

SECURITIES AND EXCHANGE BOARD OF INDIA**ORDER****UNDER SECTION 11(1), 11(4), 11A AND 11B OF SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 IN THE MATTER OF INITIAL PUBLIC OFFERING (IPO) OF M/s PG ELECTROPLAST LTD. (PGEL)****AGAINST****PGEL, ITS DIRECTORS, MERCHANT BANKER M/s ALMONDZ GLOBAL SECURITIES LTD. AND OTHERS****1. Background**

1.1. PG Electroplast Ltd. (hereinafter referred as 'PGEL') came out with its Initial Public Offering (IPO) for issue of 57,45,000 equity shares of face value ₹ 10/- each through 100% book building process. The IPO was graded by CARE and was assigned Grade 3, indicating average fundamentals. The price band of the issue was ₹ 190 to ₹ 210 per equity share and the bid period of the IPO was from September 07, 2011 to September 12, 2011 (both days inclusive). The issue price of the IPO was at a price of ₹ 210 per equity share, aggregating to approx. ₹ 120.65 crores. Category wise allotment details are as under:

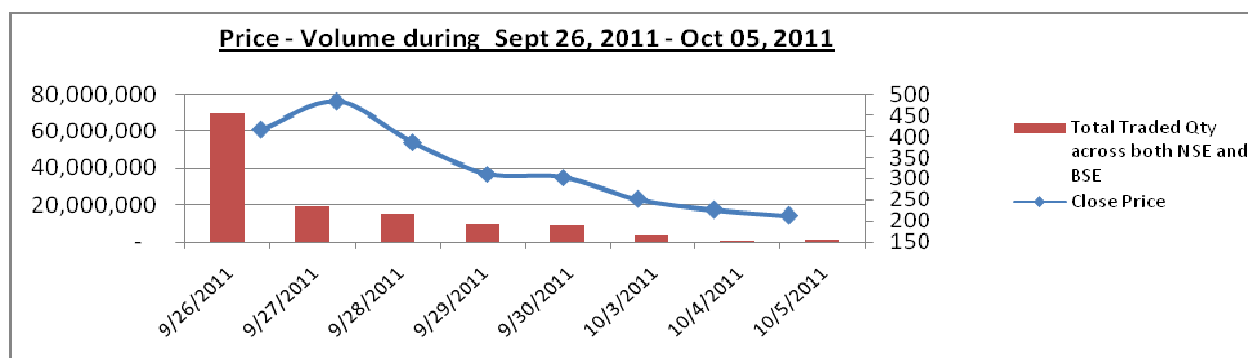
Table No. 1

Category	No. of shares offered	No. of allottees	No. of shares applied	No. of shares allotted	Subscription Ratio
QIB	not more than 28,72,500	6	28,22,550	28,22,550	0.98
NII	not less than 8,61,750	28	15,72,990	8,76,735	1.83
Retail	not less than 20,10,750	4,063	32,21,760	20,45,715	1.60
Total	57,45,000	4,097	76,17,300	57,45,000	1.33

1.2. The QIB category was under subscribed by 49,950 shares, out of which 34,965 shares were allotted in the retail category and 14,985 shares were allotted in the NII category.

1.3. The scrip was listed at NSE and BSE on Sept 26, 2011. On the date of listing, the scrip opened at ₹ 215 at NSE, increased to intra-day high of ₹ 484.4 (NSE) and closed at ₹ 415.3 i.e. almost double the issue price of ₹ 210. A total of 6,92,61,350 shares (approx. 12 times the issue size) were traded on the date of listing across both the exchanges (NSE and BSE). On the next day (Sept 27, 2011) the scrip opened at ₹ 450 at NSE, touched an intra-day high of ₹ 498.4 and closed at ₹ 483.2, i.e. approx 16% higher than previous close price. A total of 1,21,44,815 shares were traded on Sept 27, 2011 across both the exchanges. The price of the scrip decreased on the next 6 trading days and it closed at ₹ 212.3 on Oct 05, 2011. The closing price of shares of PGEL as on Dec 19, 2011 was ₹ 207 per share. The graphic depiction of the closing price as well as traded volumes during the period Sept 26, 2011 - Oct 05, 2011 is as under:

Chart No. 1



2. Details of BID and Major Allottees:

2.1. The details of bids placed in the IPO of PGEL at ₹ 210 and which were subsequently rejected / withdrawn / cheque returned etc. were analyzed. The details are as under:

Table No. 2

	Application Details		Details of Technical Rejection / Withdrawals after close of bid / Cheque Return/ Amount not blocked in ASBA		
Category	Total no. of applications received at ₹ 210	No. of shares applied	No. of applications rejected	No. of shares	Reason
QIB	6	2822550	NIL	NIL	NIL
NII	28	15,72,990	NIL	NIL	NIL
Retail	4297	3302460	25	13230	Technical Rejection
			63	50610	Cheque Return
			1	30	Amount not blocked in ASBA
			NIL	NIL	Withdrawals after close of bid

2.2. From the above table, it is noted that there were no withdrawals/ rejections in the QIB and NII category. In the retail category, a total of 25 applications for 13,230 shares were rejected for technical reasons and 63 applications for 50,610 shares were rejected for cheque return and 1 application was rejected with comments 'Amount not blocked' in ASBA.

2.3. Day-wise bidding details in the IPO of PGEL are as below:

Table No. 3

	ALL BIDS		BIDS at ₹ 210		Bids of QIBs at ₹ 210		Bids of NIIs at ₹ 210		Bids of Retail at ₹210	
Date	No. of appl.	No. of shares	No. of appl.	No. of shares	No. of appl.	No. of shares	No. of appl.	No. of shares	No. of appl.	No. of shares
07 Sept 2011	26	8670	22	8490	NIL	NIL	NIL	NIL	22	8490
08 Sept 2011	101	1422870	85	1422090	2	1190490	1	210000	82	21600
09 Sept 2011	154	1848330	143	1847550	4	1632060	2	135000	137	80490
12 Sept 2011	4142	4657620	4081	4419870	NIL	NIL	25	1227990	4056	3191880
Total	4423	7937490	4331	7698000	6	2822550	28	1572990	4297	3302460

2.4. It is observed from the above table that 2 QIBs had made their bidding on September 08, 2011 and the other 4 QIBs had made their bidding on September 09, 2011. In the NII category, 25 out of the 28 allottees had made their bids on September 12, 2011 (last day of bidding). In the retail category, out of total of 4297 applications made at ₹ 210, 4056 applications were made on the last day of the bidding.

QIBs:

2.5. The details of the QIBs, allotments to them and sale by them during the first 3 days from the date of listing (i.e. Sept 26 till Sept 28, 2011) are as under:

Table No. 4

PAN	Name of entity	No. of Shares Applied in the IPO	No. of Shares allotted in the IPO	No. of shares sold (net sale) on the day of listing	No. of shares sold (net sale) during the first 3 days from the date of listing
AABCI5500R	INDIA MAX INVESTMENT FUND LIMITED	738090	738090	0	0
AABCL8363M	AFRASIA BANK LIMITED A/C LEMAN DIVERSIFIED FUND	629820	629820	0	75193
AANCS3131Q	SPARROW ASIA DIVERSIFIED OPPORTUNITIES FUND	560670	560670	0	33731
AACCA6818K	THE ROYAL BANK OF SCOTLAND N.V., (LONDON) BRANCH	441630	441630	441630	441630
AADCG9900H	SILVERSTREAK ASSET MANAGEMENT COMPANY LIMITED A/C GROVSNOR INVESTMENT FUND LTD	238080	238080	0	0
AAECP3528P	PRIME INDIA INVESTMENT FUND LTD	214260	214260	0	0

2.6. It is observed from the above that 1 QIB namely 'The Royal Bank of Scotland N.V., (London) Branch' (PAN: AACCA6818K) was allotted 4,41,630 shares and it had sold all the allotted shares on the day of listing.

NIIIs

2.7. The details of 28 NIIs, allotments to them and their trading during the first 3 days from the date of listing are as under:

Table No. 5

PAN	Name of entity	No. of Shares Applied in the IPO	No. of Shares allotted in the IPO	No. of shares sold (net sale) on the day of listing	No. of shares sold (net sale) during the first 3 days from the date of listing
AAACI2044K	INVENTURE GROWTH & SECURITIES LTD	476100	265362	0	0
AAFCM4704R	M/S M J COMMODITIES PVT LTD	210000	117047	-115000	-105000

AAACA9493L	ASIAN MARKETS SECURITIES PVT LTD	119010	66333	66333	66333
AJCPS9114N	DINESH JAGMOHANDAS SHAH	119010	66333	66333	66333
AAHCS9716P	STC SECURITIES PVT.LTD	96000	53507	0	0
AACCS1443G	SUN FINLEASE (GUJRAT) LTD	95250	53089	53089	53089
AAACZ1117A	ZAVERI FINSTOCK PVT LTD	47610	26537	26537	26537
AACCC7137M	CLEVER CONSULTANTS PVT LTD.	47610	26537	26537	26537
AALCS4533N	SUNLIGHT FINANCIAL ADVISORY PVT LTD.	39000	21737	0	0
AAFCM5849K	MANGALKARI STOCK MANAGEMENT PRIVATE LIMITED	31830	17741	0	17741
AADCC6173C	CHIN INFO TECH PVT LTD	30000	16721	10000	-6000
AAFHS6477Q	ASHIT NALINBHAI SHAH	28590	15935	15935	15935
ABMPB3580D	LOPA SAUMIL BHAVNAGARI	28560	15918	15918	15418
AABPJ7112M	BAHADURLAL JAIN	25050	13962	0	13962
ABPPJ7134E	VANMALA JAIN	25050	13962	0	13962
ACCPG9489R	MR SUBHASH KUMAR GUPTA	21000	11705	11705	11705
AEKPB4078D	MRS INDIRA SANJAY BAXI	19980	11136	11136	11136
BCBPS6737A	ASHWINBHAI SURENDRABHAI SHETH	19020	10601	10601	10601
AEQPS9741G	NALIN RAMANIKLAL SHAH	18570	10350	10350	10350
AGLPK0520E	MR. KAMAL KUMAR KABRA	15300	8528	8528	8528
AHNPR8246F	MOHIT SINGH RAGHAV	12000	6688	6688	6688
AEKPB3104N	INDRA KUMAR BAGRI	9990	5568	5568	5568
ACBPJ8392D	PUSHPA HIRACHAND JAIN	9300	5184	5184	5184
AEGPS6640N	SANGHVI PRIYLATABEN PRAFULKUMAR	7710	4298	4298	4298
AKVPS6260K	SANGHVI PINABEN SHAILESHKUMAR	7710	4298	4298	4298
AATPC6034D	HARDIK M. CHOKSI	6000	3344	3344	3344
AAECS4092F	SUVRIDHI CAPITAL MARKETS LTD	4740	2642	2642	2632
ATTPB0668B	MISS. SHIKHA BAXI	3000	1672	1672	1672
Sum of Sale made by NIIs (Excluding the net purchases made)		1572990	876735	366696	401851

2.8. It is noted that 21 out of 28 NIIs had sold their allotted shares on the day of listing, out of which 20 had sold their entire allotted quantities on the first day of listing (3,49,975 shares). Chin Info Tech Pvt. Ltd. (Chin Info) had sold 10,000 shares out of 16, 721 shares allotted to it. It is however observed that Chin Info had purchased 16,000 shares during the next 2 days (Sept 27 and 28, 2011) and thus on net basis it had purchased 6,000 shares during Sept 26 - 28, 2011. Out of the 28 NIIs, two of them namely M J Commodities Pvt. Ltd. (MJC) and Chin Info were the net buyers at the end of the first 3 days of trading. It has been seen that funds were routed from PGEL to MJC, Chin Info and Sunlight

Financial Advisory Pvt. Ltd. (Sunlight) through different companies and the details have been dealt later in this order. Further, Sunlight had not sold any shares during the first 3 days from the date of listing.

2.9. From the bank account statement of MJC (Account number – 09582650004567 with Kotak Mahindra bank), it is noted that its account was debited with ₹ 2,45,79,870 on Sept 20, 2011 for 1,17,047 shares allotted to it in the IPO. It is however noted that it had received a net of ₹ 25 lakhs from Saptrishi Suppliers Pvt. Ltd. (Saptrishi) during September 08-17, 2011 (Saptrishi had given ₹ 50 lakhs on Sept 08, 2011 and had received back ₹ 25 lakhs on Sept 17, 2011) and ₹ 61 lakhs from Raw Gold Securities Pvt. Ltd. (Raw Gold) on Sept 09, 2011. It is also noted that MJC was also the net buyer on the day of listing and it had received ₹ 2.5 crores from Raw Gold which was routed to its broker for the purchases made by MJC on the day of listing. The roles of Saptrishi and Raw Gold in diverting/ routing the proceeds of the IPO have been detailed later in this order.

2.10. From the bank account statement of Chin Info (Account number – 01432320014984 with HDFC Bank), it is noted that its account was debited with ₹ 35,11,410 on Sept 20, 2011 for 16,721 shares allotted to it in the IPO. It is noted that Chin Info had received ₹ 94 lakhs from Wonder Vincom Pvt. Ltd. (Wonder Vincom) on September 07, 2011. The role of Wonder Vincom in diverting/ routing the funds from PGEL has been detailed later in this order.

2.11. From the bank account statement of Sunlight (Account number 32205470886 with Standard Chartered Bank), it is noted that its bank account was debited with ₹ 45,64,770 on Sept 20, 2011 for the 21,737 shares allotted to it in the IPO. Sunlight had received a total of ₹ 1.31 crores from 4 connected entities (₹ 25 lakhs from Frontier Tradecom Pvt. Ltd. on Sept 09, 2011, ₹ 25 lakhs from Fantasy Dealcom Pvt. Ltd. on Sept 09, 2011, ₹ 25 lakhs from Shivbhumi Tradelink Pvt. Ltd. on Sept 10, 2011 and ₹ 56 lakhs from Strongwell Commodeal Pvt. Ltd. on Sept 09, 2011) and ₹ 80 lakhs from Pearl Dealers Pvt.

Ltd. (₹ 40 lakhs on Sept 10, 2011 and ₹ 40 lakhs on Sept 12, 2011). It is noted that funds were routed from PGEL to Pearl Dealers Pvt. Ltd. and the details have been brought out later in this order.

2.12. The bids of all the 3 entities viz. MJC, Chin Info and Sunlight were placed through the broker Almondz Global Securities Ltd. (Almondz).

2.13. The bids of 11 NIIs were placed through Almondz, which is also the Book Running Lead Manager (BRLM) of the IPO of PGEL and registered as a merchant banker with SEBI, for a total of 16,95,270 shares. The list of the NIIs and their details are as below:

- a) Inventure Growth & Securities Ltd, M. J. Commodities Pvt. Ltd., STC Securities Pvt. Ltd. and Sunlight Financial Advisory Private Ltd. had placed through Almondz from Mumbai and their bids were placed at BSE.
- b) Subhash Kumar Gupta and Mohit Singh Raghav had placed their bids through Almondz from Delhi and their bids were placed at BSE.
- c) Chin Info, Bahadurlal Jain, Vanmala Jain, Indira Sanjay Baxi and Shikha Baxi had placed their bids through Almondz from Mumbai and their bids were placed at NSE.

3. Objects of the IPO and Utilization of Proceeds

3.1. The Red Herring Prospectus (RHP) filed by PGEL was dated August 17, 2011 and the Prospectus of PGEL was dated September 14, 2011. The objects of the issue as per Prospectus dated September 14, 2011 filed by PGEL are as under:

Table No. 6

Sr. No.	Particulars	Amount (₹ in lakhs)
1	Prepayment of the portion of term loan and line of credit facility proposed to be availed by our Company for the expansion under Phase I	2410
2	Expansion of our manufacturing facility at Unit III, Greater Noida under Phase II	1383.76

3	Expansion of our manufacturing facility at Unit IV, Ahmednagar under Phase II	3,730.53
4	Meeting long term working capital requirements	1,500.00
5	General corporate purposes	2,139.47
6	Issue Expenses	900.74
Total		12064.50

3.2. PGEL has further mentioned in its Prospectus that the aforesaid requirement of funds was proposed to be entirely financed by the Issue proceeds which was ₹ 12064.50 lakhs.

3.3. Out of total issue proceeds of approx. ₹ 120.64 crores, ₹ 113.35 crores was received in the bank account of PGEL, ₹ 7.07 crores to the BRLM Almondz and ₹ 0.22 crores to Hem Securities Ltd. (syndicate member of the IPO).

3.4. It is noted that out of the aforesaid ₹ 113.35 crores, PGEL had received a total of ₹ 110.91 crores during September 22- 27, 2011 and the remaining ₹ 2.44 crores on October 20, 2011. The details of proceeds of IPO received during Sept 22 - 27, 2011 are as under:

i. It is noted from the bank account statement of PGEL (Account Number – 911020048073676 with Axis Bank Ltd.) that ₹ 104.41 crores was credited from the proceeds of the IPO on September 22, 2011 (₹ 90 crores was credited from the Axis Bank Escrow account, ₹ 13.86 crores were credited from the Yes Bank Escrow account and ₹ 0.55 crores was credited from the Kotak Mahindra Escrow account). On the same day, PGEL had made the following payments/ fund transfers valued more than ₹ 1 crore each:

- ₹ 28.75 crores to Jainex Securities Pvt. Ltd.,
- ₹ 15.65 crores to Prraneta Industries Ltd.,
- ₹ 5 crores to Sambhav Commotrade Pvt. Ltd.,
- ₹ 2 crores to Agarwal Holdings Ltd.,
- ₹ 7 crores to Raw Gold Securities Pvt. Ltd.,
- ₹ 10 crores to Saptrishi Suppliers Pvt. Ltd.,

- ₹ 10 crores to Wattkins Commerce Pvt. Ltd.,
 - ₹ 3 crores to Eastern Resorts Pvt. Ltd., and
 - ₹ 2.82 crores to J Kumar Infraprojects Ltd.
- ii. On the next day i.e. Sept 23, 2011, PGEL had made payments/ fund transfers of ₹ 2.3 crores to Eastern Resorts Pvt. Ltd.
- iii. PGEL received another ₹ 5 crores on September 23, 2011 in its bank account number 911020048073676 with Axis Bank Ltd. from the proceeds of the IPO and on the same day it had transferred/ paid ₹ 5 crores to Saptrishi Suppliers Pvt. Ltd.
- iv. PGEL had received ₹ 1.5 crores in its bank account number 911020048073676 with Axis Bank Ltd. from the proceeds of the IPO and on September 27, 2011 it had made payments of ₹ 10 crores to Saptrishi Suppliers Pvt. Ltd.

3.5. Thus, a total of ₹ 110.91 crores was received by PGEL in its bank account number 911020048073676 with Axis Bank Ltd. from the proceeds of the IPO during Sept 22 - 27, 2011 and during the same period it had made payments/ fund transfers, valued Rs 1 crore or more each, as tabulated below:

Table No.7

S. No.	Name of entity	Total Amount paid (₹)	Reasons for payments as stated by PGEL during investigation
1	Jainex Securities Pvt. Ltd.	28.75 crores	Repayment of ICD taken prior to IPO
2	Saptrishi Suppliers Pvt. Ltd.	25 crores	Rs. 15 crores given as ICD and RS. 10 crores as advance for purchase of land.
3	Prraneta Industries Ltd.	15.65 crores	Repayment of ICD taken prior to IPO
4	Raw Gold Securities Pvt. Ltd.	7 crores	Given as ICD
5	Wattkins Commerce Pvt. Ltd.	10 crores	Given as ICD
6	Eastern Resorts Pvt. Ltd.	5.3 crores	Advance for purchase of land
7	Sambhav Commotrade Pvt. Ltd.	5 crores	Advance for supply of machinery
8	J Kumar Infraprojects Ltd.	2.82 crores	Advance for construction at Unit IV
9	Agarwal Holdings Ltd.	2 crores	Repayment of ICD taken prior to IPO
Total		101.52 crores	

PRE – IPO (Dealings prior to receipt of IPO Proceeds)

4. Fund Transactions with Jainex Securities Pvt. Ltd., Prraneta Industries Ltd. and Agarwal Holdings Ltd.

4.1. It has been stated by PGEL, during the investigation, that it had taken Inter Corporate Deposits (ICDs) from Jainex Securities Pvt. Ltd. (Regd. Office at Guwahati), Prraneta Industries Ltd. (Regd. Office at Surat) and Agarwal Holdings Ltd. (Regd. Office at Mumbai) for a total of ₹ 46.40 crores (approx. 38.46% of the size of the IPO) and the same were returned from the proceeds of the IPO. It is further noted that apart from the above entities PGEL had taken ICDs from 3 other entities as well. These ICDs were taken from JRI Industries & Infrastructure Ltd. (about ₹ 1 crore), Vineet Capital Services Pvt. Ltd. (₹ 2 crores) and Jay Poly Chem (India) Ltd. (₹ 2.5 crores). As per the copy of ICD documents provided by PGEL, it is mentioned that the loan committee of PGEL in its meeting held on August 20, 2011 had resolved to take these ICDs. It is however noted that there is no mention of existence of such a loan committee in the RHP dated August 17, 2011, although other committees are mentioned.

Jainex Securities Pvt. Ltd.(Jainex)

4.2. The bank account statements of Jainex Securities Pvt. Ltd. having its registered office at Guwahati (Account No. 0173102000009058 with IDBI Bank) and other entities referred below were examined for August 01- November 15, 2011 period and the observations are as under:

- i. Jainex Securities Pvt. Ltd. was having a credit balance of ₹ 10,000 as on August 01, 2011. From August 01, 2011 till August 22, 2011, there was no transaction in this bank account of Jainex Securities Pvt. Ltd.
- ii. On Aug 23, 2011, Jainex Securities Pvt. Ltd. received ₹ 70 lakhs from M/s Speciality Papers Limited and on the same day it had transferred/paid ₹ 70 lakhs to PGEL.

- iii. Jainex Securities Pvt. Ltd. received ₹ 180.50 lacs from Prraneta Industries Ltd. during Aug 23 - 24, 2011 and ₹ 39.50 lacs from Emporis Projects Ltd. on Aug 24, 2011. On the same day (Aug 24, 2011), Jainex Securities Pvt. Ltd. transferred/ paid ₹ 2.2 crores to PGEL.
- iv. On Aug 25, 2011, Jainex Securities Pvt. Ltd. received ₹ 85 lakhs from Prraneta Industries Ltd. On Aug 26, 2011, Jainex Securities Pvt. Ltd. received ₹ 25 lakhs each from 4 entities namely Time Dealcom Pvt. Ltd., Risewell Tradelink Pvt. Ltd., Strongwell Commodeal Pvt. Ltd. and Frontier Tradecom Pvt. Ltd., ₹ 1.75 crores each from 2 entities namely Shivbhumi Tradelink Pvt. Ltd. and Cosmos Dealcom Pvt. Ltd., ₹ 70 lakhs from Alltime Distributors Pvt. Ltd. and ₹ 5 lakhs from Fantasy Dealcom Pvt. Ltd. Thus, a total of ₹ 6.1 crores was received by Jainex Securities Pvt. Ltd. during Aug 25-26, 2011 and the same amount of ₹ 6.1 crores was transferred/ paid by Jainex Securities Pvt. Ltd. to PGEL on Aug 26, 2011.
- v. During Aug 27-29, 2011, Jainex Securities Pvt. Ltd. received ₹ 5 crores from Shivbhumi Tradelink Pvt. Ltd. and ₹ 3 crores from Cosmos Dealcom Pvt. Ltd. and Jainex transferred / paid ₹ 7.5 crores to PGEL on August, 29, 2011.
- vi. During Sept 14 -15, 2011, Jainex Securities Pvt. Ltd. received ₹ 6.75 crores from Prraneta Industries Ltd., ₹ 2.5 crores from Emporis Projects Ltd., ₹ 2 crores from Cosmos Dealcom Pvt. Ltd. and ₹ 1.5 crores from Shivbhumi Tradelink Pvt. Ltd. Jainex Securities Pvt. Ltd. transferred / paid ₹ 12.25 crores to PGEL on September 15, 2011.

Refund – Movement of fund Post-IPO Proceeds

- vii. After receiving the refund of ₹ 28.75 crores from PGEL from the proceeds of the IPO on September 22, 2011, Jainex Securities Pvt. Ltd. transferred ₹ 10 crores to Chitravali Barter Pvt. Ltd., ₹ 10 crores to Kanishka Merchants Pvt. Ltd., ₹ 3 crores to Prraneta Industries Ltd., ₹ 2.5 crores to

Real Vyapaar Pvt. Ltd. and ₹ 2.5 crores to Entity Distributors Pvt. Ltd. The remaining amount of ₹ 75 lakhs received from PGEL from the proceeds of the IPO was transferred/ paid by Jainex Securities Pvt. Ltd. to Devchand M Shah.

- viii. Kanishka Merchants received ₹10 crores from Jainex Securities Pvt. Ltd. on September 22, 2011 and on the next day (i.e. on Sept 23, 2011), it made payments/ transfers of ₹ 9.475 crores to Anand Projects Ltd. through 5 transactions. It is observed that Anand Projects Ltd. had in turn transferred/ paid the exact amount of ₹ 9.475 crores to ETL Infrastructure Finance Ltd on the same day i.e. September 23, 2011. On the next day, ETL Infrastructure Finance Ltd. used the money received from Anand Projects Ltd., which was routed from the proceeds of the IPO, to make the payments to its broker Destiny Securities Ltd. It is noted that ETL Infrastructure Finance Ltd. was the net buyer of 1 lakh shares on the day of listing. It is also noted that Future Zone Entertainment Pvt. Ltd. (Future Zone), having the same address as that of ETL Infrastructure Finance Ltd. (ETL) had also purchased 79,000 shares on the day of listing. Further Deepak Patwari is the common director in both the companies viz. Future Zone and ETL.
- ix. In addition to above, from the proceeds of the IPO so received, ETL Infrastructure Finance Ltd. (ETL) had diverted/ routed ₹ 1.2 crores to 2 entities who were the net buyers of the shares of PGEL on the date of listing. ETL had, *inter alia*, made the following fund transfers/ payments:
- a) ETL had paid ₹ 50 lakhs to Jasmine Dealcom Pvt. Ltd. (Jasmine) on October 10, 2011 which was paid by Jasmine to its broker Indianivesh Securities Pvt. Ltd. on the same day towards the shares of PGEL purchased by Jasmine on the date of listing.
 - b) ETL had paid ₹ 70 lakhs to Paradise Tradecom Pvt. Ltd. (Paradise) on October 10, 2011 which was paid by Paradise to its broker

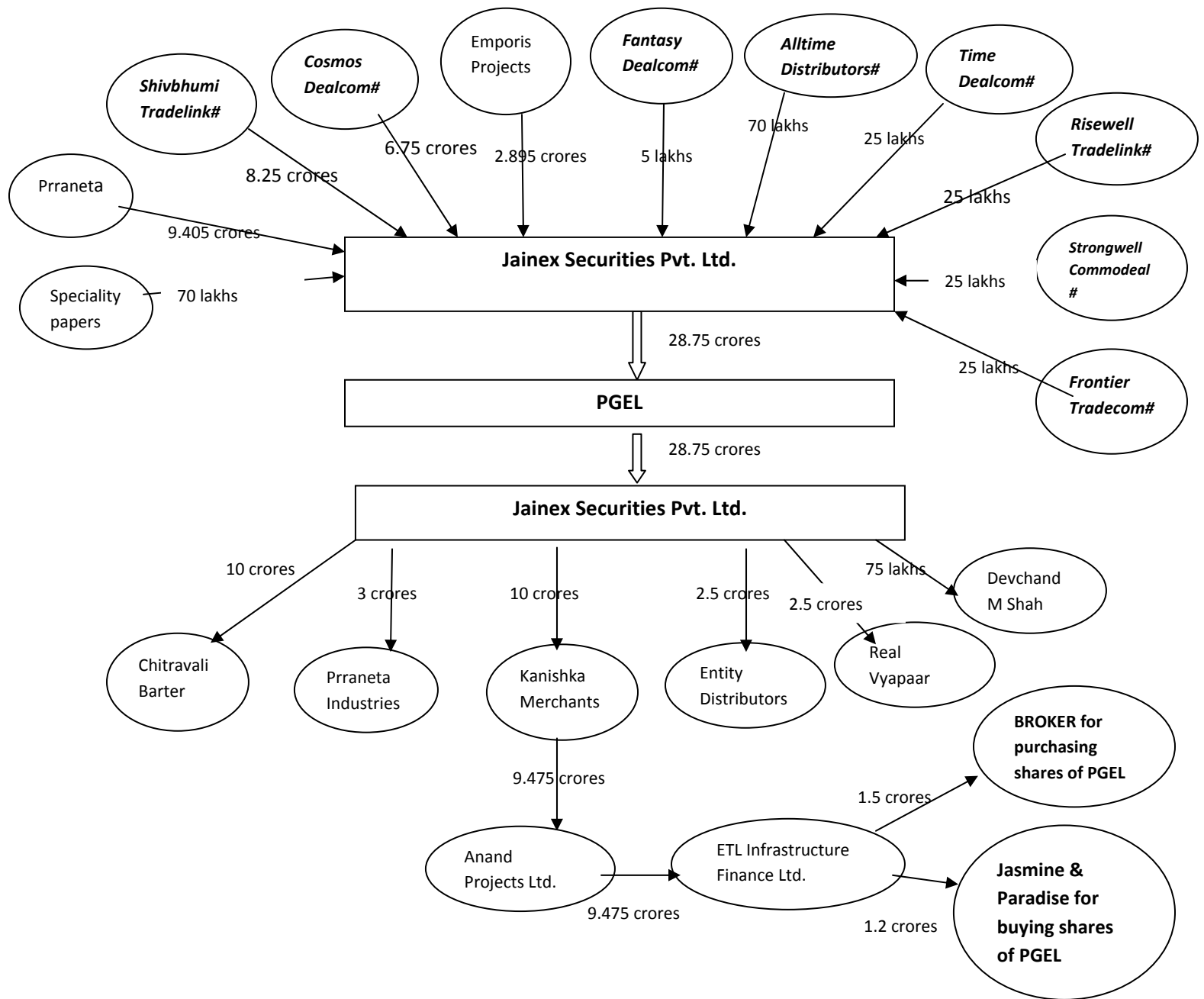
Indianivesh Securities Pvt. Ltd. on the same day towards the shares of PGEL purchased by Paradise on the date of listing.

x. It is noted that Cosmos Dealcom Private Limited (Cosmos), Time Dealcom Private Limited (Time Dealcom), Risewell Tradelink Private Limited (Risewell), Shivbhumi Tradelink Private Limited (Shivbhumi), Alltime Distributor Private Limited (Alltime), Frontier Tradecom Private Limited (Frontier) and Fantasy Dealcom Private Limited (Fantasy) are connected/ related to each other. The relationship/ connection is as under:

- The directors of Cosmos, Alltime and Fantasy are common viz. Rajesh Kumar Khanna and Vivek Jain. The directors of Shivbhumi and Frontier are same viz. Dipankar Sarkar and Vivek Jain.
- Vivek Jain is also a director in Time Dealcom and Risewell. Sanjib Kumar Mondal is the common director of Risewell as well as Strongwell.
- Shivbhumi, Frontier and Alltime are having the same address – *‘47, Shiv Thakur Lane, Ground Floor, Kolkata’*.
- Time Dealcom and Risewell are having the same address – *‘3A, Mangoe Lane, 4th Floor, Kolkata’*.
- The companies Cosmos, Fantasy and Time Dealcom were incorporated on the same day i.e. April 19, 2010 whereas the companies Shivbhumi, Risewell and Frontier were incorporated on the same day i.e. May 11, 2010. Strongwell was incorporated on May 08, 2010.
- The e-mail IDs, as per database of MCA, for Shivbhumi, Fantasy, Time Dealcom, Risewell, Strongwell and Frontier is the same i.e. ko_kolkata@rediffmail.com.

- xi. It is further noted that Jainex Securities Pvt. Ltd. had a credit balance of ₹ 10,000 as on October 21, 2011 and after that there have been no transactions in this bank account of Jainex Securities Pvt. Ltd. to November 15, 2011 (i.e. the last date upto which this Bank statement was examined).
- xii. It is noted that Jainex Securities Pvt. Ltd. was acting only as a layer or conduit so as to route funds from various entities to PGEL and from PGEL to various entities.
- xiii. Jainex Securities Pvt. Ltd. is a NBFC having Paid up capital of approx ₹ 2.99 crores and total 'Reserves and Surplus' of approx. ₹ 43.13 crores.
- xiv. It is noted that Prraneta Industries Ltd. was having an agreement with PGEL to place ICDs with PGEL and it has also routed funds to PGEL through Jainex Securities Pvt. Ltd. Thus, PGEL had borrowed money by way of ICD from Prraneta Industries Ltd. directly as well as through Jainex. The role of Prraneta Industries Ltd. has been detailed later in this order.

xv. The movement of funds has been depicted as under:



- connected entities

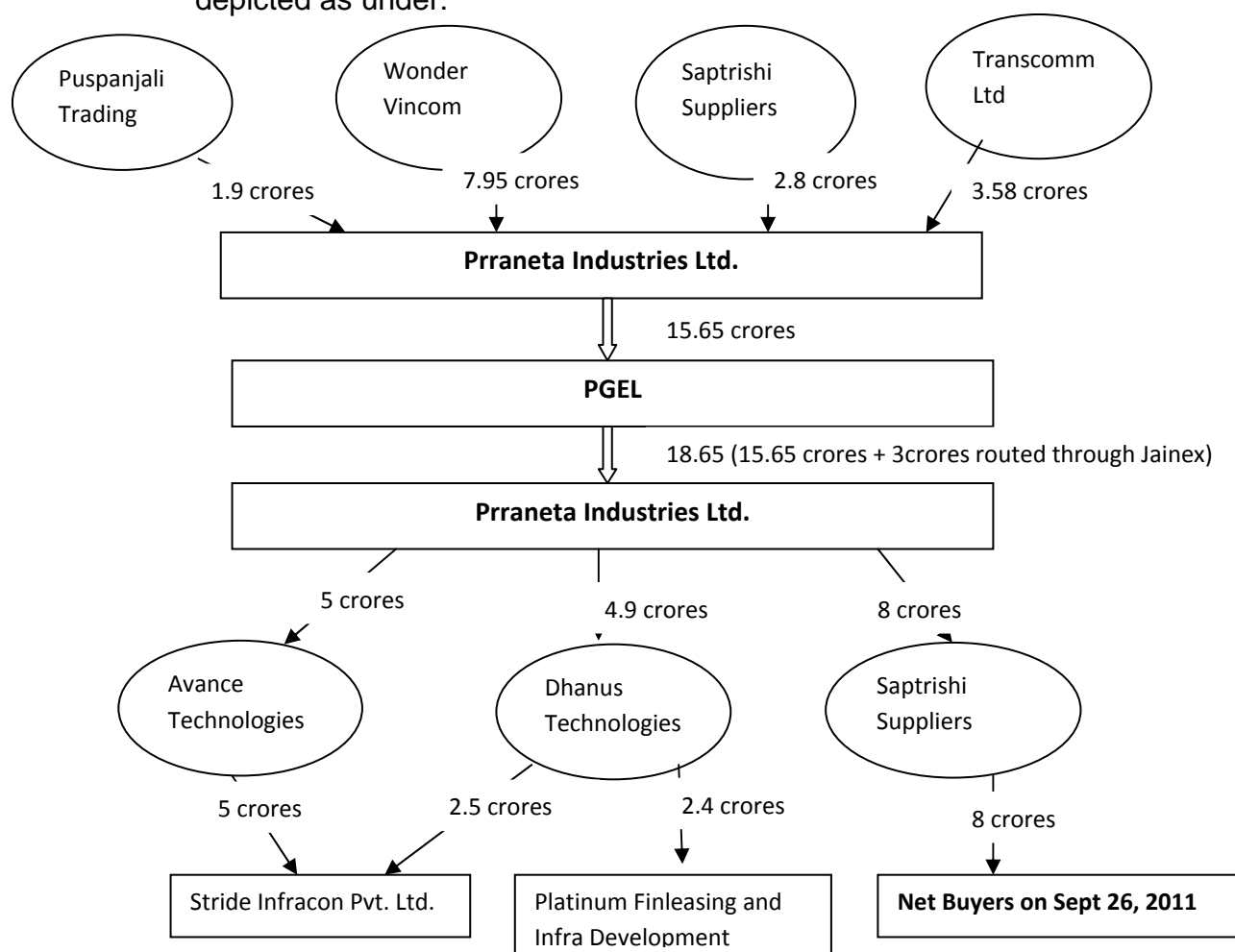
Prraneta Industries Ltd.

4.3. Prraneta Industries Ltd. (Prraneta) is a listed company and its scrip is listed at BSE. As per the details at BSE's website, Prraneta is into Finance (including NBFCs) and the directors of Prraneta Industries Ltd. are Omprakash Khandelwal, Subramanya Kusnur, Jils Raichand Madan, Jyoti Munver, Kiran Dilip Thakore and Manish Bhupendra Thakkar. As per Profit & Loss account of Prraneta for the year 2010-11, it is noted that Prraneta had total sales income of ₹ 275.2 crores and net profits of ₹ 2.9 crores. The closing price of the scrip of Prraneta as on December 07, 2011 was ₹ 1.43.

4.4. The bank account statement of Prraneta (A/c No. – 500011038946 with ING Vysya Bank) was examined and the details are as under:

- i. Prraneta Industries Ltd. received ₹ 1.9 crores from Puspanjali Trading Pvt. Ltd. and ₹ 3.95 crores from Wonder Vincom Pvt. Ltd. on September 16, 2011. On the same day, Prraneta Industries Ltd. transferred / paid ₹ 5.85 crores to PGEL.
- ii. Prraneta Industries Ltd. received ₹ 4 crores from Wonder Vincom Pvt. Ltd. on September 19, 2011 and on the same day Prraneta Industries Ltd. made payments/transfers of ₹ 4 crores to PGEL.
- iii. Prraneta Industries Ltd. received ₹ 2.8 crores from Saptrishi Suppliers Pvt. Ltd. on September 21, 2011 and on the same day Prraneta Industries Ltd. made payments/ transfers of ₹ 2.8 crores to PGEL.
- iv. Prraneta Industries Ltd. received ₹ 3.58 crores from Transcomm Ltd. on September 21, 2011 and on the same day Prraneta Industries Ltd. transferred / paid ₹ 3 crores to PGEL.
- v. PGEL refunded a sum of ₹ 15.65 crores to Prraneta Industries Ltd. on September 22, 2011. Prraneta Industries Ltd. had also received ₹ 3 crores from PGEL routed through Jainex Securities Pvt. Ltd. Out of total of

₹18.65 crores received by Prraneta Industries Ltd. from the proceeds of the IPO, ₹ 8 crores was paid to Saptrishi Suppliers Pvt. Ltd. The role of Saptrishi Suppliers Pvt. Ltd. in diverting the proceeds of the IPO of PGEL to the Net Buyers on the first day of listing has been discussed later in the order. Further, ₹ 4.9 crores was transferred/ paid by Prraneta Industries Ltd. to Dhanus Technologies Ltd. and ₹ 5 crores was paid to Avance Technologies Ltd. on the same day i.e. September 22, 2011. Dhanus Technologies had received ₹ 4.9 crores on September 22, 2011 and on the same day it had made transfers/ payments of ₹ 2.5 crores to Stride Infracon Pvt. Ltd. and ₹ 2.4 crores to Platinum Finleasing and Infra Development Private Limited. Avance Technologies Ltd. had received ₹ 5 crores on September 22, 2011 and on the same day it had transferred/ paid to Stride Infracon Pvt. Ltd. The movement of funds has been depicted as under:



Agarwal Holdings Ltd.

4.5. Agarwal Holdings Ltd. is a listed company and the scrip is listed at BSE. The directors of Agarwal Holdings Ltd. are Sanjay Nathmal Minda, Shreyans Jain, Pramod Bhelose, Vinod Jain and Pratik Jain.

4.6. The bank account statement of Agarwal Holdings Ltd. (Account No. - 01432320016972 with HDFC Bank) was examined and the observations are as under:

- i. It is observed that Agarwal Holdings Ltd. was having a balance of ₹ 5 lakhs as on September 01, 2011. Agarwal Holdings Ltd. received ₹ 2 crores from Dhanshree Developers Ltd. on September 03, 2011 and on the same day Agarwal Holdings Ltd. had transferred ₹ 2 crores to PGEL.
- ii. PGEL had refunded ₹ 2 crores to Agarwal Holdings Ltd. on Sept 22, 2011 from the proceeds of the IPO.

Diversion of funds received from ICDs

4.7. It is observed that after the receipts of money vide ICDs, PGEL has claimed to have used the amount for placing purchase orders towards 'Expansion of Unit III' and 'Expansion of Unit IV'. PGEL has stated, during the investigation, that the purchase orders for the above purpose was given to Swastika Engineering Works, Modi Alloys India Ltd., Aggarwal Steel Rolling Mills & Metal Industries, Starshine Engineering India Pvt. Ltd., Sambhav Commotrade Pvt. Ltd. and J Kumar Infraprojects Ltd. and it had made payments totaling to ₹ 49.06 crores to the aforesaid entities for the expansion of unit III and unit IV. PGEL has further stated that, of the said amount, it had paid ₹ 22.40 crores to Modi Alloys India Pvt. Ltd. (Modi Alloys) and ₹ 5.98 crores to Aggarwal Steel Rolling Mills & Metal Industries (Aggarwal Steel).

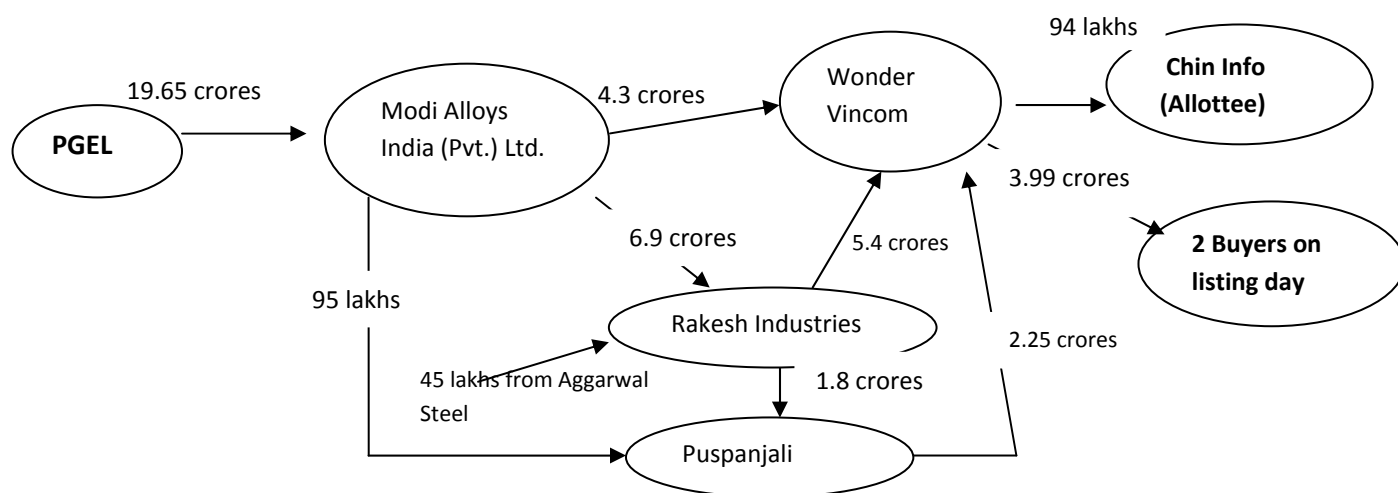
4.8. PGEL has provided copies of purchase orders worth ₹ 22.76 crores claimed to have been placed by it with Modi Alloys. It is noted that the purchase orders are dated August 31, 2011 - September 05, 2011.

4.9. PGEL has provided copies of the purchase orders worth ₹ 6.50 crores claimed to have been placed by it with Aggarwal Steel. It is noted that the purchase orders are dated August 31, 2011 – Sept 05, 2011.

Movement of Funds through Modi Alloys

4.10. It is noted from the bank account statement of Modi Alloys (Account Number – 003655100003698 with IDBI Bank Ltd.) that prior to the money raised through IPO, the payments/ fund transfers have been made by PGEL to Modi Alloys during the period August 20, 2011 to September 19, 2011. It is noted from this bank account statement that a total of ₹ 19.65 crores was paid to Modi Alloys during the said period.

4.11. It is observed from the bank account statement of Modi Alloys that a total of ₹ 4.30 crores was routed through Modi Alloys to Wonder Vincom Pvt. Ltd. Further, Modi Alloys has made payments to Rakesh Industries and Puspanjali Trading Pvt. Ltd. (Puspanjali), which in turn, have routed the funds to Wonder Vincom Pvt. Ltd. The fund movement has been shown below:



4.12.The details of the routing of funds from Modi Alloys to Wonder Vincom through Rakesh Industries are as below:

- i. Rakesh Industries had received ₹ 1.9 crores from Modi Alloys on September 01, 2011 and on the same day it had transferred ₹ 95 lakhs to Wonder Vincom Pvt. Ltd. and ₹ 95 lakhs to Puspanjali.
- ii. Rakesh Industries had received ₹ 80 lakhs from Modi Alloys on Sept 02, 2011 and on the same day it had transferred ₹ 85 lakhs to Puspanjali.
- iii. Rakesh Industries had received ₹ 85 lakhs from Modi Alloys on September 02, 2011 and on the same day it had transferred the same amount to Wonder Vincom Pvt. Ltd.
- iv. Rakesh Industries had received ₹ 2 crore from Modi Alloys on September 20, 2011 and on the same day it had transferred ₹ 1.8 crores to Wonder Vincom Pvt. Ltd.
- v. Rakesh Industries had received ₹ 85 lakhs from Modi Alloys on September 23, 2011 and on the same day it had transferred ₹ 85 lakhs to Wonder Vincom Pvt. Ltd.
- vi. Additionally, Rakesh Industries had received ₹ 50 lakhs from Modi Alloys on Sept 16, 2011. On the same day, Rakesh Industries had received ₹ 45 lakhs from Aggarwal Steel also. On the same day i.e. Sept 16, 2011, Rakesh Industries had transferred ₹ 95 lakhs to Wonder Vincom.

4.13.The details of the routing of funds from Modi Alloys to Wonder Vincom through Puspanjali are as below:

- i. Puspanjali had received ₹ 95 lakhs from Modi Alloys on September 01, 2011. Puspanjali had also received ₹1.8 crores from Rakesh Industries as mentioned above (₹ 95 lakhs on Sept 01, 2011 and ₹ 85 lakhs on Sept 02, 2011).

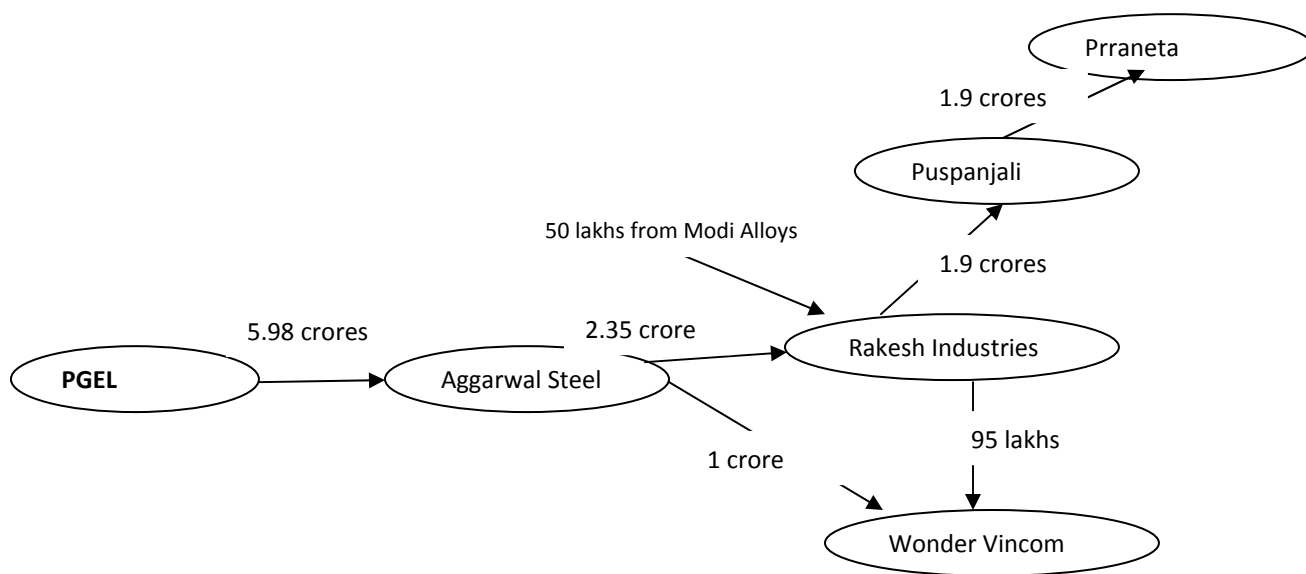
- ii. Puspanjali had transferred ₹ 2.25 crores to Wonder Vincom during Sept 03-05, 2011 (₹ 1.5 crores on September 03, 2011 and ₹ 75 lakhs on Sept 05, 2011).

4.14. From the above, a total of approx. ₹ 11.95 crores was routed /diverted from PGEL to Wonder Vincom through Modi Alloys and Rakesh Industries.

Movement of Funds through Aggarwal Steel

4.15. It is noted that from the bank account of Aggarwal Steel (Account Number – 389101010231198 with Union Bank of India) that it had received a total of ₹ 5.98 crores from PGEL. The details are as under:

- i. Aggarwal Steel had received a total of ₹ 1 crore from PGEL on August 23, 2011 which was transferred/paid by Aggarwal Steel to Wonder Vincom on the same day.
- ii. Aggarwal Steel had received ₹ 2.5 crores on Sept 16, 2011 and on the same day it had transferred/ paid a total of ₹ 2.35 crores to Rakesh Industries (2 transactions of ₹ 95 lakhs each and 1 transaction of ₹ 45 lakhs). On the same day Rakesh Industries had also received ₹ 50 lakhs from Modi Alloys and Rakesh Industries had transferred/ paid ₹ 95 lakhs to Wonder Vincom (as detailed above). Further, Rakesh Industries had transferred/paid ₹ 1.9 crores (2 transactions of ₹ 95 lakhs each) on the same day to Puspanjali and Puspanjali had in turn transferred ₹ 1.9 crores on the same day to Prraneta Industries Ltd.
- iii. Aggarwal Steel had received ₹ 2 crores from PGEL on Sept 19, 2011 and ₹ 48 lakhs on Sept 22, 2011. The flow of funds has been pictorially depicted as under:



4.16. It is therefore noted that an additional amount of ₹ 1 crores was routed/ diverted from PGEL to Wonder Vincom and ₹ 1.9 crores to Prraneta Industries Ltd. through Aggarwal Steel.

4.17. **Role of Wonder Vincom Pvt. Ltd. (Wonder Vincom)**

- i. It is observed that ₹ 12.95 crores was routed by PGEL to Wonder Vincom (₹11.95 crores through Modi Alloys and additional ₹ 1 crore through Aggarwal Steel) during the period August 20, 2011 till Sept 19, 2011.
- ii. Wonder Vincom had transferred ₹ 94 lakhs to Chin Info Tech Pvt. Ltd. on Sept 07, 2011 who had applied for the IPO in NII category.
- iii. Wonder Vincom had transferred ₹ 2 crores to Safford Mercantile Pvt. Ltd. and ₹ 1.99 crores to Nihal Mercantile Pvt. Ltd. on September 26, 2011.
 - a) Safford Mercantile Pvt. Ltd., on receipt of ₹ 2 crores from Wonder Vincom Pvt. Ltd., had paid ₹ 2 crores to its broker Gateway Financial Services Ltd. on the same day i.e. Sept 26, 2011 for purchase of the shares of PGEL on the day of listing.

- b) Nihal Mercantile Pvt. Ltd., on receipt of ₹ 1.99 crores from Wonder Vincom Pvt. Ltd., had transferred/ paid ₹ 1.99 crores to its broker Gateway Financial Services Ltd. on the same day i.e. Sept 26, 2011 for purchase of the shares of PGEL on the day of listing.
- iv. Wonder Vincom Pvt. Ltd. had also received ₹ 2.5 crores from Cellworth Mercantile Pvt. Ltd. (post-issue IPO proceeds diverted by PGEL through Saptrishi) on September 24, 2011 which was transferred to the broker Indianivesh Securities Pvt. Ltd. on the same day (Sept 24, 2011) for the purchase of shares of PGEL on the day of listing. The role of Cellworth Mercantile Pvt. Ltd. has been detailed later in this order.
- 4.18. The copies of ICD agreements as provided by PGEL during the investigation, stipulates that *'the interest shall be due on completion of each financial year i.e. 31st March of every year or on maturity whichever is earlier...'*. In the present cases, the maturity for the 3 ICDs taken by PGEL from Saptrishi, Prraneta and Agarwal Holdings Ltd. were during the period September 22 – October 11, 2011. It is further noted from the minutes of the meeting of the Board of Directors of PGEL held on November 14, 2011 that the Chairman had informed the Board that the ICDs taken by the company has been **fully repaid**. It is noted from the bank account statements of the entities that the exact amounts taken as ICDs were refunded and no interest was paid to any of the 3 entities for the ICDs till November 14, 2011. Since, the management has mentioned that the ICDs have been fully repaid, it *prima facie* appears that no interest has been paid at all to the 3 entities during the said period. The timing and the manner of movements of funds around IPO period give rise to suspicion. Thus, ₹ 94 lakhs have been diverted to Chin Info that had applied in the IPO and approx. ₹ 14.69 crores to the entities for purchasing shares of PGEL on the day of listing as detailed below.
- 4.19. It is noted that PGEL had taken money from Jainex Securities Pvt. Ltd., Prraneta Industries Ltd. and Agarwal Holdings Ltd. by way of ICDs and it had

diverted approx ₹ 12.95 crores to Wonder Vincom Pvt. Ltd. Wonder Vincom has provided ₹ 94 lakhs to Chin Info an allottee in the NII category and has also funded a total of ₹ 3.99 crores to Safford and Nihal for purchasing shares of PGEL on the first day of the listing, as detailed later in this order. It is further observed that Wonder Vincom Pvt. Ltd. had several transactions with Saptrishi Suppliers Pvt. Ltd. (Saptrishi). Saptrishi had diverted funds received from PGEL to several entities for purchasing the shares of PGEL on the first day of listing as detailed later in this order.

4.20. It is further noted that ₹ 9.475 crores of the IPO proceeds was also routed to ETL Infrastructure Finance Ltd. through Jainex Securities Pvt. Ltd., Kanishka Merchants and Anand Projects Ltd. out of which, ETL Infrastructure Finance Ltd. (ETL) had made payments of ₹ 1.5 crores to its broker Destiny Securities Ltd. It is noted that ETL had purchased 1 lakh shares on the day of listing. Further, its connected entity Future Zone Entertainment Ltd. has also purchased 79,000 shares on the day of listing. ETL had also made payments of a total of ₹ 1.2 crores to Paradise and Jasmine. It is noted that Paradise and Jasmine had purchased 1 lakh shares and 50,000 shares respectively on the day of listing.

4.21. It is further noted that approx. ₹ 8 crores of the IPO proceeds was routed/diverted to Saptrishi through Prraneta in the form of repayment of ICD. Saptrishi had diverted ₹ 8 crores to several buyers in the scrip of PGEL on the date of listing.

Mis-statements and Non-Disclosures in the offer document (Prospectus)

4.22. PGEL had taken ICDs aggregating to approx. ₹ 52 crores (approx. 43% of the size of the IPO) vide agreements dated Aug 22, 2011, August 24, 2011, August 29, 2011 and September 10, 2011 which was not disclosed in its prospectus dated September 14, 2011, out of which ₹ 46.40 crores was repaid from the proceeds of the IPO.

4.23. PGEL has mentioned in its Prospectus dated September 14, 2011 (Page 43) regarding 'Details of Utilisation of issue proceeds – 2. Phase II expansion of our manufacturing facilities at Unit III, Greater Noida and at Unit IV, Ahmednagar' under the heading 'Objects of the Issue' that –

*'We have relied on quotations received from various suppliers for orders of plant & machineries and utilities or equipments yet to be placed. Where more than one quotation has been sought, we have indicated the lowest of such quotations. We are also negotiating with several suppliers and the actual supplier may vary from the one mentioned above. Further, the specification of plant & machinery/utility (ies) may also differ considering the conditions prevailing at the time of placing the orders. **We have not yet placed any orders for purchase of plant & machineries and utilities for our proposed expansion project under Phase II.**'*

4.24. PGEL has produced copies of Purchase Orders claimed to have been placed by it to several suppliers including Modi Alloys and Aggarwal Steel for the expansion of Unit III and Unit IV. The purchase orders to the suppliers are dated during the period August 30, 2011- September 05, 2011 for a total value of approx. ₹ 52.23 crores (₹ 13.80 crores for unit III and ₹ 38.44 for unit IV). The purchase orders to Modi Alloys and Aggarwal Steel are dated during the period August 31, 2011 - September 05, 2011. The Prospectus dated September 14, 2011 has mentioned that the company had not yet placed any orders. The company PGEL has therefore concealed its dealings with Modi Alloys and Aggarwal Steel and has provided false and misleading information to the investors. It has already been noted that the funds were partly routed with the help of Modi Alloys and Aggarwal Steel to Wonder Vincom Pvt. Ltd. and then to the clients who had purchased shares of PGEL on the date of listing.

4.25. It is noted from the bank account statements that PGEL had already made total payments of ₹ 7.85 crores (₹ 5 crores on August 20, 2011, ₹ 1.85 crores

on Aug 24, 2011 and ₹ 1 crore on August 29, 2011) to Modi Alloys even before placing the purchase orders which are dated between Aug 31 - Sept 05, 2011.

4.26. Similarly, it is noted that the payments of ₹ 1 crore was already made by PGEL to Aggarwal Steel on Aug 23, 2011 even before placing the purchase orders which are dated between Aug 31 - Sept 05, 2011.

4.27. PGEL has mentioned in its Prospectus dated September 14, 2011 at point No. 15 under the head 'Note to capital structure' (page 27) that –

'Our Company has not raised any bridge loan against the proceeds of the present issue.'

4.28. It is however noted that, PGEL had availed loans aggregating to ₹ 46.40 crores (approx. 38.46% of the size of the IPO) in the form of ICDs which were repaid from the proceeds of the IPO. Portion of the ICD was used for diverting/ routing the funds to the entities for purchasing shares of PGEL on the date of listing and also to the allottee namely Chin Info Tech Pvt. Ltd. in the NII category through Wonder Vincom Pvt. Ltd. The liability of ₹ 46.40 crores attached to the proceeds of the IPO was not disclosed in the Prospectus.

4.29. It has been mentioned in the Prospectus at Page 184 under the head '**Details of material developments after the date of last balance sheet**' that –

'No other circumstances have arisen, since the date of the last financial statement until the date of filing of this Prospectus with SEBI, which materially and adversely affect or is likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within twelve months.'

It is however noted that the ICDs of ₹ 46.40 crores (approx. 38.46% of the IPO) that were repaid from the proceeds of the IPO and the purchase orders worth ₹ 52.23 crores have not been disclosed in the Prospectus, which appears to be a major concealment of liabilities in the Prospectus.

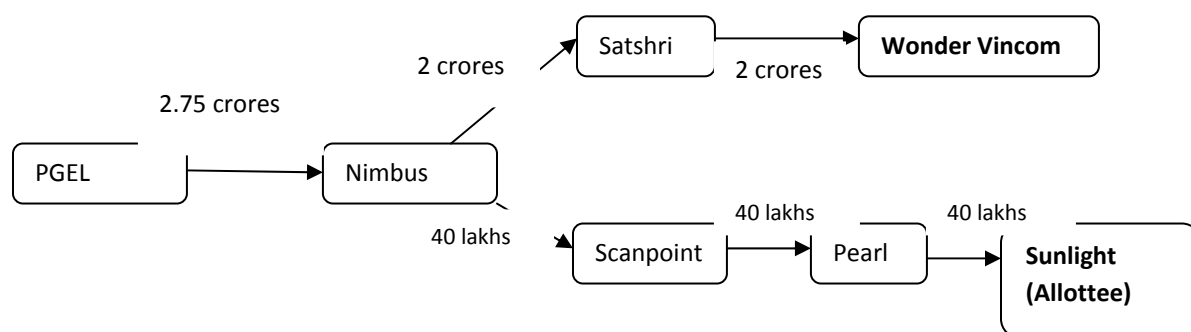
4.30. It is noted from page 88 of the RHP that PGEL had stated that without the consent of the banks, PGEL cannot acquire fixed assets or enter into borrowing arrangements (secured or unsecured) with any other lender or accept deposits. The documents provided by PGEL for their acquisition of fixed assets/ ICDs do not mention about the consent if any, obtained from the banks.

4.31. At page 76 of the RHP and Prospectus (collectively referred as offer document), PGEL had mentioned the names of its suppliers which include LG Polymers, BASF, Supreme Petrochem etc. However, during investigation PGEL has provided a copy of the agreement dated August 31, 2011 between PGEL and Nimbus Industries Ltd. Mumbai for purchase of plastic granules valued upto ₹ 3.50 crores. Further, PGEL also provided a copy of agreement with Supreme Communication Ltd. for value upto ₹ 5 crores on the same date (August 31, 2011) for the same purpose i.e. purchase of plastic granules. The names of Nimbus Industries Ltd. and Supreme Communication Ltd. (Supreme) do not appear in the list of its suppliers provided by PGEL in the offer document. It has also been noted from the reply of PGEL vide letter dated December 03, 2011 that '**There are no sale/purchase agreements with our customers and suppliers, we receive periodical orders from our customers on the basis of which we place order to our suppliers**'. The reply of PGEL is in contradiction to the documents provided by it.

4.32. It is further noted that Nimbus Industries Ltd. is a listed company and from the website of BSE, it is noted that it is into the business of 'Tea and Coffee'. It is noted that the director Sandeep Sheth has signed on behalf of both the companies in its respective agreements with PGEL. It is noted that PGEL had made payments totaling to ₹ 7.25 crores (₹ 2.75 crores to Nimbus Industries Ltd. and ₹ 4.5 crores to Supreme Communication Ltd.) during the period Sept 05-16, 2011.

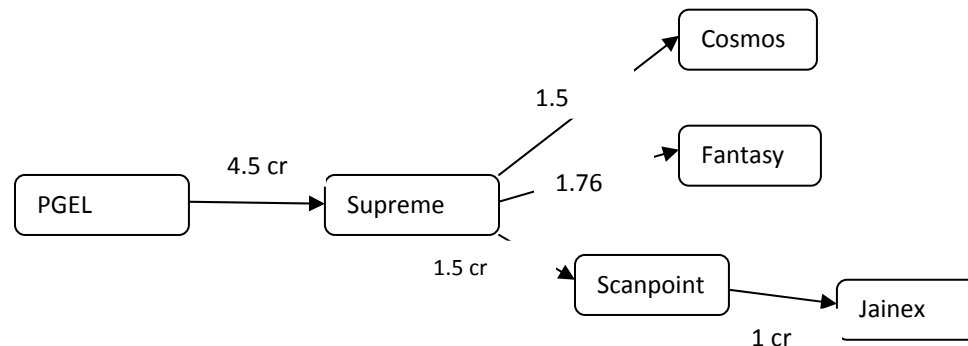
4.33.From the bank account of Nimbus Industries Ltd. (Account number - 12652020002930 with HDFC Bank) and the below entities, the following is noted:

- i. Nimbus Industries Ltd. (Nimbus) had received ₹ 2.35 crores from PGEL on September 05, 2011 and on the next day (Sept 06, 2011) Nimbus had made payments of ₹ 2 crores to Satshri Multitrade Pvt. Ltd. (Satshri) and on Sept 06, 2011, Satshri had transferred ₹ 2 crores to Wonder Vincom. It has already been noted that Wonder Vincom had also received money from PGEL which was routed through purchase orders to Modi Alloys and Aggarwal Steels.
- ii. Nimbus had received ₹ 40 lakhs from PGEL on Sept 08, 2011 and the same amount (₹ 40 lakhs) was transferred by it to Scanpoint Infoware Pvt. Ltd. (Scanpoint) on the next day (Sept 09, 2011). Scanpoint had transferred/ paid the same amount (₹ 40 lakhs) to Pearl Dealers Pvt. Ltd. (Pearl) on Sept 09, 2011 and Pearl Dealers had transferred/ paid ₹ 40 lakhs to Sunlight on Sept 10, 2011. Sunlight had applied in the IPO in the NII category.
- iii. The flow of funds have been pictorially depicted as under:



4.34.From the bank account statement of Supreme (Account number 12652020002144 with HDFC Bank) and the below entities, the following is noted:

- i. Supreme had received ₹ 1.5 crores from PGEL on Sept 08, 2011 and on the next day (Sept 09, 2011), Supreme had paid ₹ 1.5 crores to Scanpoint. Scanpoint had transferred ₹ 1 crore to Jainex on Sept 09, 2011. It has already been noted that Jainex was one of the entities that had given ₹ 28.75 crores as ICD to PGEL.
- ii. Supreme had received ₹ 3 crores from PGEL on Sept 16, 2011 and on the same day (Sept 16, 2011), Supreme had paid ₹ 1.5 crores to Cosmos Dealcom Pvt. Ltd. and ₹ 1.76 crores to Fantasy Dealcom Pvt. Ltd. It has already been noted that Cosmos Dealcom Pvt. Ltd. and Fantasy Dealcom Pvt. Ltd. are connected entities and they had provided funds to Jainex and Jainex had given ICD to PGEL. As already mentioned, Jainex had routed proceeds of IPO to the clients who were net buyers on the date of listing.
- iii. The flow of funds have been pictorially depicted as under:



4.35. From the above, it *prima facie* appears that approx. ₹ 7.25 crores given to Nimbus and Supreme as orders for supply of 'plastic granules' have been siphoned off by PGEL.

4.36. It has been mentioned in the Red Herring Prospectus dated Aug 17, 2011 as well as the Prospectus dated September 14, 2011 that PGEL had raised ₹ 24.10 crores for **'Prepayment of the portion of term loan and line of credit facility proposed to be availed'** by our company for the expansion under

Phase I. Under the details for the above, it has been mentioned at Page 29 of RHP as well as Prospectus that –

*‘For part financing the expansion under Phase I, our Company has received the sanction for availing Rs. 2,350 lakhs as term loan and of US\$ 3 million (Rs. 1,410 lakhs based on conversion rate of 1US\$ = Rs. 47/-) as Line of Credit from Standard Chartered Bank vide its sanction letter dated September 14, 2010. **We have already availed disbursement of the entire sum sanctioned to us.**’*

However, on the table at page 30 of RHP as well as Prospectus that **‘Amount availed as on the date of this RHP – NIL.** Therefore, the statements are contradictory and there’s no clarity on the prevailing position of the term loan in the RHP as well as Prospectus.

POST-IPO (Dealings after receipt of IPO Proceeds)

5. Transactions of PGEL with Saptrishi Suppliers Pvt. Ltd. (Saptrishi)

5.1. It is noted that Saptrishi had received ₹ 25 crores during Sept 22- 27, 2011, directly from PGEL, in the form of ICD (₹ 15 crores) and advance for purchase of land (₹ 10 crores received during this period). Further, as detailed earlier in this order, additional amount of ₹ 8 crores was routed/ diverted by Prraneta to Saptrishi. The directors of Saptrishi Suppliers Pvt. Ltd. are Ram Awtar Sharma and Manjit T. Jajoo.

5.2. The bank account statement of Saptrishi Suppliers Pvt. Ltd. (Account Number – 500011038660 with ING Vysya Bank) was scrutinized and the observations are as under:

- i. Saptrishi had received ₹ 10 crores from PGEL from the proceeds of the IPO of PGEL on September 22, 2011. It is further noted that it had received another ₹ 8 crores on September 22, 2011 from the proceeds of the IPO routed through Prraneta Industries Ltd. Further, Saptrishi had

received ₹ 5 crores on the next day i.e. September 23, 2011 from the proceeds of the IPO.

- ii. Saptrishi had made payments/ fund transfers of ₹ 5 crores to Jaimini Trading Pvt. Ltd., ₹ 5 crores to Cellworth Mercantile Pvt. Ltd., ₹ 5 crores to Avance Technologies Ltd. and ₹ 2.5 crores to Dhanus Technologies Ltd., ₹ 1.5 crores to JRI Industries and Infrastructure Ltd. on September 23, 2011 and ₹ 4 crores to Dhanus Technologies Ltd. on September 24, 2011.
- iii. Saptrishi had received ₹ 10 crores from PGEL on September 27, 2011 and it had transferred/ paid ₹ 5 crores to Cellworth Mercantile Pvt. Ltd. on the same day and ₹ 5 crores to Jaimini Trading Pvt. Ltd. The fund transfer/ payment to Jaimini Trading Pvt. Ltd. was returned back on September 28, 2011 on its account, out of which ₹ 1.5 crores was paid to Dhanus Technologies Ltd. and ₹ 3 crores to Puspanjali Trading Pvt. Ltd.
- iv. Saptrishi had made fund transfers of ₹ 25 lakhs to M. J. Commodities Pvt. Ltd. during Sept 08 – 17, 2011 which was allotted 1,17,047 shares in the NII category in the IPO. It is further noted that M J Commodities Pvt. Ltd. has the same address as that of Agarwal Holdings Ltd. which had given ICD of ₹ 2 crores to PGEL and was refunded from the proceeds of the IPO on September 22, 2011.

5.3. Role of Jaimini Trading Pvt. Ltd. (Jaimini)

- i. Jaimini had received a total of Rs. 7.5 crores from the proceeds of the IPO of PGEL, diverted through Saptrishi and others as detailed below.
- ii. It is noted from the bank account statement of Jaimini Trading Pvt. Ltd. (Account Number – 500011041910 with ING Vysya Bank) that Jaimini Trading Pvt. Ltd. had received ₹ 5 crores directly from Saptrishi and ₹ 2.5 crores from Puspanjali Trading Pvt. Ltd. (Puspanjali Trading Pvt. Ltd. had received ₹ 3 crores from Saptrishi on the same day).

- iii. On receipt of ₹ 7.5 crores, Jaimini had made payments/ fund transfers of ₹ 2.5 crores to its broker Indianivesh Securities Pvt. Ltd. on Sept 24, 2011 for the purchase of shares of PGEL on the day of listing. Jaimini had further transferred ₹ 2.5 crores to Satshri Multitrade Pvt. Ltd. on Sept 24, 2011, ₹ 1.5 crores to Frank Mercantile Pvt. Ltd. on Sept 26, 2011 and ₹ 1 crore to Dhanus Technologies Ltd. on Sept 24, 2011.
- iv. Satshri Multitrade Pvt. Ltd., on receipt of ₹ 2.5 crores from Jaimini, had made the payments to its broker Indianivesh Securities Pvt. Ltd. for the same amount (₹ 2.5 crores) on the same day (Sept 24, 2011) for the purchase of shares of PGEL on the day of listing.
- v. Frank Mercantile Pvt. Ltd., on receipt of ₹ 1.5 crores from Jaimini, had made the payments to its broker IIT Investrust Ltd. for the same amount (₹1.5 crores) and on the same day (Sept 26, 2011) for the purchase of shares of PGEL on the day of listing.

5.4. Role of Cellworth Mercantile Pvt. Ltd. (Cellworth)

- i. Cellworth had received a total of Rs. 10 crores from the proceeds of the IPO of PGEL, diverted through Saptrishi and others as detailed below.
- ii. It is observed from the bank account statement of Cellworth (Account Number- 500011041929 with ING Vysya Bank) that it had received a sum of ₹ 5 crores from Saptrishi on Sept 23, 2011. It had received an additional amount of ₹ 2.5 crores from Puspanjali on the same day i.e. Sept 23, 2011. On the next day (Sept 24, 2011), it had made payments of ₹ 2.5 crores to its broker Indianivesh Securities Pvt. Ltd. for the purchase of shares of PGEL on the day of listing. Further, it had transferred/ paid ₹ 2.5 crores to Wonder Vincom Pvt. Ltd. on Sept 24, 2011 and ₹ 2 crores to Pasupati Enclave Pvt. Ltd. on September 26, 2011.
- iii. Wonder Vincom Pvt. Ltd., on receipt of ₹ 2.5 crores from Cellworth, had made payments of ₹ 2.5 crores to its broker Indianivesh Securities Pvt.

Ltd. on the same day (i.e. on Sept 24, 2011) for the purchase of shares of PGEL on the day of listing.

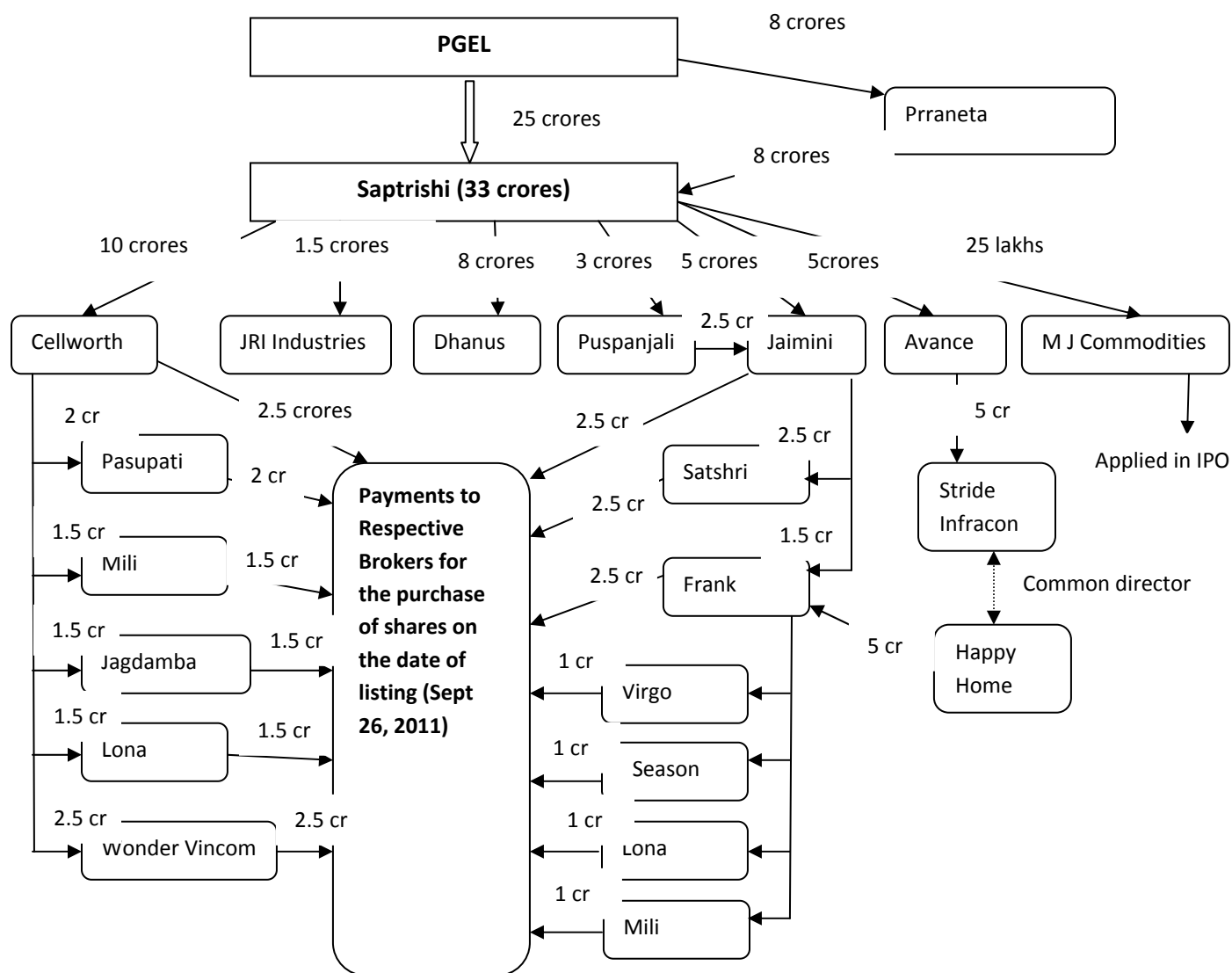
- iv. Pasupati Enclave Pvt. Ltd., on receipt of ₹ 2 crores from Cellworth, had made payments of ₹ 2 crores to its broker Gate Way Financial Services on the same day (Sept 26, 2011) for the purchase of shares of PGEL on the day of listing.
- v. Cellworth had made payments/ fund transfers of ₹ 1.5 crores each to Mili Commodities Pvt. Ltd., Jagdamba Complex Pvt. Ltd. and Lona Mercantile Pvt. Ltd. on September 26, 2011. On the next day, Cellworth had received ₹ 5 crores from Saptrishi.
- vi. Mili Commodities Pvt. Ltd., Jagdamba Complex Pvt. Ltd. and Lona Mercantile Pvt. Ltd., on receipt of ₹ 1.5 crores each from Saptrishi on Sept 26, 2011, had made payments of ₹ 1.5 crores each to their respective brokers namely IIT Investrust Ltd., Gate Way Financial Services Ltd. and IIT Investrust Ltd. on the same day (Sept 26, 2011) for the purchase of shares of PGEL on the day of listing.

5.5. Role of Frank Mercantile Pvt. Ltd. (Frank)

- i. Frank had received a total of Rs. 6.5 crores from the proceeds of the IPO of PGEL, diverted through Saptrishi and others as detailed below.
- ii. It is observed from the bank account of Avance Technologies Ltd. (Account No. – 561011014196 with ING Vysya Bank) that it had received ₹ 5 crores from Saptrishi and the same amount was transferred to Stride Infracon Pvt. Ltd. on the same day (Sept 23, 2011). It is further noted that Stride Infracon Pvt. Ltd. and Happy Home Shelters Pvt. Ltd. are connected/ related with each other as they have common director namely Birender Kumar Swain. Happy Home Shelters Pvt. Ltd. had transferred ₹ 5 crores on the same day (Sept 23, 2011) to Frank.

- iii. Frank had routed ₹ 1 crores each to 4 entities namely Virgo Mercantile Pvt. Ltd. (Virgo), Season Multitrade Pvt. Ltd. (Season), Lona Mercantile Pvt. Ltd. (Lona) and Mili Commodities Pvt. Ltd. (Mili) on the same day (Sept. 23, 2011). The remaining ₹ 1 crore was transferred/paid by Frank Mercantile to its broker IIT Investrust Ltd.
- iv. Virgo, on receipt of ₹ 1 crore from Frank on Sept 23, 2011, had made payments of the same amount (₹ 1 crore) on the same day to its broker Swastika Investmart Ltd. for the purchase of shares of PGEL on the day of listing.
- v. Season, on receipt of ₹ 1 crore from Frank on Sept 23, 2011, had made payments of the same amount (₹ 1 crore) on the same day to its broker Swastika Investmart Ltd. for the purchase of shares of PGEL on the day of listing.
- vi. Lona, on receipt of ₹ 1 crore from Frank on Sept 23, 2011, had made payments of the same amount (₹ 1 crore) on the next day (Sept 24, 2011) to its broker IIT Investrust Ltd. for the purchase of shares of PGEL on the day of listing.
- vii. Mili, on receipt of ₹ 1 crore from Frank on Sept 23, 2011, had made payments of ₹ 1 crore on the same day to its broker IIT Investrust Ltd. for the purchase of shares of PGEL on the day of listing.

5.6. The movement of funds has been depicted as under:



5.7. From the above, it is noted that of the total funds transferred to Saptrishi and Prraneta ultimately a total of ₹ 21.5 crores has been routed from the proceeds of IPO by PGEL through Saptrishi Suppliers Pvt. Ltd. and Prraneta Industries Ltd. (including ₹ 8 crores diverted/ routed by PGEL in the form of repayment of ICD as mentioned earlier) to a group of entities in order to purchase shares of PGEL on the date of listing. Further, Saptrishi had paid a total of ₹ 25 lakhs during September 08-17, 2011 (Pre-IPO proceeds) to M. J. Commodities Pvt. Ltd., the allottee in the IPO of PGEL.

6. Transactions of PGEL with Raw Gold Securities Pvt. Ltd. (Raw Gold)

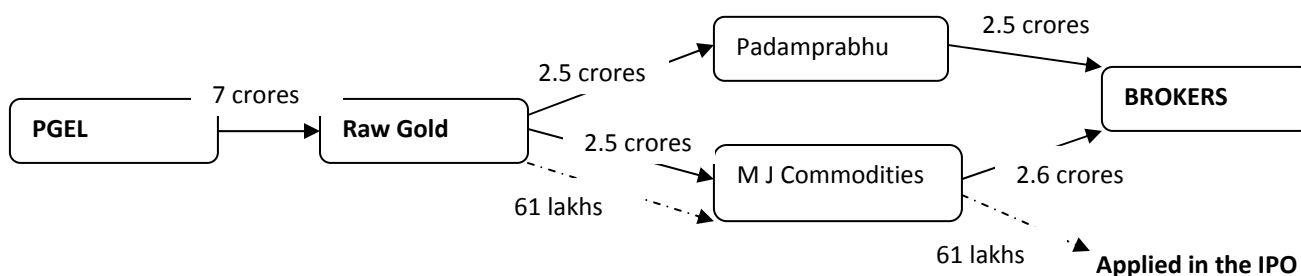
6.1. Raw Gold had received Rs. 7 crores from PGEL in the form of ICDs, out of which, Rs. 5 crores was diverted/ routed to two entities who were buyers on the date of listing and Rs. 61 lakhs to an allottee viz. MJC.

6.2. PGEL has made fund transfers of ₹ 7 crores to Raw Gold on September 22, 2011. The bank account statement of Raw Gold (Account Number 06532000004257 with Kotak Mahindra bank) and the below entities were examined and the observations are as under:

- i. Raw Gold, on receipt of ₹ 7 crores from PGEL on Sept 22, 2011, had transferred ₹ 2.5 crores to Padamprabhu Project Pvt. Ltd. on Sept 23, 2011 (next day) and ₹ 2.5 crores to M. J. Commodities Pvt. Ltd. on September 24, 2011.
- ii. Padamprabhu Projects Pvt. Ltd., on receipt of ₹ 2.5 crores from Raw Gold on Sept 23, 2011, had transferred ₹ 1.25 crores to its broker Indira Securities Pvt. Ltd. (Registration at NSE) and ₹ 1.25 crores to its broker Indira Share and Stock Brokers Pvt. Ltd. (Registration at BSE).
- iii. M J Commodities Pvt. Ltd., on receipt of ₹ 2.5 crores from Raw Gold on September 24, 2011, had transferred ₹ 1.30 crores to its broker Indira Securities Pvt. Ltd. (Registration at NSE) and ₹ 1.30 crores to its broker Indira Share and Stock Brokers Pvt. Ltd. (Registration at BSE) on September 26, 2011.
- iv. Raw Gold had earlier transferred ₹ 61 lakhs to M J Commodities on September 09, 2011.
- v. Padamprabhu Projects Pvt. Ltd (Padamprabhu), M. J. Commodities Pvt. Ltd., Adcon Capital Services Pvt. Ltd. (Adcon) and Agarwal Holdings Ltd. have the same address – *‘107 A.S. DIAS Building, 268-272, Dr. Cawasji Hormusji Street, Marine Lines, Mumbai’*. Further, Sanjay Nathmal Minda and Sawankumar Jajoo are the directors of M J Commodities Pvt. Ltd.,

Padamprabhu and Adcon. Sanjay Nathmal Minda is also the director of Agarwal Holdings Ltd.

vi. The fund flow is depicted as under:



6.3. Therefore, a total of ₹ 5 crores was diverted from the proceeds of the IPO by PGEL to the entities purchasing shares of PGEL on the day of listing. Further, ₹ 61 lakhs was earlier paid by Raw Gold on Sept 09, 2011 (pre-IPO proceeds) to M. J. Commodities Pvt. Ltd. which had applied in the IPO.

7. Transactions of PGEL with Watkins Commerce Pvt. Ltd. (Watkins)

7.1. PGEL has made fund transfers of ₹ 10 crores to Watkins on September 22, 2011. On the same day, Watkins had transferred ₹ 1.5 crores to Adcon. Adcon was also one of the entities purchasing shares of PGEL on the day of listing.

8. From the above, it is noted that a total of ₹ 28 crores (₹ 21.5 crores through Saptrishi and Prraneta, which includes ₹ 8 crores routed/diverted by Prraneta in the form of refund of ICD, ₹ 5 crores through Raw Gold and ₹ 1.5 crores through Watkins) have been diverted/ routed to the net buyers of PGEL on the day of listing. Further, Saptrishi and Raw Gold, which had received money diverted from the proceeds of the issue, had earlier (pre-IPO) made funding of a total of ₹ 86 lakhs (₹ 25 lakhs by Saptrishi and ₹ 61 lakhs by Raw Gold) to MJC for its application made in the IPO of PGEL in NII category.
9. PGEL has stated, during the investigation, that it had given ICDs of ₹ 15 crores to M/s Saptrishi Suppliers Pvt. Ltd., ₹ 7 crores to Raw Gold Securities Pvt. Ltd. and ₹ 10 crores to Watkins Commerce Pvt. Ltd. for a period of 7 months from the

proceeds of the IPO. These ICDs are unsecured. It is intriguing to note that the Board Resolution to give ICD is dated August 17, 2011 but the company PGEL and Almondz failed to disclose the same in the RHP dated August 17, 2011 and the Prospectus dated September 14, 2011. It is noted from the offer document (Prospectus) of PGEL at page 49, under the head 'Interim Use of proceeds' that –

*'Pending utilization of the proceeds of the Issue for the purposed described above, we intend to temporarily invest the funds in **high quality** interest bearing liquid instruments including money market mutual funds and deposits with banks. Such investments would be in accordance with the investment policies approved by the Board from time to time. We confirm that pending utilization of Issue proceeds, **we shall not use the funds for any investments in the Equity markets.** '*

9.1. It is observed from the minutes of the meeting of the Board of Directors (BoD) held on August 17, 2011 at 04:30 PM (same date as that of RHP) that Item No. 19 states that the Chairman informed the Board that - *'pending utilization of issue proceeds out of the issue, we may temporarily invest the funds in interest bearing liquid instruments including money market mutual funds, deposits with the bank and **Inter Corporate Deposits** with the companies which would be **secured by the personal guarantee of director of the borrowing company.**'*

It is however noted that the Board's decision to invest the proceeds of IPO vide ICDs was not included in the RHP dated August 17, 2011 or in the Prospectus dated September 14, 2011 and PGEL has therefore concealed material information which was already available with PGEL. Further, as per the minutes of the meeting of the BoD, the ICDs had to be secured by the personal guarantee of director of the borrowing company. From the ICD agreements provided by PGEL, it is noted that the ICDs given to Saptrishi, Watkins and Raw Gold were **unsecured.**

9.2. PGEL has entered into ICD agreement with Saptrishi, Watkins and Raw Gold on Sept 20, 2011. It is noted from the minutes of meeting held on November 14, 2011 that the Chairman of PGEL had **informed** about the ICDs in the meeting of the BoD. The ICDs were informed to the BoD much later than the date of

agreements and the date of BoD meeting is after receiving SEBI's letter dated November 09, 2011.

9.3. Saptrishi has provided, during the investigation, a copy of the Income Tax return filed by it for the assessment year 2010-11 which shows 'Current Year Loss' of ₹ 30,117. Further, Saptrishi has also provided a copy of the financial statements for the year 2009-10 which shows interest income as NIL, total income of approx. ₹ 4.5 lakhs and Loss before taxation of ₹ 33,405.64. Further, it has already been noted that the funds were routed/ diverted from Saptrishi. Thus, the investments as ICDs with Saptrishi were not of '**high quality**' as disclosed in the offer documents.

9.4. PGEL has stated, during the investigations, that it had further given ₹ 10 crores to Saptrishi on September Sept 27, 2011 and had also made further payment of ₹ 3.5 crores on Oct 11, 2011 as advance for purchase of land from Saptrishi.

9.5. As regards the advance for purchase of land from Saptrishi, a copy of a Memorandum of Understanding (MoU) between PGEL and Saptrishi dated Sept 21, 2011 for the purchase of land has been provided by the company PGEL. The following has been noted:

- i. There is no description of the land (location, city, exact area of land etc.) in the MoU provided by PGEL.
- ii. It appears from the MoU that the purported land is in Tamil Nadu, the entity's address is in Kolkata and the agreement has been executed in Greater Noida.
- iii. The MoU between PGEL and Saptrishi is for a total consideration of ₹ 18 crores.
- iv. As per the MoU, the land is for agricultural and Saptrishi is required to arrange for its conversion from agricultural use to industrial use.

- v. As per the MoU, ₹ 10 crores was to be paid within 10 days of signing of the MoU, out of total consideration of ₹ 18 crores, i.e. even before actual conversion of use of land from agricultural use to industrial use.
- vi. As per the MoU, ₹ 1 crore was to be paid after the conversion of land from agricultural use to industrial use and the remaining ₹ 7 crores after completion of the shed.
- vii. However, ₹ 3.5 crores was already provided by PGEL to Saptrishi on Oct 11, 2011 which is not in line with the MoU provided by PGEL.
- viii. The MoU further states that *'Further in case the Vendor is not able to get the land use changed to Industrial Use within a period of 3 months or any further time mutually agreed, then the vendor return the amount received from vendee as advance till date will be refunded with interest rate of 14% without deducting any amount.'*

9.6. PGEL has mentioned vide a separate letter, during the investigation, that the land is located at Kaduvancheri village, Kancheepuram district. Saptrishi vide its letter submitted on Dec 08, 2011, has provided a copy of the land purchase agreement for the land purchased by it in Kaduvancheri village of Kancheepuram district. The said agreement shows that the land was purchased by Saptrishi on June 23, 2011 and the market value of the land during the date of agreement was ₹ 63 lakhs only. Saptrishi has also mentioned that it is yet to apply for conversion of land. However, within less than three months of purchase of land by Saptrishi of ₹ 63 lakhs, PGEL had entered into a MoU for purchase of the said land at ₹ 18 crores, out of which ₹ 12.5 crores (PGEL had paid ₹13.5 crores to Saptrishi, of which ₹ 1 crore was repaid from Saptrishi to PGEL) was paid by PGEL to Saptrishi even before the use of land being converted to industrial use.

9.7. From the above, the MoU for the purchase of land appears to be suspicious. As brought out above, from the bank account statements it has already been *prima facie* seen that the money given to Saptrishi was partly siphoned off

and partly routed/ diverted from PGEL to the buyers for purchasing shares of PGEL on the date of listing.

9.8. PGEL has also mentioned, during the investigation, that it had used ₹ 7 crores from the proceeds of the IPO as advance for purchase of land from Safeco Projects Pvt. Ltd. The MoU between PGEL and Safeco Projects Pvt. Ltd. was dated August 27, 2011 and the total consideration for the purchase of land was ₹ 25 crores. The purported land is in Karnataka, Safeco Projects Pvt. Ltd. (Safeco) is in Kolkata and PGEL is in Delhi. The MoU between Safeco Projects Pvt. Ltd. and PGEL is similar to the MoU between PGEL and Saptrishi. From the MoU between PGEL and Safeco the following is noted:

- i. There is no description of the land (location, city, exact area of land etc.) in the MoU provided by PGEL.
- ii. As per the MoU, the use of land had to be converted from agricultural use to industrial use.
- iii. As per the MoU, ₹ 15 crores was to be paid within 15 days of signing of the MoU, out of total consideration of ₹ 25 crores, even before actual conversion of use of land from agricultural use to industrial use.
- iv. It is mentioned in the MoU that **₹ 10 crores was already paid**, even before the date of entering of MoU.
- v. As per the MoU, ₹ 5 crore was to be paid after the conversion of land from agricultural use to industrial use and the remaining ₹ 5 crores after completion of the shed.

9.9. It is noted from the summary of bank account transactions provided by PGEL vide letter dated Nov 21, 2011 that approx. ₹ 12.23 crores was paid by it Safeco Projects Pvt. Ltd. However, PGEL has stated that it had paid ₹ 7 crores to Safeco, which is in contradiction with its own submissions.

9.10. PGEL has also provided ledger account of PGEL's dealings with Safeco Projects Pvt. Ltd. which has accounted for payments of only ₹ 7 crores, whereas the MoU mentions that ₹10 crores has already been paid (till Aug 27, 2011) and the summary of bank account statements shows payments of more than ₹ 12 crores. The information on actual payments as provided by PGEL are self-contradictory. From the contradictory information provided by PGEL, nature of MoU, payments of more than ₹ 12 crores already made as advance and without any assets being acquired by PGEL, only ₹ 7 crores accounted in the ledger, it *prima facie* appears that funds have been siphoned off from PGEL either partly or in full. Thus, it appears that Safeco was involved in the siphoning off of funds from PGEL.

9.11. PGEL had further mentioned that it had an agreement dated Aug 26, 2011 for purchase of land with Eastern Resorts Pvt. Ltd. for a total value of ₹ 25 crores. The agreement, provided by PGEL, is for the land for a total of 125 acres, out of which Eastern Resorts Pvt. Ltd. was in the possession of only 80 acres of land as on date of agreement. For the remaining 45 acres, Eastern Resorts Pvt. Ltd. was in the *process of acquiring the land*. The 80 acres of purported land in possession of Eastern Resorts Pvt. Ltd. was in Jaipur district in Rajasthan.

9.12. PGEL had further mentioned that it had an agreement dated September 02, 2011 for purchase of land with Realnet Infraprojects Pvt. Ltd. (M/s Realnet) having its address in Mumbai. The total consideration for the purchase of land by PGEL is not mentioned in the MoU, provided by PGEL. Further, as per the MoU an advance of ₹ 2 crores was to be paid by PGEL to Realnet for 5 acres of land in Greater Noida. It has further been stated in the MoU that Realnet would arrange acquisition of the 5 acres of land for PGEL, within a period of 3 months from the date of MoU. It has further been stated in the MoU that Realnet would apply for change of land use within 15 days of its acquisition. From the MoU, it is noted that Realnet did not have the land at the time of the MoU.

- 9.13. It is noted from the agreement between PGEL and Realnet, as provided by PGEL, that Mr. Ronak Kumar had signed on behalf of Realnet. From the MCA website, it is noted that the director of Realnet is Ronak Narendra Kotecha. It appears that Ronak Narendra Kotecha is the real brother of Nirmal Narendra Kotecha. Further, the address of registered office of Realnet is '601/602, Sukh Castle, Opp. HDFC Bank, Bhandarkar Road, Matunga (East), MUMBAI', which is also the residential address of Nirmal Narendra Kotecha.
- 9.14. It *prima facie* appears that no land has been provided by Realnet to PGEL and the amount of ₹ 2 crores as advance has been siphoned off from the company to Realnet.
- 9.15. It is noted that the agreement for purchase of land were worth a total of more than ₹ 70 crores. PGEL had mentioned, during the investigation, that the payments for purchase of land to Saptrishi and Safeco Projects Pvt. Ltd. were made from the proceeds of the IPO. The same has not been informed to the public/ investors in the RHP or in the Prospectus. The company PGEL has therefore concealed material information about the proceeds of the IPO. It is further noted that the agreement with Safeco Projects Pvt. Ltd. was dated August 27, 2011 and with Eastern Resorts Pvt. Ltd. was dated Aug 26, 2011 and was therefore before the open of bidding process and much before the Prospectus (dated Sept 14, 2011).
- 9.16. Thus, it is shocking to note that apparently there is a blatant distortion of facts by PGEL, which primarily is supposed to be in the manufacturing of consumer electronic components and finished products, has entered into agreements for more than ₹ 70 crores around the period of IPO for purchase of land from questionable entities through clandestine transactions.
- 9.17. (a) It is noted that the company PGEL was required to disclose material deviations in the utilization of the issue proceeds to the stock exchanges and is also required to simultaneously make the material deviation/ adverse comments of the Audit Committee public through advertisement in the

newspaper (page 49 of RHP and Prospectus). However, the same has not been done by PGEL.

(b) At page 83 of the RHP, the company PGEL has mentioned that '***there is no property which our company has acquired or propose to purchase or acquire which is to be paid wholly, or in part, from the net proceeds of the Issue or the purchase of acquisition of which has not been completed as on the date of filing of this RHP with SEBI, other than-***

- *the contract for the purchase or acquisition whereof was entered into in the ordinary course of the business, the contract not being made in contemplation of this Issue, nor this Issue in contemplation of the contract; or*
- *In respect of which the purchase money is not material'.*

(c) At page 83 of the Prospectus, PGEL has mentioned that –

'Except as stated in section titled "Objects of the Issue" appearing on page no. 28 of this Prospectus, there is no property which our Company has purchased or acquired or propose to purchase or acquire which is to be paid wholly, or in part, from the net proceeds of the Issue or the purchase or acquisition of which has not been completed as on the date of filing of this Prospectus with SEBI, other than property:

- *the contract for the purchase or acquisition whereof was entered into in the ordinary course of the business, the contract not being made in contemplation of this Issue, nor this Issue in contemplation of the contract; or*
- *In respect of which the purchase money is not material.'*

It is therefore noted from above that PGEL and BRLM Almondz have concealed material information about the MoU for purchase of land and have provided mis-statements in the offer documents.

9.18. PGEL had further mentioned, during the investigation, that the payment of ₹ 19.50 crores (₹ 12.5 crores to Saptrishi and ₹ 7 crores to Safeco Projects Pvt. Ltd.) was under the details of 'General Corporate Purposes'. From the RHP as well as the Prospectus, the following has been noted:

*'We, in accordance with the policies set up by the Board will have flexibility in applying the net proceeds of the Issue, **after the aforesaid objects are met**, for general corporate purposes including, but not restricted to offsetting secured loan borrowings, meeting contingencies for any cost overrun in the expansion project, strategic initiatives, expanding into new geographies, brand building exercise, strengthening of market capabilities, future projects and meeting exigencies **which we in the ordinary course may not foresee**. **As on the date of this Prospectus, we have not entered into any commitment for any strategic initiatives**. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes.'*

9.19. As regards the general corporate purpose, the following is noted:

- i. PGEL had the flexibility to use the general corporate purpose after the objects as stated in the offer documents are met and which PGEL in the ordinary course of business may not foresee. Therefore, the above agreements for purchases of land cannot be considered as part of 'General Corporate Purpose'.
- ii. Even for argument sake, if it is considered as a part of 'general corporate purpose', the agreement with Safeco Projects Pvt. Ltd. for value of ₹ 25 crores was dated Aug 27, 2011 and the same was not disclosed in the Prospectus. However, PGEL provided mis-statement that as on the date of this prospectus, it has not entered into any commitment for any strategic initiatives.
- iii. At page (ii) of RHP as well as Prospectus, it has been mentioned that –
'our Company, and Book Running Lead Manager will ensure that investors

in India are informed of **material developments** until such time as the grant of listing and trading permission by the Stock Exchanges.

9.20. In the offer document (Prospectus), it has been mentioned by PGEL that it will not USE the funds for any investments in the equity market. The proceeds of the IPO has been routed/ diverted to different entities for investments in the equity market. The entities receiving the funds from the proceeds of the IPO while purchasing shares of PGEL on the date of listing had also indulged in fraudulent activities as detailed later in this order.

10. Trading Pattern on September 26, 2011 (Day of listing):

10.1. On the day of listing the scrip opened at ₹ 215 at NSE, increased to intra-day high of ₹ 484.4 (NSE) and closed at ₹ 415.3. A total of 6,92,61,350 shares (approx. 12 times the issue size) were traded across both the exchanges (NSE and BSE), out of which the deliverable quantity was for 31,14,248 shares (4.5% of total traded quantity) across both exchanges on the listing day. The top 10 clients by gross traded quantity (buy and sell), net buy quantity and net sell quantity on Sept 26, 2011 across both NSE and BSE is as under:

Table No.8: Top 10 clients in terms of Gross Traded Qty

PAN	Name of client	Buy Volume	Sell Volume	Gross Volume	Net Volume	Gross Volume as a % of Market Gross Volume
AACCC4258K	CHANDARANA INTERMEDIARIES BROKERS PRIVATE LIMITED	6228357	6228357	12456714	0	8.99
AACCC5470H	CROSSEAS CAPITAL SERVICES PRIVATE LIMITED	5112765	5112879	10225644	-114	7.38
AAACA7549K	A K G SECURITIES AND CONSULTANCY LTD	3040257	3040257	6080514	0	4.39
AAHFG6629C	GKN SECURITIES	2952063	2952063	5904126	0	4.26
AKYPP6342E	CHAMPAKLAL NARSHIBHAI PUJARA	1898821	1898821	3797642	0	2.74
AFWPD6568D	DAVE CHETAN L.	1667582	1667582	3335164	0	2.41
AABCR6331B	R M SHARES TRADING PRIVATE LIMITED	1373589	1373589	2747178	0	1.98
AACCS0916J	SHREE BHUVANAKARAM TRADINVEST PRIVATE LIMITED	985652	985652	1971304	0	1.42
AAACG7970J	GENUINE STOCK BROKERS PVT. LTD.	864692	864692	1729384	0	1.25
AJEPK6599F	KAUR SUKHVINDER	654700	654700	1309400	0	0.95
Total		24778478	24778592	49557070	-114	35.77

Table No.9: Top 10 clients in terms of NET SELL

PAN	Client Name	Buy Volume	Sell Volume	NET Sell Volume	Net Volume as a % of Market Net Quantity	Comments
AACCA6818K	THE ROYAL BANK OF SCOTLAND N.V.	0	441630	-441630	14.18	Was allotted 441630 shares in the QIB category
AAACA9493L	ASIAN MARKETS SECURITIES	0	66333	-66333	2.13	Was allotted 66,333 shares in the NII Category
AJCPS9114N	DINESH JAGMOHAN SHAH	0	66333	-66333	2.13	Was allotted 66,333 shares in the NII Category
AACCS1443G	SUN FINLEASE (GUJARAT) LIMITED	0	53089	-53089	1.70	Was allotted 53,089 shares in the NII Category
AAACZ1117A	ZAVERI FINSTOCK PVT. LTD	0	26537	-26537	0.85	Was allotted 26,537 shares in the NII Category
AACCC7137M	CLEVER CONSULTANTS PRIVATE LIMITED	0	26537	-26537	0.85	Was allotted 26,537 shares in the NII Category
AAACC3235A	CPR CAPITAL SERVICES LIMITED	57300	78800	-21500	0.69	
AAJTS1533P	SHIKHA SOMANI MARRIAGE TRUST	5735	22825	-17090	0.55	
AAFHS6477Q	ASHITKUMAR NALINKUMAR SHAH (HUF)	0	15935	-15935	0.51	Was allotted 15,935 shares in the NII Category
ABMPB3580D	LOPA SAUMIL BHAVNAGARI	10200	26118	-15918	0.51	Was allotted 15,918 shares in the NII Category
Total		73235	824137	-750902	24.1	

Table No.10: Top 10 clients in terms of NET Buy

PAN	Client Name	Buy Volume	Sell Volume	NET Buy Volume	Net Volume as a % of Market Net Quantity	Comments
AAFCP1778A	PADAMPRA BHU PROJECT PRIVATE LIMITED	140000	0	140000	4.50	Received funds from the proceeds of the IPO, routed by PGEL & others.
AOMPP1954N	NITIN BABAJI PALANDE	993002	855496	137506	4.42	
AAECC0376J	CELLWORTH MERCANTILE PVT LTD	138393	6688	131705	4.23	Received funds from the proceeds of the IPO, routed by PGEL & others.
AACCC3884G	JAIMINI TRADING PVT LTD	120000	0	120000	3.85	Received funds from the proceeds of the IPO, routed by PGEL & others.
AAFCM4704R	M J COMMODITIES PRIVATE LIMITED	140000	25000	115000	3.69	Received funds from the proceeds of the IPO, routed by PGEL & others.
AAACE5567B	ETL INFRASTRUCTURE FINANCE LTD	100000	0	100000	3.21	Received funds from the proceeds of the IPO, routed by PGEL & others.
AABCO1577E	OVERALL FINANCIAL CONSULTANTS PVT. LTD	623365	523365	100000	3.21	
AADCD0303R	DIPALI VINTRADE PVT LTD	100000	0	100000	3.21	Connected to entities who received funds from proceeds of the issue, routed by PGEL & others.
AAECP8118P	PARADISE TRADECOM PRIVATE LIMITED	100000	0	100000	3.21	Received funds from the proceeds of the IPO, routed by PGEL & others.
ACQPM4459B	MAHESH MITTAL	150100	50100	100000	3.21	
Total		2604860	1460649	1144211	36.74	

10.2. It is observed that the top 10 clients by gross traded quantity had constituted approx. 35.77% of the market volume. It is further noted that most of the net buyers had received funds from the proceeds of the IPO, routed/ diverted by PGEL and other entities.

10.3. The summary of trades of all the entities receiving funds from the proceeds of the IPO, routed/ diverted by PGEL and other entities are as under:

Table No.11:

Sr. No.	PAN	Client Name	BUY Volume	BUY Value	Sell Volume	Sell Value	Net BUY Volume	Net Volume as a % of Market Net Quantity
1	AAFCP1778A	PADAMPRA BHU PROJECT PRIVATE LIMITED	140000	37650000	0	0.00	140000	4.50
2	AAECC0376J	CELLWORTH MERCANTILE PVT LTD	138393	31995296	6688	2203617	131705	4.23
3	AAC CJ3884G	JA IMINI TRADING PVT LTD	120000	26400000	0	0.00	120000	3.85
4	AAFCM4704R	M J COMMODITIES PRIVATE LIMITED	140000	39200000	25000	9625000	115000	3.69
5	AAACE5567B	ETL INFRASTRUCTURE FINANCE LTD	100000	20823304	0	0.00	100000	3.21
6	AALCS5917J	SEASON MULTITRADE PRIVATE LIMITED	85000	18445000	0	0.00	85000	2.73
7	AAACW8578N	WONDER VINCOM PRIVATE LIMITED	82808	19291612	0	0.00	82808	2.66
8	AABCA6770D	ADCON CAPITAL SERVICES LIMITED	70000	19600000	0	0.00	70000	2.25
9	AAECP4278L	PASUPATI ENCLAVE PRIVATE LIMITED	70000	15253520	0	0.00	70000	2.25
10	AAOCS2721F	SATSHRI MULTITRADE PRIVATE LIMITED	70000	15279415	0	0.00	70000	2.25
11	AABCF1808P	FRANK MERCANTILE PRIVATE LIMITED	65000	14105000	0	0.00	65000	2.09
12	AACCN8730D	NIHAL MERCANTILE PRIVATE LIMITED	50000	12423411	0	0.00	50000	1.61
13	AACCV6426E	VIRGO MERCANTILE PRIVATE LIMITED	45000	9765000	0	0.00	45000	1.44
14	AABCL5709K	LONA MERCANTILE PRIVATE LIMITED	35000	7595000	0	0.00	35000	1.12
15	AAB CJ9074F	JAGDAMBA COMPLEX PRIVATE LIMITED	25000	10225749	0	0.00	25000	0.80
16	AAFCM8822N	MILI COMMODITIES PRIVATE LIMITED	20000	4340000	0	0.00	20000	0.64
17	AAECP8118P	PARADISE TRADECOM PRIVATE LIMITED	100000	24749928	0	0.00	100000	3.21
18	AAC CJ0675M	JASMINE DEALCOM PRIVATE LIMITED	50000	10749629	0	0.00	50000	1.61
Total of entities receiving funds from proceeds of IPO, routed through PGEL & others(A)			1406201	337891864	31688	11828617	1374513	44.14
19	AAMCS3593H	SHANTI GOODS PRIVATE LIMITED	50000	10750000	0	0.00	50000	1.61
20	AADCT0256B	TRIPTI VINCOM PRIVATE LIMITED	73000	17385147	0	0.00	73000	2.34
21	AAACF5005H	FUTURE ZONE ENTERTAINMENT P LTD	79000	16985000	0	0.00	79000	2.54
22	AADCD0303R	DIPALI VINTRADE PVT LTD	100000	20995162	0	0.00	100000	3.21
23	AABCC0486C	CONTINENTAL FISCAL MANAGEMENT LTD.	89000	19313000	0	0.00	89000	2.86
24	AADCG6813H	GRACEFUL TIEUP PRIVATE LIMITED	50000	14000000	0	0.00	50000	1.61
B (Entities connected to A)			441000	99428309	0	0	441000	14.17
Overall (A+B)			1847201	437320173	31688	11828617	1815513	58.30

10.4. It is noted that the entities at Sr. No. 1 till 18 of the above table had received funds which were diverted/ routed from the proceeds of the IPO by PGEL and other entities, as has been detailed earlier in this order.

10.5. The entities at Sr. No. 1 till 18 had collectively purchased shares and taken deliveries of a total of 13,74,513 shares i.e. approx. 44.14% of the total net volume.

10.6. As regards entity at Sr. No. 19 till 24 the details are as under:

- i. Entities at Sr. No. 19 (Shanti Goods Pvt. Ltd.) and Sr. No. 20 (Tripti Vincom Pvt. Ltd.) are having the same address as that of Paradise Tradecom Pvt. Ltd. and Jasmine Dealcom Pvt. Ltd. viz. '7 - G C Avenue, 3rd Floor, Kolkata -700013'. Further, the directors of all the 4 companies are Awanish Singh and Gopal Sonker. Since, all the 4 companies are at the same location and under the same management and are having similar trading pattern, it is noted that all the 4 entities have traded in concert with each other.
- ii. Entity at Sr. No. 21 viz. Future Zone Entertainment Pvt. Ltd. (Future Zone) is having the same address as that of ETL Infrastructure Finance Ltd. Further, Deepak Patwari is the common director in both the companies. Since, both the companies are at same location and have common director and have similar trading pattern, it *prima facie* appears that Future has purchased shares of PGEL on Sept 26, 2011 in concert with ETL Infrastructure Finance Ltd.
- iii. It is noted that entity at Sr. No. 23 viz. Continental Fiscal Management Ltd. (Continental) had received ₹ 1 crore from Tripti Vincom Pvt. Ltd. on Sept 26, 2011 and Continental had transferred/ paid the same amount (₹ 1 crore) to its broker Dimensional Securities Pvt. Ltd. on the same day (Sept 26, 2011). Entities at Sr. No. 22 (Dipali Vintrade Pvt. Ltd) and Continental have the same address viz. '27 Brabourne Road, 4th Floor, Room No - 401, Kolkata – 700001'. Considering their common trading

patterns and the flow of funds, it *prima facie* appears that these 3 entities have acted in concert with each other for their trades in PGEL.

- iv. Entity at Sr. No. 24 (Graceful Tieup Private Limited) had received ₹ 20 lakhs from Jasmine Dealcom Pvt. Ltd. on November 15, 2011 which was paid/ transferred by Graceful Tieup Pvt. Ltd. on the same day to its broker Indianivesh Securities Pvt. Ltd. Considering their common trading patterns and the flow of funds, it *prima facie* appears that the said 2 entities have acted in concert with each other for their trading in PGEL.

11. Location of Terminals for the trading by above entities and Timing of Trades

11.1. The location of the terminals for the above clients, who received funds (routed/ diverted by PGEL from the proceeds of the IPO) and their connected entities, have been analyzed and the observations for trades in the scrip of PGEL at NSE on the day of listing are as under:

NSE

Table No.12:

BUY_MEMBER_NAME	BUY_DEALER_NAME	BUY_DEALER_ADDRESS	BUYER_NAME	BORD_TIME	BORD_ORIG_VOL	BORD_LIMIT_PR	BUY Qty
INDIANIVESH SECURITIES PVT. LTD.	ABHISHEK BHUPENDRA RATHI	MEHRA INDUSTRIAL ESTATE LBS MARG VIKHROLI 400079	FUTURE ZONE ENTERTAINMENT P. LTD	12:15:37	50000	215	50000
			WONDER VINCOM PRIVATE LIMITED	12:19:25	70000	218	70000
			JASMINE DEALCOM PRIVATE LIMITED	12:13:05	50000	215	50000
			JAIMINI TRADING PVT LTD	11:54:58	70000	220	70000
			DIPALI VINTRADE PVT LTD	10:12:52	50000	210	50000
			TRIPTI VINCOM PVT LTD	12:04:35	23000	217	23000
			CELLWORTH MERCANTILE PVT LTD	11:54:50	70000	220	70000
			PARADISE TRADECOM PRIVATE LIMITED	12:12:35	50000	215	50000
			SHANTI GOODS PRIVATE LIMITED	12:13:23	50000	215	50000
			SATSHRI MULTITRADE PRIVATE LIMITED	11:55:36	10000	220	10000
				12:19:10	60000	218	60000

INDIRA SECURITIES PRIVATE LIMITED	DINESH BANDI	SINGH HOUSE,3RD FLOOR 23/25,AMBALAL DOSHI MARG FORT 400023	MJ COMMODITIES PRIVATE LIMITED	12:38:20	25000	280	25000
				12:38:32	20000	280	20000
				12:40:24	25000	280	25000
			PADAMPRA BHU PROJECT PRIVATE LIMITED	12:22:39	25000	218	25000
				12:37:30	25000	280	25000
				12:37:44	20000	280	20000
GATEWAY FINANCIAL SERVICES LIMITED	MR. CHINMAYA KUMAR SHARMA	209-210,JASMINE TOWER,2ND FLOOR 31,SHAKESPEARE SARANI 700017	JAGDAMBA COMPLEX PRIVATE LIMITED	15:06:50	12500	410	12500
			NIHAL MERCANTILE PRIVATE LIMITED	12:23:16	70000	218	11711
				12:28:28	13289	216	13289
				12:40:48	25000	280	25000
			PASUPATI ENCLAVE PRIVATE LIMITED	12:22:17	70000	218	70000
IIT INVESTRUST LIMITED	MR. ARUN GOVIND KADAM	RAJABAHADUR MANSION,2ND FLOOR 28,BOMBAY SAMACHAR MARG FORT 400023	FRANK MERCANTILE PRIVATE LIMITED	11:56:05	20000	217	20000
				11:56:53	20000	217	20000
			LONA MERCANTILE PRIVATE LIMITED	11:56:27	20000	217	20000
			MILI COMMODITIES PRIVATE LIMITED	11:56:37	20000	217	20000
SPARKLE SECURITIES SOLUTIONS PRIVATE LIMITED	VIKESH S PODDAR	E- 501, REMI BIZ COURT, OFF VEERA DESAI ROAD ANDHERI WEST 400053	ADCON CAPITAL SERVICES LIMITED	12:39:39	70000	280	70000
SWASTIKA INVESTMART LIMITED	SACHIN SIDDHARTH SHINDE	48,JAORA COMPOUND, M.Y.H.ROAD, INDORE, 452001	SEASON MULTITRADE PRIVATE LIMITED	11:57:58	35000	217	35000
	MS. ABHITA ARUN SHIRKE	BANDUKWALA BUILDING,1ST FLOOR BRITISH HOTEL LANE FORT 400023	VIRGO MERCHANTILE PRIVATE LIMITED	11:59:47	35000	217	35000
DIMENSIONAL SECURITIES PVT. LTD	MUKESH KUMAR SUKHANI	12 INDIA EXCHNAGE PLACE, 4TH FLOOR, KOLKATA 700001	CONTINENTAL FISCAL MANAGEMENT LTD.	12:02:41	58000	217	58000
DESTINY SECURITIES LTD.	SHRAVAN PATWARI	34,METCALFE,2ND FLOOR, ROOM NO.5 & 6, KOLKATA 700013	ETL INFRASTRUCTURE FINANCE LTD	10:11:27	50000	210	50000
KOTAK SECURITIES LTD.	MR. SHANTU SARAOGI	APEEJAY HOUSE, 5TH FLOOR 15, PARKSTREET. KOLKATA 700016	FUTURE ZONE ENTERTAINMENT P LTD	12:18:40	29000	215	29000
Total							1182500

11.2. From the above table, the major observations are as under:

- a) The entities Future Zone, Wonder Vincom Pvt. Ltd., Jasmine Dealcom Pvt. Ltd., Jaimini Trading Pvt. Ltd., Dipali Vintrade Pvt. Ltd., Tripti Vincom Private Limited, Cellworth, Paradise Tradecom Pvt. Ltd., Shanti Goods Pvt. Ltd. and Satshri Multitrade Pvt. Ltd. had placed their orders with Indianivesh Securities Pvt. Ltd. and all their orders were placed through the same dealer, registered in the name of Abhishek Bhupendra Rathi. Further, all these orders (except for Dipali Vintrade Pvt. Ltd.) were placed during the period 11:54:00 till 12:20:00.
- b) It is further noted that MJC and Padamprabhu Projects Pvt. Ltd., having same address and common directors, had placed their orders through the same dealer of Indira Securities Pvt. Ltd. during the time 12:22:00 – 12:41:00. Further, Adcon Capital Services Pvt. Ltd., having the same address with M. J. Commodities Pvt. Ltd. and Padamprabhu Projects Pvt. Ltd. had placed its order with its broker Sparkle Securities Solutions Private Limited at 12:39:39.
- c) It is noted that Frank, Lona and Mili, while dealing through IIT Investrust Limited, had placed their orders through the same dealer and all these orders were placed during the same time i.e. 11:56:00 – 11:57:00. Further, their order quantity and order rate were also identical.
- d) It is further noted that Season and Virgo, though placing their orders through different dealers, had placed their orders during the same time period 11:57:00 – 12:00:00 and at same order rate and quantity.

11.3. The location of the terminals for the clients, who received funds (routed/ diverted by PGEL from the proceeds of the IPO) and their connected entities, have been analyzed and the observations for trades in the scrip of PGEL at BSE on the day of listing are as under:

Table No.13:

MEMBER_NAME	USER_NAME	USER_ADDRESS	CLIENTNAME	ORDER_TIME	Total
DESTINY SECURITIES LTD.	SHYAM SUNDER DHANUKA	34A, METCALFE STREET, 2ND FLOOR KOLKAT WEST BENGAL 700013	ETL INFRASTRUCTURE FINANCE LIMITED	10:11:38	10000
				10:11:44	10000
				10:11:47	10000
				10:11:53	10000
				10:11:57	10000
DIMENSIONAL SECURITIES PVT.LTD.	RANJIT DEVIPRASAD CHOWDHARY	33 MARSHALL HOUSE KOLKATA WEST BENGAL 700001	CONTINENTAL FISCAL MANAGEMENT LTD	12:02:13	4172
				12:03:49	6395
				12:04:26	10250
				12:04:32	224
				12:05:03	5587
GATEWAY FINANCIAL SERVICES LTD.	DURBA . GHOSH	31 SHAKESPEARE SARANI KOLKATA WEST BENGAL 700017	JAGDAMBA COMPLEX PRIVATE LIMITED	12:05:14	4372
				15:19:33	12500
IIT INVESTRUST LTD.	VIKASH HAREKRISHNA KUMAR	RAJABAHADUR MANSION,2ND FLOOR,28,BOMBAY SAMACHAR MARG. MUMBAI MAHARASHTRA 400001	FRANK MERCANTILE PRIVATE LIMITED	12:02:16	1634
				12:02:58	4748
				12:03:50	1371
				12:04:20	1350
				12:04:28	1973
				12:04:31	1423
				12:04:32	1318
				12:04:33	2479
				12:05:03	6258
				12:05:15	2446
			LONA MERCANTILE PRIVATE LIMITED	12:02:26	1511
				12:04:20	1775
				12:04:31	1244
				12:04:32	8219
				12:05:04	2251
INDIANIVESH SECURITIES PVT.LTD.	ASHISH ARUN JOSHI	ROOM NO.14,1ST FLOOR,GOVARDHAN CHSL,THEMBA ROAD,BHAYANDAR MUMBAI MAHARASHTRA 401101	CELLWORTH MERCANTILE PVT LTD	11:55:16	5164
				11:59:45	5367
				12:00:00	4516
				12:00:01	4987
				12:00:02	4980
				12:00:04	8207
				12:00:05	1857
				12:00:15	5247
				12:00:30	4829
				12:00:48	4846
				13:26:58	14888

					13:27:09	112	
					13:29:06	3393	
				JAIMINI TRADING PVT LTD		11:55:25	5058
						11:59:52	4960
						12:00:00	6636
						12:00:01	4039
						12:00:02	4350
						12:00:04	5021
						12:00:06	5290
						12:00:28	4646
						12:00:38	5015
						12:00:51	4985
				WONDER VINCOM PRIVATE LIMITED		13:48:01	2650
						13:48:02	1374
						13:48:02	1557
						13:48:02	977
						13:48:02	1248
						13:48:02	1312
						13:48:02	1559
						13:48:02	1128
				DEEPAK MADHUSUDHAN PATWARI	1/1, Ramakrishna Samadhi Road,5th Floor, Near Kakurgachi Circle, Kolkata KOLKATTA WEST BENGAL 700054	GRACEFUL TIEUP PRIVATE LIMITED	
		13:09:53	5136				
		13:10:00	6178				
		13:10:01	4051				
		13:10:03	6383				
		13:10:05	5703				
		13:10:09	17459				
	PARADISE TRADECOM PRIVATE LIM		13:09:39			5058	
			13:09:52			5092	
			13:09:55			4977	
			13:10:00			5334	
			13:10:01			4539	
			13:10:04			25000	
	TRIPTI VINCOM PRIVATE LIMITED		13:05:18			50000	
	DIPALI VINTRADE PVT LTD		10:12:42			50000	
	INDIRA SHARE & STOCK BROKERS PVT.LTD.	DINESH M BANDI	23/25,AMBALAL DOSHI MARG,3RD FLOOR,FORT, MUMBAI MAHARASHTRA 400023	M J COMMODITIES PRIVATE LIMITED		13:09:50	8271
					13:09:54	5792	
					13:10:00	8845	
					13:10:01	5232	

				13:10:03	7304
				13:10:07	7958
				13:10:11	20346
				13:10:16	6252
			PADAMPRABHU PROJECT PRIVATE LIMITED	13:09:46	7153
				13:09:53	6886
				13:09:59	6981
				13:10:01	7155
				13:10:02	7573
				13:10:04	29916
				13:10:08	4336
				SWASTIKA INVESTSMART LTD.	ARVIND K GARG
12:04:21	1050				
12:04:31	939				
12:04:33	2621				
12:05:04	2795				
12:05:15	573				
12:05:22	995				
SEASON MULTITRADE PRIVATE LIMITED	12:00:39	5055			
	12:03:49	4977			
	12:04:26	5043			
	12:04:32	4963			
	12:05:03	7016			
	12:05:13	3017			
				12:05:19	5112
				12:05:30	8060
				12:05:33	1976
				12:05:37	4781
Grand Total					664701

11.4. From the above table, the major observations are as under:

- i. Frank and Lona had placed their orders through the same dealer and at the same time period i.e. 12:02:00 - 12:06:00.
- ii. Cellworth, Jaimini and Wonder had placed their orders through the same dealer.

- iii. Graceful, Paradise, Tripti and Dipali had placed their orders through the same dealer. Dipali had placed its order at 10:12:42 whereas the other 3 clients had placed their orders during the period 13:05:00- 13:11:00.
- iv. M J Commodities and Padamprabhu had placed their orders through the same dealer and at the same time period i.e. 13:09:00 - 13:11:00.
- v. Virgo and Season had placed their orders through the same dealer and during the same time period i.e. 12:00:00 - 12:06:00.

12. Sale of shares by QIBs and NIIIs

12.1. It is noted that 1 QIB and 21 NIIIs had sold a total of 8,08,326 shares on the date of listing, out of the total of 8,15,047 shares allotted to these 22 entities.

12.2. The QIB 'The Royal Bank of Scotland N.V., (London) Branch' had sold its entire allotted quantity of 4,41,630 shares on Sept 26, 2011. The counter-party concentration was analyzed and it was observed that Dave Chetan L. (dealing through broker Grishma Securities Pvt. Ltd.) and Overall Financial Consultants Pvt. Ltd. (dealing through the broker Baba Bhoothnath Trade And Commerce Private Limited) were the top 2 counter-parties as can be seen from below:

Table No.14:

Sr. No.	Name of buyer	Buy Qty
1	Dave Chetan L.	147164
2	Overall Financial Consultants Pvt. Ltd	99870
3	Others	194596
Total		441630

It is noted that Dave Chetan L. was an intra-day trader and at the end of the day, Dave Chetan L did not have any net buy on Sept 26, 2011. Most of the deliveries were finally taken by the entities funded by PGEL from the proceeds of the issue.

12.3. The top 5 NIIIs in terms of sale of the day of listing are as under:

Table No.15:

Sr. No.	PAN	Name of entity	No. of Shares allotted in the IPO	No. of shares sold on the date of listing
1	AAACA9493L	ASIAN MARKETS SECURITIES PVT LTD	66333	66333
2	AJCPS9114N	DINESH JAGMOHANDAS SHAH	66333	66333
3	AACCS1443G	SUN FINLEASE (GUJRAT) LTD	53089	53089
4	AAACZ1117A	ZAVERI FINSTOCK PVT LTD	26537	26537
5	AACCC7137M	CLEVER CONSULTANTS PRIVATE LIMITED	26537	26537

12.4. Asian Markets Securities Pvt. Ltd. had sold 66,333 shares, out of which the top counter-parties were Dipali Vintrade Pvt. Ltd. and ETL Infrastructure Finance Ltd as detailed below:

Table No.16:

Sr. No.	Name of buyer	Buy Qty
1	Dipali Vintrade Pvt. Ltd.	39,363
2	ETL Infrastructure Finance Ltd	13,813
3	Others	13,157
Total		66,333

It has already been noted that ETL Infrastructure Finance Ltd. had received funds from the proceeds of the IPO, diverted/ routed by PGEL through other entities. Further, it has already been seen that Dipali Vintrade Pvt. Ltd. has acted in concert with the entities, receiving funds diverted/ routed from the proceeds of the IPO.

12.5. Dinesh Jagmohandas Shah had sold 66,333 shares, out of which the top counterparties were Siddhesh Suresh Kamat and ETL Infrastructure Finance Ltd. as detailed below:

Table No.17:

Sr. No.	Name of buyer	Buy Qty
1	Siddhesh Suresh Kamat	33,283
2	ETL Infrastructure Finance Ltd	29,441
3	Others	3,609
Total		66,333

As regards Siddhesh Suresh Kamat, he was an intra-day trader and had squared off his entire trades by the end of the day and most of the deliveries were taken by the buyers funded by PGEL from the proceeds of the IPO. It has already been noted that ETL Infrastructure Finance Ltd. had received funds from the proceeds of the IPO, diverted/ routed by PGEL and other entities

12.6. Sun Finlease (Gujrat) Ltd. had sold 53,089 shares, out of which Dave Chetan L. had purchased 17,579 shares and the other entities were scattered. As already mentioned, Dave Chetan L was an intra-day trader and did not have any net buy on Sept 26, 2011. Most of the deliveries were finally taken by the entities funded by PGEL from the proceeds of the IPO.

12.7. Zaveri Finstock Pvt. Ltd. had sold 26,537 shares, out of which Champaklal Narshibhai Pujara had purchased 25,534 shares. It is noted that Champaklal Narshibhai Pujara was an intra-day trader and did not have any net buy on Sept 26, 2011. Most of the deliveries were finally taken by the entities funded by PGEL from the proceeds of the IPO.

12.8. Clever Consultants Private Ltd. had sold 26,537 shares, out of which Vivek Stock Brokers Pvt. Ltd. had purchased 6013 shares and Dave Chetan L. had purchased 4373 shares. It is noted that both Vivek Stock Brokers Pvt. Ltd. and Dave Chetan L. were intra-day traders and did not have any net buy on Sept 26, 2011. Most of the deliveries were finally taken by the entities funded by PGEL from the proceeds of the IPO.

13. Role of Alfa Fiscal Services Pvt. Ltd. (Alfa) in price movement

13.1. The analysis of variation in last traded price was carried out and it was noted that Alfa had placed most of their orders at prices higher than the LTP. The details have been produced below:

Alfa Fiscal Services Pvt. Ltd.

13.2. It is noted that Alfa had purchased 6,80,051 shares (6,44,827 shares at NSE and 35,244 shares at BSE) and sold 6,30,051 shares (5,94,827 shares at NSE

and 35,244 shares at BSE) on Sept 26, 2011 (date of listing). On analyzing the bid orders and ask orders, it has been noted that Alfa had been putting its buy orders at prices higher than the pending ask rates (for the order quantity required by Alfa). The list of all such instances at NSE have been brought out as under:

Table No.18:

Order Number	Order Time	LTP	Buy Order Rate	Buy Order Qty.	Best 5 pending ASK Order rates	Sum of Qty of best 5 ASK orders	Best 5 pending BID order rates	Sum of Qty of best 5 BID orders	Price increased from	Price increased to	Trade d Qty
2011092650949960	10:55:20	182.9	184.00	9624	182.9 - 183	20868	182.75 -182.85	1173	182.9	183	9624
2011092651169567	11:29:05	204.15	210.00	10000	204.15-204.5	1108	204-204.1	4482	204.15	205	10000
2011092651176378	11:29:55	204.2	210.00	1968	204.4-204.5	56	204-204.2	2239	204.4	204.75	1968
2011092651182158	11:30:45	206.8	210.00	5000	206.8-206.85	717	206.5-206.7	1056	206.8	207	5000
2011092651183264	11:30:54	207.7	210.00	4	207.9-208	783	207.5-207.7	755	207.9	207.9	4
2011092651190415	11:31:45	209.7	210.00	80	209.9-209.95	26663	209-209.7	89887	209.9	209.9	80
2011092651191040	11:31:50	209	215.00	600	209.1-209.2	1949	208.15-209	64777	209.1	209.2	600
2011092651191599	11:31:53	213	215.00	2000	213	900	212.1-212.5	336	213	213.5	2000
2011092651200739	11:32:54	211.1	215.00	5000	211.3-211.8	1360	211-211.1	250	211.3	212.5	5000
2011092651201818	11:33:02	212.55	220.00	5000	212.9-213.4	308	212.45-212.55	368	212.9	213.9	5000
2011092651202301	11:33:06	212.35	220.00	5000	212.5-212.9	1584	212.25-212.3	676	212.5	213.7	5000
2011092651261206	11:42:07	211.9	213.00	5000	211.9-212	1383	211.5-211.75	2035	211.9	212.8	5000
2011092651262039	11:42:14	213.2	215.00	5000	213.25-213.4	534	213.15-213.2	247	213.25	213.8	5000
2011092651262513	11:42:18	214.5	215.00	5000	214.55-214.6	2633	214.3-214.5	308	214.55	214.9	5000
2011092651263662	11:42:25	218.5	225.00	10000	218.7-219	1617	218.5	1329	218.7	221.15	10000
2011092651265269	11:42:34	221	222.00	5000	221.05-221.15	233	220.4-221	4286	221.05	221.55	5000
2011092651265945	11:42:38	221.4	225.00	10000	222	1764	221.25-221.4	1299	222	223.55	10000
2011092651352643	11:54:34	223.2	225.00	5000	223.5-224	97261	223.15-223.2	1037	223.5	224	5000
2011092651353276	11:54:40	223.3	225.00	5000	223.6-223.65	236	223.2-223.3	1098	223.6	224	5000
2011092651439694	12:10:24	214.05	215.00	500	214.5-214.65	752	214-214.05	116	214.5	214.5	500
2011092651440365	12:10:33	213.35	214.00	80	213.35-213.5	784	213-213.1	161	213.35	213.45	80
2011092651680552	12:52:55	255.75	260.00	5000	255.05-255.8	85	255	17585	255.05	256.65	5000
2011092651680980	12:52:58	258.7	260.00	5000	258.7-258.85	4556	258.05	1070	258.7	259	5000
2011092651683781	12:53:14	257.8	270.00	10000	257.8-258.25	14	257.65-257.7	270	257.8	259.8	10000
2011092651686018	12:53:27	258	265.00	5000	258-258.75	2514	257.3-257.6	271	258	259	5000
2011092651740096	12:59:29	230.25	235.00	5000	230.6-230.8	224	229-230.25	1282	230.6	233.2	5000
2011092651746307	13:00:13	233.4	235.00	5000	233.4-234	988	233.15-233.3	200	233.4	234.75	5000
2011092651760114	13:02:06	238.5	240.00	25	238.5-238.7	5087	237.9	300	238.5	238.5	25
2011092651760626	13:02:09	237	240.00	700	237.2-237.7	291	236.5-237	728	237.2	237.9	700
2011092651761270	13:02:14	237.9	240.00	7000	237.9-238	349	237.1-237.2	1529	237.9	238.85	7000
2011092651865507	13:12:14	280.35	290.00	5000	280.4-280.9	970	280.15-280.35	341	280.4	281.5	5000
2011092651865888	13:12:16	283	300.00	5000	283	433	281.6-282.8	570	283	284.3	5000
2011092651866531	13:12:21	284.6	300.00	5000	284.75-284.8	706	284-284.6	357	284.75	285.8	5000

2011092651875405	13:13:16	291.4	300.00	300	291.9-291.95	824	291.25-291.4	1900	291.9	291.9	300
2011092651888018	13:15:03	288.5	300.00	5000	288.6-289	149	288.1-288.5	610	288.6	289.75	5000
2011092651888810	13:15:09	294	300.00	5000	294	710	293.9	772	294	294.8	5000
2011092651892634	13:15:32	293.75	300.00	5000	293.75-293.95	152	293	793	293.75	294.65	5000
2011092651893355	13:15:36	295.65	300.00	3000	295.65	362	295.25-295.55	626	295.65	296	3000
2011092651894743	13:15:44	295.9	300.00	2000	295.9-296	981	295.3-295.4	587	295.9	296.5	2000
2011092651895251	13:15:48	296	300.00	2000	295.95-296.3	266	295.1-295.65	191	295.95	296.5	2000
2011092651896163	13:15:52	298	300.00	3000	298-298.25	3594	297.3	145	298	298	3000
2011092651896833	13:15:56	297.95	300.00	2000	298.25-298.4	121	297.05-297.95	634	298.25	298.6	2000
2011092651897955	13:16:02	296.3	300.00	8000	296.5-297.05	715	296.05-296.3	607	296.5	298.5	8000
2011092651909468	13:17:33	301.5	310.00	5000	301.7-301.9	1470	301.3-301.5	561	301.7	302	5000
2011092651912137	13:17:50	302.05	310.00	5000	302.2-303	323	302-302.05	74	302.2	303.75	5000
2011092651912915	13:17:55	302.4	304.00	5000	302.4-302.95	294	302-302.3	444	302.4	303.9	5000
2011092651913242	13:17:57	303	310.00	5000	304-304.45	2592	303	146	304	304.8	5000
2011092651973676	13:26:58	304	310.00	5000	304-304.2	622	303.05-303.35	2887	304	304.95	5000
2011092651974284	13:27:02	304.65	310.00	5000	304.95-305.45	453	304.35-304.65	192	304.95	306	5000
2011092651976030	13:27:12	305.5	310.00	5000	305.5	970	305-305.1	63	305.5	306	5000
2011092652235327	14:03:27	248.35	250.00	500	248.7-248.9	459	248.2-248.35	31	248.7	248.95	500
2011092652235569	14:03:29	248.75	250.00	500	248.95-249	75	248-248.75	741	248.95	249	500
2011092652248903	14:05:19	241.55	250.00	1000	242	1759	241.05-241.55	370	242	242	1000
2011092652263775	14:07:09	225.3	230.00	25000	225.5-225.8	347	225.05-225.3	219	225.5	229.55	25000
2011092652319162	14:14:22	236.9	240.00	9	236.9-237.75	185	236.05-236.3	673	236.9	236.95	9
2011092652319523	14:14:24	235	240.00	50	235	1170	234-234.1	403	235	235	50
2011092652319856	14:14:27	234	240.00	300	234	1678	233.3-233.6	141	234	234	300
2011092652320327	14:14:31	233.45	240.00	4000	233.9-234	2051	233.15-233.45	427	233.9	234.9	4000
2011092652324067	14:14:56	244	246.10	1	244.4-244.85	183	243-243.1	892	244.4	244.4	1
2011092652324572	14:14:59	244	244.85	20	244.5-245.05	1942	243.8-243.9	724	244.5	244.5	20
2011092652325149	14:15:03	243.6	244.85	400	243.6	147	243.1-243.2	435	243.6	244.2	400
2011092652325823	14:15:08	245.05	260.00	8000	245.05	118	244-245	1627	245.05	246.85	8000
2011092652350654	14:17:13	292.95	300.00	5000	293-293.5	319	292.2-292.95	2260	293	295.3	5000
2011092652351141	14:17:16	294.05	300.00	5000	294.65-294.7	96	294-294.05	4555	294.65	297.55	5000
2011092652351831	14:17:20	297.05	305.00	10000	297.75	389	297.05	486	297.75	299.95	10000
2011092652352594	14:17:25	302	310.00	10000	302.15-302.45	139	300.65-302	1047	302.15	305.7	10000
2011092652520344	14:35:28	342.55	350.00	5000	342.85-343.6	278	342.5-342.55	725	342.85	345.4	5000
2011092652522056	14:35:38	340.8	350.00	10000	341-341.95	129	340.5-340.8	65	341	344.7	10000
2011092652839185	15:09:54	403	410.00	10000	403-403.65	213	402.15-402.35	617	403	404.8	10000
2011092652840363	15:10:00	402.9	410.00	10000	402.9-403	1045	402.5-402.6	216	402.9	407	10000
2011092652842544	15:10:11	408	420.00	10000	408	548	407-407.15	365	408	410	10000
Total											337661

13.3. A few illustrations are as under:

- i. Alfa had placed its buy order '2011092652325823' at 14:15:08 for 8,000 shares at ₹ 260. The buy order by Alfa was placed at much higher price than the LTP of ₹ 245.05. It is further noted that the best 5 sell orders, which appeared in the screen during that instance, were in

the range of ₹ 244-245. Therefore Alfa had placed its buy order at a price much higher than the LTP and the available sell orders.

- ii. Alfa had placed its buy order '2011092652352594' at 14:17:25 for 10,000 shares at ₹ 310. The buy order by Alfa was placed at much higher than the LTP of ₹ 302. It is further noted that the best 5 sell orders, which appeared in the screen during that instance, were in the range of ₹ 302.15-302.45. Therefore Alfa had placed its buy order at a price much higher than the LTP and the available sell orders.
- iii. There were several buy orders placed at ₹ 300. It is noted that the orders of Alfa were executed at prices in the range of ₹ 283 - 284.3 (for order no. 2011092651865888), ₹ 284.75 - 285.8 (for order no. 2011092651866531), ₹ 288.6 - 289.75 (order no. 2011092651888018) etc. However, Alfa kept on placing its buy orders at ₹ 300.

13.4. A total of 3,37,661 shares (out of total buy of 6,44,827 shares by Alfa at NSE) by Alfa were traded with such buy orders when the buy order was placed at higher prices than the available sell orders in the system. The placement of such orders on continuous basis indicates that the intention of Alfa was to increase the price of the scrip of PGEL.

14. Prima Facie Findings

14.1. PGEL is a company purported to be engaged in the business of manufacturing of consumer electronic components and finished products. The investigation in the IPO of PGEL and its dealings before and after the IPO, *prima facie* reveals that a predominant portion of the proceeds of the IPO was diverted by PGEL for operations in the equity market as well as for questionable land deals and raw material purchases leading to the suspicion that the issue was for siphoning off and/or diversion of funds.

14.2. PGEL had taken ICDs prior to the IPO and diverted approx. ₹ 12.95 crores to Wonder Vincom. Wonder Vincom had funded ₹ 94 lakhs to the IPO allottee

namely Chin Info and had also made payments of ₹ 3.99 crores to 2 entities who were buyers of the shares of PGEL on the day of listing.

14.3. PGEL had also routed ₹ 9.475 crores of the IPO proceeds to ETL Infrastructure Finance Ltd. through refund of ICDs (created before IPO) to Jainex Securities Pvt. Ltd. and other entities, out of which, ETL Infrastructure Finance Ltd. (ETL) had made payments of ₹ 1.5 crores to its broker Destiny Securities Ltd (Post-IPO proceeds) and had also made payments of a total of ₹ 1.2 crores to Paradise and Jasmine. It is noted that Paradise and Jasmine had purchased 1 lakh shares and 50,000 shares of PGEL respectively on the date of listing.

14.4. PGEL had diverted/ routed ₹ 8 crores to Saptrishi through Prraneta in the form of refund of ICDs which was diverted/ routed further to several buyers of shares of PGEL on the day of listing.

14.5. PGEL had diverted/ routed additional ₹ 20 crores from the proceeds of the IPO in the form of ICDs to Saptrishi, Wattkins and Raw Gold and advance for purchase of land to Saptrishi, with the aiding and abetting of a group of entities, as detailed above in the order. As regards purchase of land from Saptrishi, PGEL had entered into a MoU with Saptrishi for a total consideration of ₹ 18 crores (which was valued ₹ 63 lakhs in less than 3 months prior to the date of MoU), out of which ₹ 12.5 crores was already paid by PGEL to Saptrishi even before the use of land being converted to industrial use. The entities had used the funds for purchasing of shares of PGEL on the day of listing. Saptrishi and Raw Gold, the receivers of the diverted funds from the proceeds of the IPO, had also made funding to an allottee of the IPO of PGEL viz. M. J. Commodities Pvt. Ltd. prior to the IPO for a total of ₹ 86 lakhs.

14.6. It *prima facie* appears that PGEL had siphoned off approx. ₹ 7.25 crores through Nimbus and Supreme in the form of advance for purchase of 'plastic granules' from them, out of which ₹ 40 lakhs have been diverted/ routed to Sunlight which had applied in the IPO of PGEL, ₹ 2 crores to Wonder Vincom, ₹

1 crores to Jainex, ₹ 1.5 crores to Cosmos Dealcom Pvt. Ltd. and more than ₹ 1.5 crores to Fantasy Dealcom Pvt. Ltd.

14.7. It *prima facie* appears that PGEL had siphoned off funds, in part or in full, out of more than ₹ 12 crores provided to Safeco Projects Pvt. Ltd. Further, it appears that ₹ 2 crores have been siphoned off as advance to Realnet in the form of agreement for arranging for acquisition of land.

14.8. The artificial buyers of PGEL distorted the market equilibrium of trading. In a fair market, the price of a scrip is decided on the demand and supply. The buyers after receiving funds from the proceeds of the IPO which were diverted/ routed by PGEL, and their connected entities had acquired a net of 18,15,513 shares (value of approx. ₹ 42.5 crores) i.e. 58.3% of the total delivered quantity for 31,14,248 shares on Sept 26, 2011 and 31.6% of the issue size. On the day of listing, the price increased and it closed at ₹ 415.3. The momentum in the scrip provided by these buyers may have led to increase in the price on the next day (Sept 27, 2011) to ₹ 483.2. However, the price decreased sharply for the next 6 trading days and it closed at ₹ 212.3 on October 05, 2011.

14.9. Thus, the artificial buyers of shares of PGEL were created by PGEL. The funds provided to these buyers were diverted from the proceeds of the IPO which have been collected from the investors. Further, the company and its directors have siphoned off money from the company to certain entities in the form of advance for purchase of land etc. The company and its directors have perpetrated fraud on the investors of PGEL.

14.10. From the above, it is clear that PGEL and the entities aiding and abetting PGEL in routing/diversion of funds as well as end receiver of funds trading in the scrip had acted in a fraudulent manner with the investors of PGEL. Their trades also acted as a fraud on the investors by creating a misleading appearance of trading in the securities market and by supporting the demand (buy) and therefore the price of the scrip.

- 14.11. Three of the allottees namely Chin Info Tech Pvt. Ltd., M J Commodities Pvt. Ltd. and Sunlight Financial Advisory Pvt. Ltd. were funded ₹ 86 lakhs, ₹ 94 lakhs and ₹ 40 lakhs respectively by the entities receiving the money diverted by PGEL. The said 3 allottees were allotted 1,55,505 shares (value approx. ₹ 3.27 crores) of PGEL.
- 14.12. The diversion/routing of funds through different entities e.g. Saptrishi, Prraneta, Raw Gold, Wattkins, Modi Alloys, Aggarwal Steel, Nimbus, Supreme, Jainex, Safeco etc. and through different forms viz. ICD, land agreements, purchase orders, agreements for receiving plastic granules etc. indicates that the company PGEL was involved in the entire movement of funds and has siphoned off funds and has also routed/ diverted the proceeds of the IPO (money invested by investors) to certain entities for purchasing shares on the day of listing and sustaining the price of the scrip.
- 14.13. PGEL has suppressed several material facts in the offer documents (RHP and Prospectus) pertaining to the company, utilization of proceeds of issue, agreements for purchase of land etc. and had also made several mis-statements relating to ICDs, placement of purchase orders, general corporate purpose, investments in land etc. as has already been detailed above. Further, proceeds of the IPO were siphoned off and funds were also diverted by PGEL in the equity markets, in contradiction to the statement in the offer documents that it would invest interim use proceeds of IPO in high quality instruments and would not use it for any investments in the equity markets.
- 14.14. From the above, I find that the Book Running Lead Manager viz. Almondz has not adhered to high standards of services, exercise of due diligence and proper care while acting as Book Running Lead Manager in the IPO of PGEL, thereby depriving the gullible investors of material information to enable them well informed decision.
- 14.15. The company and its directors, have created an artifice or means to create artificial market for the shares of the company and to attract unsuspecting

investors into subscribing to the shares of the company. They were also successful in their attempt as can be seen from the subscription level in the issue. Their act had culminated in a 'fraud' on the investors who had dealt in the shares of the company. The disclosures made by the company and its directors had influenced the investment decisions of those investors who had subscribed to the shares of the company during the relevant period. Their manipulative intent is so very manifest in their conduct when they made such disclosures, created investor interest, artificially created market for the shares of the company and later had issued shares in the securities market to their advantage and to the detriment of the genuine, unaware investor.

14.16. The company PGEL and its directors namely Mr. Pramod Gupta, Mr. Anurag Gupta, Mr. Vishal Gupta, Mr. Vikas Gupta, Mr. Pramod Kumar Mitra, Mr. Kaushal Chand Singhal, Mr. Prem Pal Malhotra and Mr. Suresh Chandra Gupta have therefore indulged in fraudulent activities and have *prima facie* violated the provisions of Section 12A (a), (b) and (c) of SEBI Act, 1992 read with Regulations 3 (a), (b), (c), (d), 4(1) ,4 (2) (a), (d), (e), (f) and (k) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.

14.17. The company PGEL and its directors namely Mr. Pramod Gupta, Mr. Anurag Gupta, Mr. Vishal Gupta, Mr. Vikas Gupta, Mr. Pramod Kumar Mitra, Mr. Kaushal Chand Singhal, Mr. Prem Pal Malhotra and Mr. Suresh Chandra Gupta have also *prima facie* violated the provisions of Regulations 57(1), 60(4) (a) and 60 (7) (a) of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009 and Clauses 2(VII) (G); 2(VIII) (B) (5) (b) and (6); and 2 (XVI) (B) (2) of Part A of Schedule VIII read with Regulation 57 (2) (a) of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009).

14.18. The merchant banker Almondz, Managing Director & CEO Mr. Vinay Mehta and Mr. Sanjay Dewan (authorized signatory to Almondz for the due-diligence certificate) have *prima facie* violated the provisions of Regulation 64(1) and 8(2) (b), (e) and (f) of SEBI (Issue of Capital & Disclosure

Requirements) Regulations, 2009 and Regulation 13 read with Clauses 1, 2, 3, 4, 6, 7 and 21 of the Code of Conduct for Merchant Bankers specified under Schedule III in the SEBI (Merchant Bankers) Regulations, 1992.

14.19. The entities as mentioned in the table below acted as layers/conduits in the movement of funds and diversion/ routing of proceeds of the IPO to -

a) the buyers indulging in fraudulent trades on the date of listing; and/or

b) to the entities bidding in the IPO of PGEL;

and have therefore *prima facie* violated the provisions of Section 12A (a), (b) and (c) of SEBI Act, 1992 read with Regulations 3 (a), (b), (c), (d), 4(1) and 4 (2) (a) and (e) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003:

Table No. 19:

Sr. No.	Entities	Comments
1	Prraneta Industries Ltd. and its directors Omprakash Khandelwal, Subramanya Kusnur, Jils Raichand Madan, Jyoti Munver, Kiran Dilip Thakore and Manish Bhupendra Thakkar.	A company acts through its board of directors. It is the duty and responsibility of the directors to abide by the law. Therefore, the directors of the companies are equally responsible for the acts of the companies.
2	Saptrishi Suppliers Pvt. Ltd. and its directors Ram Awtar Sharma and Manjit T. Jajoo.	
3	Raw Gold Securities Pvt. Ltd. and its directors Dipankar Sarkar, Aparna Banerjee and Sawankumar T Jajoo.	
4	Wattkins Commerce Pvt. Ltd. and its directors Subrata Banerjee, Sunderji Mulji Shah, Dinesh Sunderji Shah, Devchand Mulji Shah and Vivek Jain	
5	Modi Alloys India Pvt. Ltd. and its directors Rohit Modi and Rakesh Modi	
6	Jainex Securities Pvt. Ltd. and its directors Shyam Sundar Sekhsaria, Sunderji Mulji Shah, Dinesh Sunderji Shah and Devchand Mulji Shah	
7	Nimbus Industries Ltd. and its directors Bharat Bachubhai Merchant, Sandeep Bakul Sheth, Nimish Thakore and Rajeshbhai Bhagat	

14.20. It appears that the entities as mentioned in the table below have aided and abetted PGEL in the siphoning off funds from PGEL and have *prima facie* violated the provisions of Section 12A (a), (b) and (c) of SEBI Act, 1992 read with Regulations 3 (a), (b), (c), (d) and 4 (1) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003:

Table No. 20:

Sr. No.	Entities	Comments
1	Realnet Infraprojects Pvt. Ltd. and its directors Ronak Narendra Kotecha and Arun Kumar Balakrishnan Chammincheri	A company acts through its board of directors. It is the duty and responsibility of the directors to abide by the law. Therefore, the directors of the companies are equally responsible for the acts of the companies.
2	Nimbus Industries Ltd. and its directors Bharat Bachubhai Merchant, Sandeep Bakul Sheth, Nimish Thakore and Rajeshbhai Bhagat	
3	Supreme Communication Ltd. and its director Sandeep Bakul Sheth	
4	Safeco Projects Pvt. Ltd. and its directors Bablu Shaw and Sanjay Shaw	
5	Saptrishi Suppliers Pvt. Ltd. and its directors Ram Awtar Sharma and Manjit T. Jajoo.	

14.21. The entities M. J. Commodities Pvt. Ltd. (directors Sanjay Nathmal Minda and Sawankumar Tolaram Jajoo), Chin Info Tech Pvt. Ltd. (erstwhile directors Dilip Kumar Dhariwal, Manoj Jokhu Sahani and Vikas Jain) and Sunlight Financial Advisory Pvt. Ltd. (directors Vijay Kumar Agarwal and Amit Agarwal) had applied in the IPO and the funds to all of them were diverted/ routed by PGEL and have therefore *prima facie* violated the provisions of Section 12A (a), (b) and (c) of SEBI Act, 1992 and Regulations 3 (a), (b), (c), (d) and 4(1) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.

14.22. The entities in the below table have indulged in fraudulent trades using the funds routed/diverted from the proceeds of the IPO and have therefore *prima facie* violated the provisions of Section 12A (a), (b) and (c) of SEBI Act, 1992 read with Regulations 3 (a), (b), (c), (d), 4(1) and 4 (2) (a) and (e) of SEBI

(Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003:

Table No. 21:

Sr. No.	Entities	Comments
1	Padamprabhu Project Pvt. Ltd. and its directors Sanjay Nathmal Minda and Sawankumar T. Jajoo	<p>A company acts through its board of directors. It is the duty and responsibility of the directors to abide by the law.</p> <p>Therefore, the directors of the companies are equally responsible for the acts of the companies.</p>
2	Cellworth Mercantile Pvt. Ltd. and its directors Amar Nath Singh and Bablu Shaw and erstwhile directors Jai Prakash Agarwal and Manju Agarwal (resigned w.e.f. Nov 17, 2011)	
3	Jaimini Trading Pvt. Ltd. and its directors Amar Nath Singh and Bablu Shaw and erstwhile directors Jai Prakash Agarwal and Manju Agarwal (resigned w.e.f. Nov 17, 2011)	
4	M. J. Commodities Private Limited and its directors Sanjay Nathmal Minda and Sawankumar T Jajoo	
5	ETL Infrastructure Finance Ltd. and its directors Amit Agarwal, Deepak Patwari and Dilip Kumar Agarwal	
6	Season Multitrade Pvt. Ltd. and its directors Mukesh Kumar Jajoo and Avinash Jajoo	
7	Wonder Vincom Pvt. Limited and its directors Devendra Kumar Lakhotia, Pawan Maru, Dinesh Singh and Ramendra Kumar Singh	
8	Adcon Capital Services Limited and its directors Sanjay Nathmal Minda, Manjit T Jajoo and Sawankumar T Jajoo	
9	Pasupati Enclave Private Limited and its directors Sanjib Kumar Mondal and Vivek Jain	
10	Satshri Multitrade Private Limited and its erstwhile directors Jai Prakash Agarwal and Manju Agarwal (resigned w.e.f. Nov 17, 2011)	
11	Frank Mercantile Private Limited and its directors Kunal Gupta and Avinash Jajoo	
12	Nihal Mercantile Private Limited and its directors Dipankar Sarkar, Sanjib Kumar Mondal, Aruna Chudaman Umredkar and Chudman Anandrao Umredkar	
13	Virgo Mercantile Private Limited and its directors Tushar Sharma and Avinash Jajoo	
14	Lona Mercantile Private Limited and its directors Devendra Kumar Lakhotia, Manoj Pachlangia, Rakesh P Parik and Avinash Jajoo	
15	Jagdamba Complex Private Limited and its directors Sanjib Kumar Mondal and Vivek Jain	
16	Mili Commodities Private Limited and its directors Devendra Kumar Lakhotia, Rohit Chintamani Dubey, Dilip Zileadar Singh and Avinash Jajoo	
17	Paradise Tradecom Private Limited and its directors Gopal Sonker and Awanish Singh	
18	Jasmine Dealcom Private Limited and its directors Gopal Sonker and Awanish Singh	

- 14.23. Alfa fiscal Services Pvt. Ltd. (directors Bhavesh Natwarlal Sheth and Hardik R Bagadia) indulged in manipulation of price of the scrip and has therefore *prima facie* violated the provisions of Section 12A (a), (b) and (c) of SEBI Act, 1992 read with Regulations 3 (a), (b), (c), (d), 4(1) and 4 (2) (a) and (e) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.
- 14.24. The timing and manner in which the ICDs were taken just before opening of the IPO, placing of purchase orders and entering into agreements for purchase of land, refunding of the ICDs within 1 day of receipt of proceeds of IPO and placing of fresh ICDs from the proceeds of the IPO, all, with total disregard to the disclosures made to investors raises serious concerns about the company, its directors and their role towards investors and law of land.
- 14.25. The decision as to the quantum of funds to be raised and the price at which the shares are to be issued is left to the issuer company. The issuer company is considered to be the best judge to decide the same as such decisions pertain to its functioning. But once it is decided to raise funds from the public then the public interest comes into the picture and the matter is not left exclusively to the discretion of the issuer. The Issuer Company is required to maintain certain standards of disclosure relating to various matters having a bearing on the investment decision of the investors.
- 14.26. SEBI has adopted disclosure based regulatory regime. Under this framework, issuers and intermediaries disclose relevant details about themselves, the products, the market and the regulations so that the investor can take informed investment decisions based on such disclosures. SEBI has prescribed and monitors various initial and continuous disclosures. In the case of an IPO by a company, the information about the company is made available to the public/investors in the form of offer document. The public/investors make its decision based on the information provided to them in the form of disclosures in the offer document.

14.27. Full, fair and timely disclosures form the cornerstone of any disclosure requirement stipulated by SEBI. The guiding principle in a disclosure-based regulatory regime is the need for the issuers of securities to provide the potential investors with full, accurate and timely disclosure of all relevant information in respect of the issuer and the security being issued to enable the potential investors to make their own informed investment decisions. It is on this premise that securities regulation is based. The access to the securities market for issuers is conditional upon such disclosures. The disclosure-based regime imposes a heavier responsibility on the issuers of securities and their Merchant Banker in respect of the accuracy and completeness of the information disclosed by them.

14.28. By virtue of the failure to make the necessary disclosures on time in this case, the fact remains that the investors were deprived of the important information at the relevant point of time. In other words, by not complying with the regulatory obligation of making the disclosures, the Company and its Directors had not provided the vital information which is detrimental to the interest of investors in securities market.

14.29. Reference is drawn to the interpretation made by Supreme Court in the matter of Chander Kanta Bansal V. Rajinder Singh Anand MANU/SC/7310/2008 : (2008) 5 SCC 117 as under :

“The words “due diligence” have not been defined in the Code of Civil Procedure, 1908. According to Oxford Dictionary (Edn. 2006), the word “diligence” means careful and persistent application or effort. “Diligent” means careful and steady in application to one’s work and duties, showing care and effort. As per Black’s law Dictionary (18th Edn), “Due Diligence” means the diligence reasonably expected from , and ordinarily exercised by, a person who seeks to satisfy a legal requirement or to discharge an obligation. According to Words and Phrases by Drain-Dyspnea (Permanent Edn. 13-A) “due diligence”, in law, means doing everything reasonable, not everything possible. “Due

Diligence” means reasonable diligence; it means such diligence as a prudent man would exercise in the conduct of his own affairs.”

14.30. The role of a merchant banker in the securities market is very important in the process of issue management. The merchant banker plays a vital role in channeling the financial surplus of the society into productive investment avenues. A Merchant Banker is appointed for the purpose of managing the issue of an IPO of a Company and it plays a fiduciary role by coordinating the activities of the Company, the Regulatory Bodies, and the Investors. It is evident that the Merchant Banker is the focal point in a public issue, without him acting diligently and complying strictly with the letter and spirit of the rules and regulations framed there under, the issue cannot be properly regulated and investors are put to grave danger, which is not in the interest of the securities market. The purpose of filing the offer document through the Merchant Banker with SEBI is not a mere ritual or formality. I am of the view that the due diligence on the part of the merchant banker does not mean passively reporting whatever is reported to it but to find out everything that is worth finding out. The due diligence process is directed towards ensuring that the offer document does not contain any statement or information that is false or misleading, or contain any material omission. It is also directed towards ensuring that the information furnished in the offer document is not in any way exaggerated or deficient and that the material facts are not suppressed to the disadvantage of the investors. Further, the due diligence is about making an active effort to find out material developments that would affect the interest of investors. It is on the faith that the Merchant Banker has conducted due diligence that an investor invests in the company. The importance of a due diligence process expected from Merchant Bankers in a disclosure regime cannot be over-emphasised. If the Merchant Banker fails to act diligently and comply strictly with the letter and spirit of the regulations, the investors are put to grave danger. Hence it is very important that the various responsibilities associated with the due diligence are discharged with care and caution. Hence only persons who follow the rules and regulations scrupulously can be entrusted with such responsibilities.

14.31. As a regulator, it is SEBI's duty to take immediate steps to prevent such persons from further misleading investors and impairing the integrity of the market. SEBI as a regulator cannot allow such entities to continue with any activity in respect of the issuing. Accordingly, in this case I feel that immediate action is called for in the interest of the investing public.

14.32. I am of the view that this is without doubt a fit case, where I need to effectively and expeditiously use the powers given to SEBI to prevent any further harm to investors. In order to protect the investors and safeguard the integrity of the securities market, it is necessary for SEBI to exercise these powers firmly, effectively and immediately to insulate the market and its investors from the actions of persons who potentially perpetrated fraud and/or mislead investors in the securities market.

15. Order

15.1. In view of the foregoing, I, in exercise of the powers conferred upon me under Section 19 of the Securities and Exchange Board of India Act 1992 read with Sections 11 (1), 11(4), 11A and 11B of SEBI Act, 1992 thereof, pending investigation, by way of this ad interim ex-parte order, hereby issue the following directions:

- a) The company PG Electroplast Ltd. is prohibited from raising any further capital from the securities market, in any manner whatsoever, till further directions.
- b) The company PG Electroplast Ltd. (PAN: AACCP9321Q) and its directors Mr. Pramod Gupta (PAN: AAHPG5646F), Mr. Anurag Gupta (PAN: AAHPG5647E), Mr. Vishal Gupta (PAN: AAHPG5643A), Mr. Vikas Gupta (PAN: AAHPG5644H), Mr. Pramod Kumar Mitra (PAN:ACMPM1421D), Mr. Kaushal Chand Singhal (PAN:AECPS1626L), Mr. Prem Pal Malhotra (PAN:AAEPM8187A) and Mr. Suresh Chandra Gupta (PAN: AACPG1306P) are prohibited from buying, selling or dealing in the securities market, in any manner whatsoever, till further directions.

c) The company PG Electroplast Ltd. shall:

- i. call back ₹ 32 crores (₹ 15 crores from Saptrishi Suppliers Pvt. Ltd., ₹ 7 crores from Raw Gold Securities Pvt. Ltd. and ₹ 10 crores from Wattkins Commerce Pvt. Ltd.), which have been given as ICDs, and shall be kept in a separate interest bearing escrow account with scheduled commercial bank, till further directions; and
- ii. deposit the proceeds of the IPO still lying with them in the escrow account to be created as directed above, till further directions; and

confirmation of the above (i) and (ii) shall be given to NSE and BSE within 7 days of the date of this order.

d) The merchant banker Almondz Global Securities Ltd., Mr. Vinay Mehta (Managing Director & CEO of Almondz) and Mr. Sanjay Dewan (authorized signatory to Almondz for the due-diligence certificate) are prohibited from taking up any new assignment or involvement in any new issue of capital including IPO, follow-on issue etc. from the securities market in any manner whatsoever, from the date of this order till further directions.

e) The following entities are prohibited from buying, selling or dealing in the securities market, in any manner whatsoever, till further directions:

Table No. 22:

Sr. No.	Name of Entity	PAN
1	Prraneta Industries Ltd.	- (Prraneta Industries Ltd. is listed at BSE)
2	Saptrishi Suppliers Pvt. Ltd.	AAECS3863Q
3	Raw Gold Securities Pvt. Ltd.	AAACR9125J
4	Wattkins Commerce Pvt. Ltd.	AAACW2298K
5	Modi Alloys India Pvt. Ltd.	AAECM7892F
6	Jainex Securities Pvt. Ltd.	AABCJ0346E
7	Padamprabhu Project Pvt. Ltd.	AAFCP1778A
8	Cellworth Mercantile Pvt. Ltd.	AAECC0376J
9	Jaimini Trading Pvt. Ltd	AACCJ3884G
10	ETL Infrastructure Finance Ltd	AAACE5567B

11	Season Multitrade Pvt. Ltd.	AALCS5917J
12	Wonder Vincom Pvt. Ltd.	AAACW8578N
13	Adcon Capital Services Ltd.	AABCA6770D
14	Pasupati Enclave Pvt. Ltd.	AAECP4278L
15	Satshri Multitrade Pvt. Ltd.	AAOCS2721F
16	Frank Mercantile Pvt. Ltd.	AABCF1808P
17	Nihal Mercantile Pvt. Ltd.	AACCN8730D
18	Virgo Mercantile Pvt. Ltd.	AACCV6426E
19	Lona Mercantile Pvt. Ltd.	AABCL5709K
20	Jagdamba Complex Pvt. Ltd.	AABCJ9074F
21	Mili Commodities Pvt. Ltd.	AAFCM8822N
22	Paradise Tradecom Pvt. Ltd.	AAECP8118P
23	Jasmine Dealcom Pvt. Ltd.	AACCCJ0675M
24	Chin Info Tech Pvt. Ltd.	AADCC6173C
25	M. J. Commodities Pvt. Ltd.	AAFCM4704R
26	Realnet Infraprojects Pvt. Ltd.	AAECR9403R
27	Nimbus Industries Ltd.	-
28	Supreme Communication Ltd.	-
29	Safeco Projects Pvt. Ltd.	AAJCS4155N
30	Sunlight Financial Advisory Pvt. Ltd.	AALCS4533N
31	Alfa Fiscal Services Pvt. Ltd.	AABCA8192K
32	Amar Nath Singh	AMBPS7345H
33	Amit Agarwal	- (Director of ETL Infrastructure Finance Ltd.)
34	Amit Agarwal	AEXPA2254F
35	Aparna Banerjee	ALBPB0397F
36	Arun Kumar Balakrishnan Chammincheri	AHBPC3244Q
37	Aruna Chudaman Umredkar	AAIPU7781L
38	Avinash Jajoo	ACVPJ4002G
39	Awanish Singh	BYOPS3032F
40	Bablu Shaw	CDUPS3949H
41	Bharat Bachubhai Merchant	- (Director of Nimbus Industries Ltd.)
42	Chudman Anandrao Umredkar	AAIPU9119L
43	Deepak Patwari	AKHPP3737A
44	Devchand Mulji Shah	AAPPS4210H
45	Devendra Kumar Lakhotia	AAWPL8433G
46	Dilip Kumar Agarwal	ACQPA6162K
47	Dilip Kumar Dhariwal	AHGPS3335E

48	Dilip Zileadar Singh	APFPS6547G
49	Dinesh Singh	BQWPS9380L
50	Dinesh Sunderji Shah	AAFPS3093N
51	Dipankar Sarkar	AZCPS7890M
52	Gopal Sonker	BRDPS0549F
53	Jai Prakash Agarwal	- (Erstwhile director of Cellworth, Jaimini and Satshri Multitrade Pvt. Ltd.)
54	Jils Raichand Madan	AGKPM3175A
55	Jyoti Munver	ALSPM2060P
56	Kiran Dilip Thakore	- (Director of Prraneta Industries Ltd.)
57	Kunal Gupta	AGCPG2079H
58	Manish Bhupendra Thakkar	AABPT0544K
59	Manjit T Jajoo	AEYPJ0106N
60	Manoj Pachlangia	ALKPP3875H
61	Manoj Jokhu Sahani	BKUPS0030H
62	Manju Agarwal	- (Erstwhile director of Cellworth, Jaimini and Satshri Multitrade Pvt. Ltd.)
63	Mukesh Kumar Jajoo	ACSPJ7433J
64	Nimish Thakore	- (Director of Nimbus Industries Ltd.)
65	Omprakash Khandelwal	ABGPK4008D
66	Pawan Maru	APXPM4576P
67	Rajeshbhai Bhagat	AQFPB6163N
68	Rakesh Modi	AFKPM1166L
69	Rakesh P Parik	AGSPP9141M
70	Ram Awtar Sharma	AAIPS6508F
71	Ramendra Kumar Singh	BLIPS6490N
72	Rohit Chintamani Dubey	AFWPD8709C
73	Rohit Modi	ADRPM7626G
74	Ronak Narendra Kotecha	BDDPK9588C
75	Sanjay Nathmal Minda	AACPM9995Q
76	Sanjay Shaw	AWMPS8452J
77	Sandeep Bakul Sheth	AMWPS5089F
78	Sanjib Kumar Mondal	ANQPM3772J
79	Sawankumar T Jajoo	ADCPJ2044G
80	Shyam Sundar Sekhsaria	ATXPS6514M
81	Subramanya Kusnur	ABJPK6269R
82	Subrata Banerjee	- (Director of Wattkins Commerce Pvt. Ltd.;
83	Sunderji Mulji Shah	AAPPS4209N
84	Tushar Sharma	AWZPS6008B
85	Vijay Kumar Agarwal	- (Director of Sunlight Financial Advisory Pvt. Ltd.)

86	Vikas Jain	AGUPJ5709M
87	Vivek Jain	AFKPJ0712M
88	Bhavesh Natwarlal Sheth	AHGPS8751A
89	Hardik R Bagadia	AHKPB6972F

- f) The stock exchanges are, however, advised to enable squaring off, at the earliest, existing open positions in the Futures and Options Segment, if any, for the persons/entities mentioned above. Further, the concerned stock exchanges should also ensure that said persons/entities do not take fresh positions or increase their open positions in the Futures and Options Segment.
- g) All stock exchanges and depositories are directed to ensure that all the above directions are strictly enforced within the powers under them.
- h) The above order is without prejudice to any other action that may be initiated against the above entities for the said violations.
- i) A copy of this order shall be forwarded to The Ministry of Corporate Affairs, Income Tax Department and Enforcement Directorate.
- j) The persons/entities against whom this order is passed may file their objections, if any, within twenty one days from the date of this order and, if they so desire, avail themselves of an opportunity of personal hearing before the Securities and Exchange Board of India, on a date and time to be fixed on a specific request, received from the said persons.
- k) This order shall come into force with immediate effect.

PRASHANT SARAN
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA

PLACE: MUMBAI

DATE: DECEMBER 28, 2011