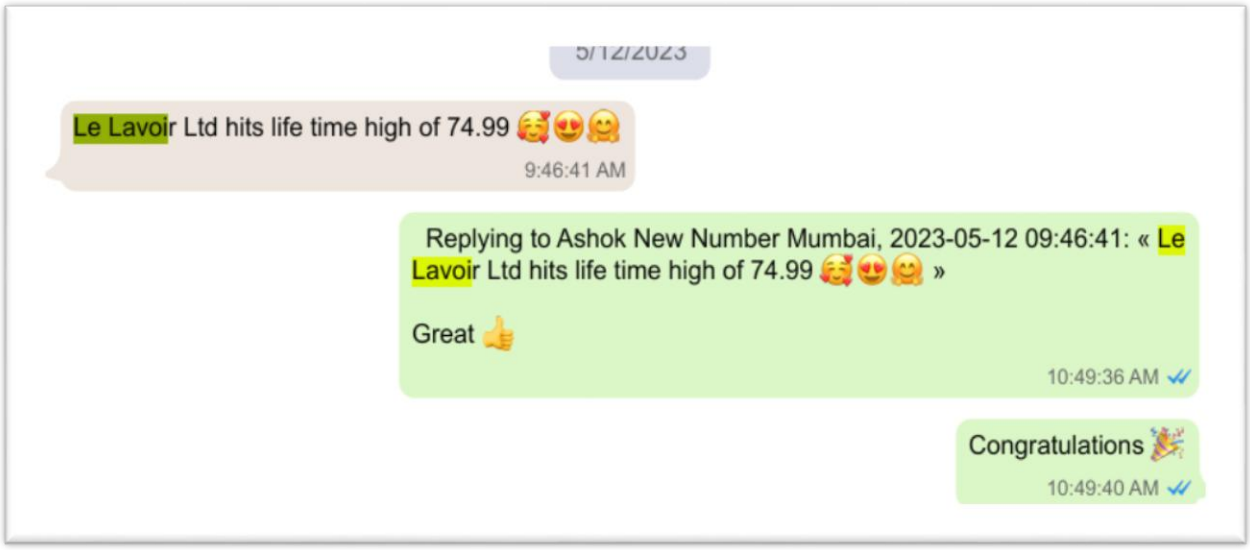
64. Therefore, certain entities identified as connected with ADJ contributed to both the price and volume movement in the scrip during Patch 1 and Patch 2. It is noted that some of the price contributions were made through orders for a very small number of shares, including one-share orders placed as the first trade of the day. These trading patterns, when viewed alongside the WhatsApp communications and the connections

identified through CDRs, raise concerns regarding possible coordinated trading activity intended to influence the price and create trading interest in the scrip. The role and intent of each individual entity, however, require examination on the basis of its specific trading activity and the evidence establishing its connection with ADJ.

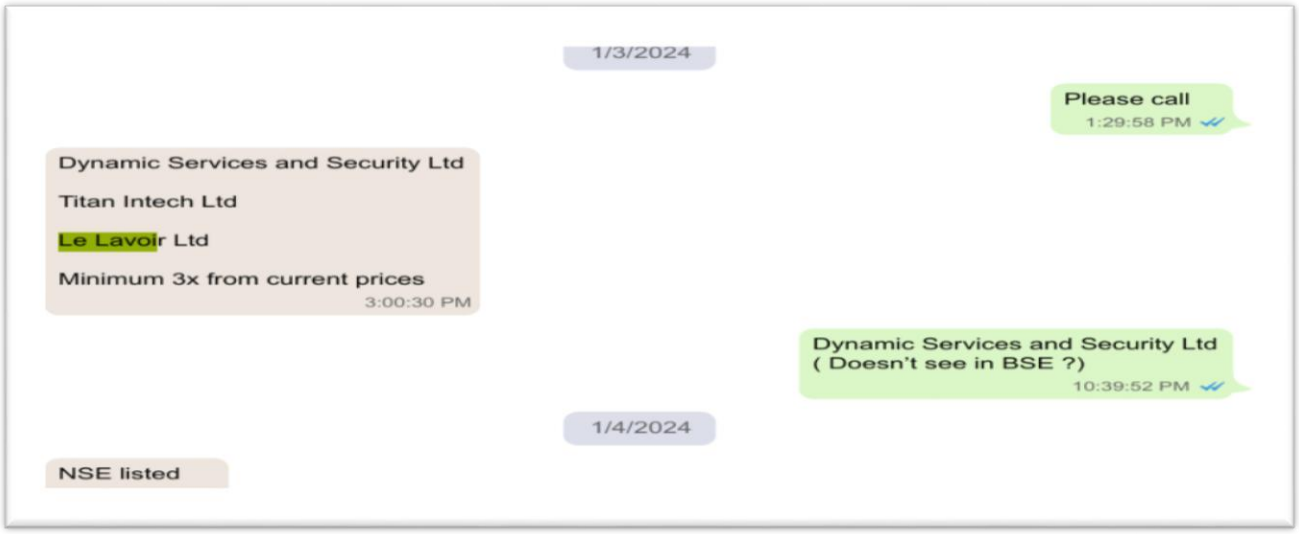
B.5 WhatsApp communications between ADJ and Surendra Jain

65. As noted earlier, WhatsApp communications exchanged between ADJ and Surendra Jain were retrieved from the device of Surendra Jain during the search operation conducted by SEBI at his premises on December 05–06, 2024. The examination revealed certain communications in relation to LLL, including communications concerning price targets, proposed corporate developments and the trading activity in the scrip.

66. I note the communication dated May 12, 2023, in which ADJ expressed satisfaction and conveyed congratulations regarding the scrip of LLL reaching an all-time high of ₹ 74.99/.

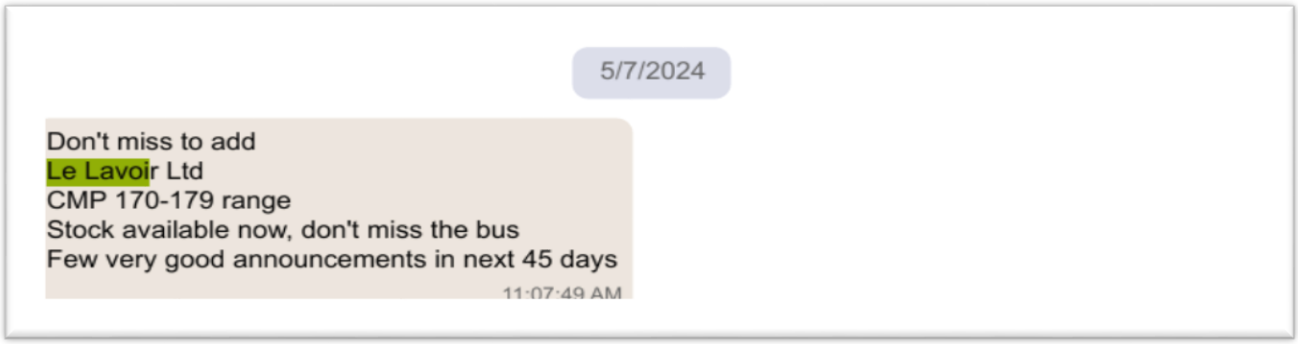


67. I note the communication dated January 03, 2024, in which ADJ shared a price target indicating a potential increase of three times from the prevailing market price. The aforesaid communication is also compared with the subsequent movement in the scrip, and it is observed that the price increased from ₹ 104.30/- on January 03, 2024 to ₹ 254.15/- as on May 18, 2024 and further to ₹ 428.60/- as on December 06, 2024.



68. I note the chats wherein ADJ is regularly providing the price targets in the scrip of LLL on April 29, 2024 it is observed that ADJ is recommending to buy LLL by providing a price range of 138-140 and increases the price range to 170-179 on May 07, 2024.





69. The price movement in the scrip of the Company is illustrated in the below table:

Table 24

Date-wise Movement in LLL's share price

Date	Close Price (in Rupees)	Remarks
May 12, 2023	68.61 (Touched intraday high of Rs. 74.99)	ADJ expresses his happiness on LLL hitting an all-time high of 74.99/-In the Patch 1 , the price moved from Rs.32.90 as on 01.01.2023 to Rs.93.8 as on 29.02.2024, due to LTP contribution of ADJ and connected persons
03.01.2024 (Date of Whatsapp message stating minimum 3X from the current price)	104.30	ADJ is providing a price target of 3X from the current market price for LLL, which was achieved on Nov 30, 2024.-.
29.04.2024 (Date of Whatsapp Message)	140.25	ADJ is recommending to buy LLL by providing a price range of 138-140 on April 29, 2024 and 170-179 on May 07, 2024.
07.05.2024 (Date of Whatsapp Message)	178.90	
28.06.2024	272.75	

Date	Close Price (in Rupees)	Remarks
30.09.2024	273.20	Price Target given by ADJ was achieved through ADJ and connected persons by contributing to Positive LTP and also by placing order for a single quantity of share as first trade with significant contribution to positive LTP
30.11.2024	339	
06.12.2024	428.60	

70. The aforesaid communications, when read with the trading data, the funding pattern of certain preferential allottees and the subsequent movement of the preferential issue proceeds, raise concerns regarding the possible role of ADJ in coordinating or facilitating the activities of certain persons/entities in relation to LLL.

B.6 Corporate announcements and non-disclosure of subsequent developments

71. After ADJ's appointment as a director, LLL made various corporate announcements concerning expansion of its business activities, entry into new sectors and proposed business arrangements. The Company's Memorandum of Association/Articles of Association were amended in July 2025 to include additional business activities, including activities relating to agricultural machinery, equipment engineering and agricultural trading. The following clause was inserted in the Main Object Clause (III)(A) of the Memorandum of the Company:

"2. To carry on the business of manufacturing , assembling, designing, developing, modifying, repairing, buying, selling, importing, exporting, and dealing in all kinds of machinery, mechanical equipment, industrial tools, and parts thereof, including machinery used in agriculture, food processing, packaging, and including machinery used for manufacturing laundry machines; and to engage in the business of manufacturing, processing, refining, packaging, marketing, distributing, importing, exporting, and dealing in food products including but not limited to wheat flour (atta), edible oils, snack items, and other packaged or ready-to-eat food products."

72. Among the corporate announcements examined by SEBI were announcements concerning arrangements for providing laundry services to Hotel Fariyas and Hotel Tunga. LLL made an announcement on April 16, 2025 regarding its proposed association with Hotel Fariyas for providing laundry services. In order to verify the announcement, SEBI sought information from Fariyas Hotels Private Limited. In its response dated July 10, 2026, the hotel informed SEBI that the services had been provided only for a period of approximately 15 days and that there was no formal agreement between the parties. It is noted that LLL did not subsequently update the stock exchanges regarding the discontinuation of the arrangement.

73. It is noted that LLL made an announcement on April 14, 2026 regarding its entry into a three-year contract with Hotel Tunga Regency Private Limited for providing wet-cleaning, washing and dry-cleaning services. In response to SEBI's query, Hotel Tunga informed SEBI vide email dated October 09, 2026 that the agreement had been executed on April 02, 2026. However, LLL failed to pass the required structural audit and was unable to continue providing the services. Accordingly, the contract was terminated. It is noted that LLL did not make any subsequent disclosure to the stock exchanges regarding the termination of the contract. Thus, while LLL had disclosed the arrangements with Hotel Fariyas and Hotel Tunga, it had not disclosed the subsequent discontinuation or termination of the arrangements.

74. In my view, the aforesaid circumstances raise concerns regarding whether the Company's disclosures presented a complete and accurate picture of the status of the business arrangements to investors. In particular, the absence of subsequent disclosures regarding the discontinuation or termination of the arrangements, despite the earlier announcements concerning the same, may have resulted in investors continuing to rely upon information that did not reflect the then-existing position.

75. The facts brought out in the instant matter raise *prima facie* concerns regarding possible intent to influence the price and volume of the scrip of LLL, the funding and

consolidation of shareholding through the preferential allotment, the utilisation of the proceeds raised by the Company and the adequacy of disclosures made to the stock exchanges. The role of ADJ, the Company and the other persons/entities, as well as the nature and extent of their respective involvement, are required to be examined in the light of the material available on record.

76. The findings set out herein are preliminary in nature and are based on the material presently available with SEBI. They are being recorded for the limited purpose of considering whether interim measures are warranted to protect the interests of investors and the securities market, pending completion of the examination and further proceedings. No final finding on the liability of any person/entity is being recorded at this stage.

C. CONSIDERATION OF ISSUES AND *PRIMA FACIE* FINDINGS AGAINST *NOTICEES*

77. At this stage, I consider it necessary to examine whether the acts and conduct of the persons/entities identified in the examination report, on the basis of the material presently available on record, *prima facie* disclose violations of Sections 12A(a), 12A(b) and 12A(c) of the SEBI Act, 1992 read with Regulations 3(a), 3(b), 3(c), 3(d), 4(1) and 4(2)(a), 4(2)(d) and 4(2)(e) of the PFUTP Regulations. It is also necessary to examine whether the conduct of LLL *prima facie* attracts the provisions of Regulation 30(1), 30(4) and 30(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The relevant provisions are inserted in **Annexure-A** for reference. In the event that the material supports such a *prima facie* view, it would further be necessary to consider whether the circumstances warrant urgent interim directions in the interest of investors and the securities market.

78. I note that section 12A(a), (b) and (c) of the SEBI Act, 1992 and furthermore, regulation 3(a), (b), (c) and (d) of the PFUTP Regulations *inter alia* prohibit, buying, selling or otherwise dealing in securities in a fraudulent manner, employment of any

manipulative/deceptive device, scheme or artifice to defraud in connection with dealing in securities including in connection with issue, purchase or sale of any securities listed or proposed to be listed, engaging in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with dealing in securities, directly or indirectly.

79. Further, regulation 2(1)(c) of the PFUTP Regulations provides an inclusive and broad definition of the term fraud, which also includes any act or omission as any other law specifically declares to be fraudulent. I note that section 12A(a), (b) and (c) of the SEBI Act, 1992 and regulations 3 and 4 of the PFUTP Regulations quoted above, *inter alia*, prohibit:

i) dealing in securities which is manipulative, fraudulent or an unfair trade practice;

ii) use of or employment of any manipulative or deceptive device or contrivance, in contravention of the provisions of the SEBI Act or rules or regulations made thereunder;

iii) employment of any device scheme or artifice to defraud;

iv) engagement in any act, practice, course of business which operate/would operate as fraud or deceit upon any person in contravention of the provisions of the SEBI Act or rules or regulations made thereunder;

v) knowingly indulging in an act creating false or misleading appearance of trading in the securities market;

vi) inducing any person for dealing in securities for artificially inflating, depressing, maintaining or causing fluctuation in price of any securities through any means; and

vii) publishing, reporting or causing to publish/report any information related to securities which is not true or which is not believed to be true by that person prior to or in the course of dealing in securities shall be deemed to be a fraudulent activity.

80. The material discussed in the preceding paragraphs indicates that ADJ was discussing the scrip of LLL with Surendra Jain, sharing price targets and recommending that the scrip be added. The price of the scrip increased substantially during Patch 1 and Patch 2. Several entities were identified which are connected with ADJ amongst the leading LTP contributors during these periods who alongwith ADJ placed orders for one share or small quantities of shares as first trades of the day, which contributed positively to the LTP. The repeated nature of such trades, when considered with the connections identified through CDRs and the WhatsApp communications, raises a *prima facie* concern regarding whether such trades were undertaken with the intention of influencing the price of the scrip rather than for genuine investment or trading purposes.

81. I note that that while a positive contribution to LTP or a trade involving a single share or a small quantity of shares cannot, by itself be treated as fraudulent. However, the repeated placement of such orders at prices higher than the prevailing market price, their timing as first trades of the day, the contribution made to the LTP and the relationships between certain traders and ADJ are relevant circumstances which require to be considered cumulatively.

82. In view of the aforesaid material, as noted above there are sufficient reason to *prima facie* hold that ADJ, along with connected entities, engaged in a coordinated course of conduct which resulted in artificial price and volume movement in the scrip of LLL.

83. It is noted that a substantial proportion of the warrants issued by LLL on a preferential basis was allotted to ADJ, his family members and certain other persons/entities identified as connected with him. The subscription amounts of certain allottees were funded, directly or indirectly, by ADJ or persons/entities connected with him. In particular, the bank statement analysis in respect of Sonali Abhaykumar Parmar indicates that the amount required for her initial subscription was transferred from the joint account of ADJ and Kajal Ashok Jain to Kirti Dilipkumar Jain, and thereafter to

Sonali Parmar, who transferred the amount to LLL. In the case of V. P. Jaware Gowda, a part of the subscription amount was received from Sheeba Swapna, who was identified as connected with ADJ through calls/CDRs. These transactions raise a *prima facie* concern as to whether the said allottees had independently funded their subscriptions or whether the funds were arranged by ADJ through intermediaries.

84. The aforesaid transactions, when considered with the large proportion of warrants allotted to ADJ and persons/entities identified as connected with him, raise a question as to whether the preferential allotment was structured to consolidate shareholding in the hands of ADJ and persons acting in concert or on his behalf. The subsequent conversion of 2,28,000 warrants into equity shares by ADJ and his family members, upon payment of the balance consideration, is also relevant in this regard.

85. I note that mere fact that certain allottees are family members of ADJ or are connected with him through calls/CDRs may not, by itself, establish that they acted in concert with him. However, the funding trail, the timing and sequence of transfers, the allotment of warrants and the subsequent movement of funds are circumstances which, when considered together, *prima facie* establishes the intent to manipulate the price of the scrip of LLL.

86. It will be appropriate here to quote the observations of Hon'ble Supreme Court of India ("SC") in *SEBI vs. Kishore R Ajmera and other connected* appeals decided on February 23, 2016 wherein the Hon'ble Court observed as follows:

"...It is a fundamental principle of law that proof of an allegation levelled against a person may be in the form of direct substantive evidence or, as in many cases, such proof may have to be inferred by a logical process of reasoning from the totality of the attending facts and circumstances surrounding the allegations/charges made and levelled. While direct evidence is a more certain basis to come to a conclusion, yet, in the absence thereof the Courts cannot be helpless. It is the judicial duty to take note

of the immediate and proximate facts and circumstances surrounding the events on which the charges/allegations are founded and to reach what would appear to the Court to be a reasonable conclusion therefrom. The test would always be that what inferential process that a reasonable/prudent man would adopt to arrive at a conclusion..."

87. Further, the Hon'ble SC in the matter of *SEBI vs. Rakhi Trading Pvt. Ltd*. and other connected appeals decided on February 8, 2018 while referring to the aforesaid Kishore R Ajmera matter has observed as follows:
"In this case it was also held that in the absence of direct proof of meeting of minds elsewhere in synchronised transactions, the test should be one of preponderance of probabilities as far as adjudication of civil liability arising out of the violation of the Act or the provision of the Regulations is concerned."

88. Accordingly, I find that the aforesaid material gives rise to a *prima facie* findings that the preferential allotment was used as part of a broader arrangement involving ADJ and certain other persons/entities. The role of each allottee and the persons/entities who funded the subscriptions needs to be assessed individually, on the basis of the evidence available against them.

89. The objects of the preferential issue, as disclosed by LLL, included purchase of machinery, meeting working capital requirements and general corporate purposes. However, the examination of bank statements indicates that substantial amounts received by LLL towards the preferential issue were transferred to other connected entities, including Ghura Industries, Ghantiram Foods, Shree Vrajendra Foods and Slone Infosystems Limited.

90. It is noted that amounts transferred to Ghura Industries were routed back to the bank accounts of ADJ through multiple entities and Ghantiram Foods and Shree Vrajendra Foods were followed by substantial cash withdrawals on the same or subsequent

days. Ghantiram Foods was a newly incorporated entity in which LLL had acquired a 64.5% stake, and that its business activities were in the food processing and flour milling sector, which was different from the principal business activities of LLL. Ghantiram Foods could not be found at the first address. The site visit at the second address of Ghantiram Foods revealed a warehouse with some stock of wheat/flour, although the quantity of stock and the absence of supporting documents raised questions regarding the scale of its operations.

91. Accordingly, I *prima facie* find that the transfers of funds to the aforesaid entities, the subsequent cash withdrawals in certain cases, routing of funds back to ADJ through multiple entities, the business activities of the recipient entities and the absence of clear supporting material establishing the commercial rationale for such transactions raise a *prima facie* concern regarding the utilisation of the proceeds of the preferential issue. The material presently available indicates that the proceeds was not utilised in accordance with the objects disclosed by LLL and may have been transferred to other connected entities without adequate commercial justification. Further, amounts transferred to Ghura Industries were routed back to the bank accounts of ADJ through multiple entities.

92. On a cumulative consideration of the material presently available, I note that the examination has revealed several circumstances which, at this preliminary stage, raise serious concerns regarding the integrity of trading in the scrip of LLL, the manner in which the preferential allotment was structured and funded, the utilisation of the funds raised by the Company and the completeness of disclosures made to investors. In particular, the material indicates coordination between ADJ and certain persons/entities in relation to trading in the scrip, funding of the subscription amounts of certain preferential allottees by ADJ or persons/entities connected with him, transfer of substantial amounts received by LLL to other entities, some of which were followed by cash withdrawals, routing the proceeds back to the bank account of allotees and failure to disclose subsequent developments concerning certain business arrangements announced by the Company. I note that substantial shareholding in LLL

is held by ADJ and connected entities. Further, ADJ and Sachin Kapse, being directors of LLL, were persons in charge of, and responsible to, the company for the conduct of the business of the company during the relevant period.

93. The *prima facie* findings in the instant matter are summarised below:

(i) WhatsApp communications between ADJ and Surendra Jain contained references to LLL, including price targets, recommendations to acquire the scrip and discussions concerning proposed corporate developments;

(ii) the price and volume of the scrip increased substantially during Patch 1 and Patch 2, and certain entities identified as connected with ADJ contributed to the positive LTP and trading volume during these periods;

(iii) certain instances of positive LTP contribution involved orders for very small quantities of shares, including single-share orders placed as the first trade of the day;

(iv) a substantial proportion of the preferential warrants was allotted to ADJ and his connected entities;

(v) the bank statement analysis of certain allottees indicated that their subscription amounts were funded, directly or indirectly, by ADJ or persons/entities connected with him. Further, some of the proceeds of issue were routed back to the bank account of ADJ through various other entities;

(vi) substantial amounts received by LLL towards the preferential issue were transferred to other connected entities, including entities operating in business sectors different from that of LLL, and certain such transfers were followed by substantial cash withdrawals;

(vii) the balance consideration received upon conversion of warrants was also transferred by LLL to other connected entities towards loan repayment and vendor advances, the underlying commercial rationale and supporting records; and

(viii) LLL did not disclose subsequent developments concerning the discontinuation or termination of the arrangements announced with Hotel Fariyas and Hotel Tunga.

94. I note that the Hon'ble Supreme Court of India has recently passed a judgement in the matter of ***Reliance Industries Limited and others vs. SEBI***,[3] *inter alia*, clarifying the interpretation of the term "*fraud*" in the context of the PFUTP Regulations. The Hon'ble Supreme Court has laid down a clear guideline for classifying a violation while dealing in securities, as fraud. The relevant extract is reproduced below:

"175.....In our opinion, it cannot be the intention of the PFUTP Regulation to give unfettered powers to the respondent authority to decide the question of fraud. We find it apposite to purposively interpret Regulation 2(1)(c). In our considered view, both mens rea and actus reus cannot be made into irrelevant factors for deciding fraud. Therefore, we may outline the following scenarios for a more purposive approach to Regulation 2(1)(c):

i. in situations where injury due to wrongful act is established, i.e, inducement to deal in securities has caused the other person to be adversely affected and allowed the party accused of fraud to gain unlawful profits or avert ordinary losses at the former's expense, there would be no requirement on the respondent authority to prove deceitful intention. In other words, where injury is impossible to be proved, the requirement of wrongful intention becomes mandatory.

ii. Secondly, similarly, in situations where deceitful or mala fide intention to defraud and manipulate the securities market is clear from the blatant misconduct or attending circumstances that cogently establish wrongful intention, then injury would not be required."

[3] 2026 INSC 585

95. The threshold laid down by the Hon'ble Supreme Court in the aforesaid judgement for determining "*fraud*" has been tested in this interim order before holding *Noticees prima facie* liable for the alleged violation of relevant provisions of the PFUTP Regulations. The instant case satisfies the threshold laid down in the aforesaid judgment as the *prima facie* findings show the blatant misconduct of *Noticees,* clear *malafide* intention to defraud the investors and to manipulate the scrip of LLL through a scheme involving various facts mentioned earlier and by presenting a rosy picture of the prospects of the Company. The aforesaid chain of events clearly establishes the *malafide* intention of *Noticees* to enrich themselves by earning wrongful gains at the cost of innocent investors. Interim Order is being passed just in time to prevent *Noticees* to enrich themselves with wrongful gains as the intention of manipulation and fraudulent practice has been *prima facie* established.

96. Accordingly, at this stage, I *prima facie* find that the aforesaid conduct constitutes following violations:

(i) *Noticee no.* 1 is *prima facie* in violation of Section 12A(a), 12A(b) and 12A(c) of the SEBI Act read with Regulations 3(a), 3(b), 3(c), 3(d), 4(1) and 4(2)(e), 4(2)(f), 4(2)(k) and 4(2)(r) of the PFUTP Regulations and Regulations 30(1), 30(4) and 30(7) of the LODR Regulations;

(ii) *Noticee no.* 2 is *prima facie* in violation of Section 12A(a), 12A(b) and 12A(c) of the SEBI Act read with Regulations 3(a), 3(b), 3(c), 3(d), 4(1) and 4(2)(a), 4(2)(d), 4(2)(e), 4(2)(f), 4(2)(k) and 4(2)(r) of the PFUTP Regulations and Regulations 30(1), 30(4) and 30(7) of the LODR Regulations read with Section 27(1) of the SEBI Act;

(iii) *Noticee nos.* 3, 4 and 15 are *prima facie* in violation of Section 12A(a), 12A(b) and 12A(c) of the SEBI Act read with Regulations 3(a), 3(b), 3(c), 3(d) and 4(1) of the PFUTP Regulations;

(iv) *Noticee no.* 5 is *prima facie* in violation of Section 12A(a), 12A(b) and 12A(c) of the SEBI Act read with Regulations 3(a), 3(b), 3(c), 3(d), 4(1) and 4(2)(e), 4(2)(f), 4(2)(k) and 4(2)(r) of the PFUTP Regulations and Regulations 30(1),

30(4) and 30(7) of the LODR Regulations read with Section 27(1) of the SEBI Act;

(v) *Noticee nos.* 6 to 8 are *prima facie* in violation of Section 12A(a), 12A(b) and 12A(c) of the SEBI Act read with Regulations 3(b), 3(c), 3(d) and 4(1) of the PFUTP Regulations; and

(vi) *Noticee nos.* 9 to 14 are *prima facie* in violation of Section 12A(a), 12A(b) and 12A(c) of the SEBI Act read with Regulations 3(a), 3(b), 3(c), 3(d), 4(1) and 4(2)(a), 4(2)(d) and 4(2)(e) of the PFUTP Regulations.

97. The above observations are *prima facie* in nature and are not final findings of violation. The liability of each person/entity, including the nature of their participation, knowledge and intention, will have to be determined after considering their respective explanations and the complete material available on record.

D. NEED FOR INTERIM ORDER

98. The power of SEBI to issue interim directions is intended to protect the interests of investors and the securities market where the circumstances of a case warrant immediate regulatory intervention. Such powers, particularly when exercised ex parte, are required to be used with due care and only where the material on record demonstrates a genuine need for urgent action. The fact that a *prima facie* case may exist, by itself, would not automatically justify an ex-parte interim order. It is also necessary to consider the urgency of the situation, the balance of convenience and the likelihood of irreparable injury if immediate measures are not taken.

99. In the present matter, the examination has revealed *prima facie* concerns regarding the trading activity in the scrip of LLL, the funding and allotment of preferential warrants to persons/entities connected with ADJ, the subsequent movement of funds raised by the Company and the non-disclosure of developments concerning certain business arrangements announced by the Company. These concerns are not confined to historical trading activity. It is noted that ADJ and certain persons/entities

identified as connected with him continue to hold a substantial number of warrants and/or equity shares of LLL.

100. It is noted that 2,28,000 warrants were converted into equity shares on March 30, 2026, and that trading approval was received on May 05, 2026. ADJ and his family members continued to hold 6,50,000 warrants pending conversion. Considering the past conduct of ADJ and his connected entities, there is a strong apprehension that upon expiry of the lock-in period on November 29, 2026, they may sell their shareholding in the market, which was acquired without adequate consideration and thereby benefit from the price movement in the scrip, potentially at the expense of other investors. In view of the proximity of the said date, the possibility of disposal of the shares, if established, assumes significance while considering the need for interim measures. The possibility of such disposal, when considered alongside the *prima facie* findings relating to the trading pattern and the preferential allotment, warrants consideration of appropriate measures to preserve the status quo pending further examination.

101. I also note transfer of substantial amounts received by LLL pursuant to the preferential allotment to certain connected recipient entities, followed in some cases by substantial cash withdrawals and routing back of funds to ADJ. This raises concerns regarding the commercial rationale and ultimate utilisation of such funds. In the circumstances, there is a need to ensure that the relevant persons/entities preserve the records and information necessary for tracing the funds and that no action is taken which may frustrate further examination or regulatory proceedings.

102. The facts and circumstances of the present matter, including the alleged trading activity, the substantial shareholding held by certain persons/entities, the impending expiry of the reported lock-in period and the concerns regarding the movement of funds raised through the preferential issue, are required to be considered in the light of the aforesaid principles. In particular, if the shares under lock-in currently are permitted to be offloaded immediately upon becoming freely tradable, there is a

possibility that the persons/entities concerned may dispose of their holdings before the examination is completed. Such disposal may make it difficult to preserve the position of the securities and may prejudice the effectiveness of further regulatory action, if warranted.

103. I am also conscious that a restraint on dealing in securities may have serious consequences for the persons against whom such directions are issued. Accordingly, any interim restraint must be proportionate to the *prima facie* material available against the concerned person/entity and must be confined to what is necessary to protect investors and the securities market. In the present matter, ADJ is identified as the central person in the alleged arrangement and certain preferential allottees were funded by him, directly or indirectly and funds raised by LLL are routed back to the bank account of ADJ. Further, persons/entities whose trading activity allegedly contributed to the positive LTP in the scrip and recipient entities to which funds raised by LLL were transferred have also been identified.

104. I further note the earlier proceedings in the matter of Darjeeling Industries Limited involving ADJ and other entities. The material and findings in those proceedings are relevant background for understanding the conduct of the entities. Further, SEBI is also in possession of other evidence which *prima facie* shows that ADJ is actively involved in manipulating price/volume of another scrip and investigation in the matter is ongoing.

105. Having considered the material presently available, I am of the *prima facie* view that there is possibility of disposal of the shares upon expiry of the lock-in period, which presents a specific and time-sensitive concern. The alleged trading pattern, the substantial shareholding and the other circumstances discussed above warrant consideration of interim measures to prevent any action which may prejudice investors or frustrate the ongoing examination. In view of the above, I am of the *prima facie* view that this is a matter warranting consideration of interim directions under Sections 11(1), 11(4) and 11B of the SEBI Act, 1992, read with Section 19 thereof, pending

completion of the examination and further proceedings. The nature and scope of such directions are set out in the succeeding part of this order.

106. In view of the above, I note that immediate action is required to be taken against *Noticee*s in the instant matter to restrain them from enriching themselves by benefitting from the *prima facie* fraudulent scheme devised by them and making wrongful gains which then might be siphoned off beyond the regulatory reach.

E. DIRECTIONS

107. Keeping in view the aforesaid discussions and after analysing *prima facie* evidence available on record about the violations committed by *Noticees*, I hold that this is a fit case to exercise powers of passing an interim order, pending further examination, so as to insulate the securities market and to protect the unlawful profits made from being siphoned off, which may go beyond the regulatory reach. Accordingly, I, in exercise of powers conferred upon me under sections 11(1), 11(4) and 11B(1) read with section 19 of the SEBI Act, hereby, by way of the present interim ex-parte order, issue the following directions, which shall remain in force until further orders:

i. *Noticee no.* 1 is prohibited from raising any further capital, in any manner whatsoever;

ii. *Noticee no.* 2 is hereby restrained from accessing the securities market and is prohibited from buying, selling or otherwise dealing in securities, directly or indirectly, or being associated with the securities market in any manner. If the *Noticee* has any open positions in any exchange traded derivative contracts, as on the date of the order, he can close out /square off such open positions within 3 months from the date of this order. The *Noticee* is permitted to settle the pay-in and pay-out obligations in respect of transactions, if any, which have taken place before the close of trading on the date of this Order;

iii. *Noticees no. 3 to 15*, are hereby restrained from buying, selling or dealing in the scrip of LLL, either directly or indirectly, in any manner whatsoever, until further orders; and

iv. All *Noticees* are directed to co-operate with SEBI during the examination/investigation in the instant matter.

108. A detailed examination/investigation by SEBI is required to be done in the instant matter, with respect to violations committed by *Noticees* and other suspects. The same may be completed expeditiously without being influenced by the *prima facie* findings in this order.

109. The foregoing *prima facie* observations contained in this Interim Order are made on the basis of the material available on record. The *Noticees* may, within 21 days from the date of receipt of this Order, file their reply/objections, if any, to this Order and may also indicate whether they desire to avail an opportunity of personal hearing on a date and time to be fixed in that regard.

110. This order is without prejudice to the rights of SEBI to take any other action that may be initiated against *Noticees* in accordance with law, including but not limited to levy of penalty and issuance of directions. This order is further without prejudice to the rights of SEBI to take any action against other persons/entities, not made *Noticees* in this order.

111. A copy of this order shall be served upon the *Noticees*, Exchanges, Depositories, RTAs and Banks for necessary action and compliance with the above directions.

KAMLESH CHANDRA VARSHNEY
Digitally signed by KAMLESH CHANDRA VARSHNEY
Date: 2026.11.26 16:35:44 +05'30'

PLACE: MUMBAI
DATE: NOVEMBER 26, 2026

KAMLESH CHANDRA VARSHNEY
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA

ANNEXURE-A

RELEVANT LEGAL PROVISIONS

*"**SEBI Act, 1992***

Functions of Board.

Section 11

(1) Subject to the provisions of this Act, it shall be the duty of the Board to protect the interests of investors in securities and to promote the development of, and to regulate the securities market, by such measures as it thinks fit.

.....

(4) Without prejudice to the provisions contained in sub-sections (1), (2), (2A) and (3) and section 11B, the Board may, by an order, for reasons to be recorded in writing, in the interests of investors or securities market, take any of the following measures, either pending investigation or inquiry or on completion of such investigation or inquiry, namely: —

(a) suspend the trading of any security in a recognised stock exchange;

(b) restrain persons from accessing the securities market and prohibit any person associated with securities market to buy, sell or deal in securities;

(c) suspend any office-bearer of any stock exchange or self-regulatory organisation from holding such position;

(d) impound and retain the proceeds or securities in respect of any transaction which is under investigation;

(e) attach, for a period not exceeding ninety days, bank accounts or other property of any intermediary or any person associated with the securities market in any manner involved in violation of any of the provisions of this Act, or the rules or the regulations made thereunder:

Provided that the Board shall, within ninety days of the said attachment, obtain confirmation of the said attachment from the Special Court, established under section 26A, having jurisdiction and on such confirmation, such attachment shall continue during the pendency of the aforesaid

proceedings and on conclusion of the said proceedings, the provisions of section 28A shall apply:

Provided further that only property, bank account or accounts or any transaction entered therein, so far as it relates to the proceeds actually involved in violation of any of the provisions of this Act, or the rules or the regulations made thereunder shall be allowed to be attached;

(f) direct any intermediary or any person associated with the securities market in any manner not to dispose of or alienate an asset forming part of any transaction which is under investigation:

Provided that the Board may, without prejudice to the provisions contained in sub-section (2) or sub-section (2A), take any of the measures specified in clause (d) or clause (e) or clause (f), in respect of any listed public company or a public company (not being intermediaries referred to in section 12) which intends to get its securities listed on any recognised stock exchange where the Board has reasonable grounds to believe that such company has been indulging in insider trading or fraudulent and unfair trade practices relating to securities market:

Provided further that the Board shall, either before or after passing such orders, give an opportunity of hearing to such intermediaries or persons concerned.

Power to issue directions and levy penalty.

Section 11B

(1) Save as otherwise provided in section 11, if after making or causing to be made an enquiry, the Board is satisfied that it is necessary, —

(i) in the interest of investors, or orderly development of securities market; or

(ii) to prevent the affairs of any intermediary or other persons referred to in section 12 being conducted in a manner detrimental to the interest of investors or securities market; or

(iii) to secure the proper management of any such intermediary or person, it may issue such directions, —

(a) to any person or class of persons referred to in section 12, or associated with the securities market; or

(b) to any company in respect of matters specified in section 11A, as may be appropriate in the interests of investors in securities and the securities market.

Explanation. — For the removal of doubts, it is hereby declared that the power to issue directions under this section shall include and always be deemed to have been included the power to direct any person, who made profit or averted loss by indulging in any transaction or activity in contravention of the provisions of this Act or regulations made thereunder, to disgorge an amount equivalent to the wrongful gain made or loss averted by such contravention.

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;

.....

Delegation.

Section 19.

The Board may, by general or special order in writing delegate to any member, officer of the Board or any other person subject to such conditions, if any, as may be specified in the order, such of its powers and functions under this Act (except the powers under section 29) as it may deem necessary.

Contravention by companies

Section 27

(1) Where a contravention of any of the provisions of this Act or any rule, regulation, direction or order made thereunder has been committed by a company, every person who at the time the contravention was committed was in charge of, and was responsible to, the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the contravention and shall be liable to be proceeded against and punished accordingly: Provided that nothing contained in this sub-section shall render any such person liable to any punishment provided in this Act, if he proves that the contravention was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such contravention.

(2) Notwithstanding anything contained in sub-section (1), where an contravention under this Act has been committed by a company and it is proved that the contravention has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of the contravention and shall be liable to be proceeded against and punished accordingly.

Explanation : For the purposes of this section,—

(a) "company" means any body corporate and includes a firm or other association of individuals; and

(b) "director", in relation to a firm, means a partner in the firm.

PFUTP Regulations, 2003

Definitions

Regulation 2

(1) ....

(b) "dealing in securities" includes:

(i) an act of buying, selling or subscribing pursuant to any issue of any security or agreeing to buy, sell or subscribe to any issue of any security or otherwise transacting in any way in any security by any persons including as principal, agent, or intermediary referred to in section 12 of the Act2[, either by themselves or through mule accounts;

(ii) such acts which may be knowingly designed to influence the decision of investors in securities; and

(iii) any act of providing assistance to carry out the aforementioned acts.

(c) "fraud" includes any act, expression, omission or concealment committed whether in a deceitful manner or not by a person or by any other person with his connivance or by his agent while dealing in securities in order to induce another person or his agent to deal in securities, whether or not there is any wrongful gain or avoidance of any loss, and shall also include—

(1) a knowing misrepresentation of the truth or concealment of material fact in order that another person may act to his detriment;

(2) a suggestion as to a fact which is not true by one who does not believe it to be true;

(3) an active concealment of a fact by a person having knowledge or belief of the fact;

(4) a promise made without any intention of performing it;

(5) a representation made in a reckless and careless manner whether it be true or false;

(6) any such act or omission as any other law specifically declares to be fraudulent,

(7) deceptive behavior by a person depriving another of informed consent or full participation,

(8) a false statement made without reasonable ground for believing it to be true.

(9) the act of an issuer of securities giving out misinformation that affects the market price of the security, resulting in investors being effectively misled even though they did not rely on the statement itself or anything derived from it other than the market price.

And "fraudulent" shall be construed accordingly;

.....

Prohibition of certain dealings in securities

Regulation 3

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 d fraud in connection with dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange;

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

Prohibition of manipulative, fraudulent and unfair trade practices

Regulation 4

(1) Without prejudice to the provisions of regulation 3, no person shall indulge in a manipulative, fraudulent or an unfair trade practice in securities markets. Explanation.– For the removal of doubts, it is clarified that-

(i) any act of diversion, misutilisation or siphoning off of assets or earnings of a company whose securities are listed or any concealment of such act or any device, scheme or artifice to manipulate the books of accounts or financial statement of such a company that would directly or indirectly manipulate the price of securities of that company, or

(ii) transactions through mule accounts for indulging in manipulative, fraudulent and unfair trade practice shall be and shall always be deemed to have been included in sub-regulation (1).

(2) Dealing in securities shall be deemed to be a manipulative fraudulent or an unfair trade practice if it involves any of the following:—

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

.....

(d) inducing any person for dealing in any securities for artificially inflating, depressing, maintaining or causing fluctuation in the price of securities through any means including by paying, offering or agreeing to pay or offer any money or money's worth, directly or indirectly, to any person;

.....

(e) any *act or omission amounting to manipulation of the price of a security including, influencing or manipulating the reference price or bench mark price of any securities;*

(f) knowingly publishing or causing to publish or reporting or causing to report by a person dealing in securities any information relating to securities, including financial results, financial statements, mergers and acquisitions, regulatory approvals] which is not true or which he does not believe to be true prior to or in the course of dealing in securities;

…

(k) disseminating information or advice through any media, whether physical or digital, which the disseminator knows to be false or misleading in a reckless or careless manner and which is designed to, or likely to influence the decision of investors dealing in securities;

….

(r)knowingly planting false or misleading news which may induce sale or purchase of securities.

....."

LODR Regulations, 2015

Regulation 30

(1) Every listed entity shall make disclosures of any events or information which, in the opinion of the board of directors of the listed company, is material.

…

(4)

(i) The listed entity shall consider the following criteria for determination of materiality of events/ information:

(a)the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or

(b)the omission of an event or information is likely to result in significant market reaction if the said omission came to light at a later date;

(c) the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:

(1)two percent of turnover, as per the last audited consolidated financial statements of the listed entity;

(2)two percent of net worth, as per the last audited consolidated financial statements of the listed entity, except in case the arithmetic value of the net worth is negative;

(3)five percent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the listed entity;

(d) In case where the criteria specified in sub-clauses (a), (b) and (c) is not applicable, an event or information may be treated as being material if in the opinion of the board of directors of the listed entity, the event or information is considered material:

Provided that any continuing event or information which becomes material pursuant to notification of these amendment regulations shall be disclosed by the listed entity within thirty days from the date of coming into effect of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023.]

(ii)The listed entity shall frame a policy for determination of materiality, based on criteria specified in this sub-regulation, duly approved by its board of directors, which shall be disclosed on its website.

Provided that such a policy for determination of materiality shall not dilute any requirement specified under the provisions of these regulations: Provided further that such a policy for determination of materiality shall assist the relevant employees of the listed entity in identifying any potential material event or information and reporting the same to the authorized Key Managerial Personnel, in terms of sub-regulation (5), for determining the materiality of the said event or information and for making the necessary disclosures to the stock exchange(s).

…

(7) The listed entity shall, with respect to disclosures referred to in this regulation, make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.

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