

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

CORAM: MADHABI PURI BUCH, WHOLE TIME MEMBER

ORDER

Under Sections 11, 11(4) and 11B of the Securities and Exchange Board of India Act, 1992 in the matter of Kamalakshi Finance Corporation Limited (presently known as Gromo Trade & Consultancy Limited).

---

1. Securities and Exchange Board of India ("**SEBI**") conducted an examination into the dealings in the scrip of Kamalakshi Finance Corporation Ltd (presently known as Gromo Trade & Consultancy Limited; hereinafter referred to as "**KFCL**" or the **Company**) on BSE Limited ("**BSE**") during the period from January 15, 2014 to December 26, 2014 as there was huge rise in the price of the scrip.
2. Upon preliminary inquiry, SEBI *prima facie* observed the following:
  - KFCL made the following preferential issue of equity shares of around Rs.41 crores during the period 2013-14 ;
    - i. 82,90,000 equity shares to 42 entities at the price of Rs.12 per share in November 09, 2013;
    - ii. 1,48,50,000 equity shares to 49 entities at the price of Rs.13 per share on February 17, 2014 and;
    - iii. 52,00,000 equity shares to 46 entities at the price of Rs.25 per share on June 24, 2014.
  - After the first preferential allotment (made on November 09, 2013), a significant increase in the price of the scrip took place which continued during the period of lock-in of the shares allotted to the preferential allottees.
  - During the period from January 15, 2014 to December 26, 2014, the price of the scrip of KFCL rose from Rs.10.20 to Rs.489.00. The sharp rise in the price of the scrip of KFCL during the said period was not supported by fundamentals of KFCL and its financials or any other factor.
  - A group of entities connected amongst each other and also connected to KFCL, along

---

*Order in the matter of Kamalakshi Finance Corporation Limited (presently known as Gromo Trade & Consultancy Limited)*

with certain suspected entities had contributed to the price rise in the scrip when substantial number of shares, were locked-in and non-transferable/tradable.

- By virtue of the same, it was alleged that KFCL and persons in charge of its affairs created preferential allotment of shares as a mode to provide fictitious long term capital gains ("LTTCG") to its Preferential Allottees so as to convert their unaccounted income into accounted one; In the process, the Kamalakshi Group and the suspected entities artificially increased the price of the scrip and devised a scheme to misuse securities market system for making illegal gains and to convert ill-gotten gains into genuine one to avail LTTCG benefit.

3. As the aforesaid activities of KFCL and its Promoters, Directors, Kamalakshi Group entities and suspected entities were *prima facie* in violation of SEBI Act, 1992 ("**SEBI Act**") and SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 ("**PFUTP Regulations**") SEBI passed an *Ad interim ex-parte* order dated February 20, 2015 ("**interim order**") and restrained the following 33 entities including KFCL and its Promoters and Directors from accessing the securities market and further prohibited them from buying, selling or dealing in securities, either directly or indirectly, in any manner whatsoever, till further directions.

| Sl. No. | Entity Name                         | PAN        |
|---------|-------------------------------------|------------|
| 1       | Kamalakshi Finance Corporation Ltd. | AAACK1804B |
| 2       | Dheeraj Shah                        | ARWPS1458D |
| 3       | Paresh Shah                         | AWWPS6699H |
| 4       | Sheetal Dheeraj Shah                | BPFPS4170G |
| 5       | Hetal Kumar J Shah                  | AIMPS2740R |
| 6       | Naresh Suresh Gurav                 | AOWPG1458E |
| 7       | Chandresh Upadhyay                  | ABKPU3443N |
| 8       | Arvindkumar Upadyay                 | AASPU5859K |
| 9       | Suneel Upadhyay Kumar               | AAXPU1010F |
| 10      | Praful Arvindbhai Solanki           | ALJPS3430J |
| 11      | Mrs. Sonal Neeraj Virani            | AFUPN2004C |
| 12      | Jayprakash Dhanraj Bohra            | AACPB3214B |
| 13      | Chandadevi Agrawal                  | ABGPA4839A |
| 14      | Giridhari Kumar Agarwal             | AAGPA5881R |
| 15      | Ankit Mahendra Kachhara             | BMOPK4328N |
| 16      | Vipul Amratlal Doshi                | AEEPD3118A |

---

*Order in the matter of Kamalakshi Finance Corporation Limited (presently known as Gromo Trade & Consultancy Limited)*

| <b>Sl. No.</b> | <b>Entity Name</b>              | <b>PAN</b> |
|----------------|---------------------------------|------------|
| 17             | Yogesh Vitthal Jadhav           | AKHPJ5994R |
| 18             | Samskara Sales Agency P. Ltd    | AATCS7717A |
| 19             | Gulmohar Dealcom P. Ltd         | AADCG9091K |
| 20             | Wakil Rajbhar                   | AOSPR9100E |
| 21             | Sapna Ramdas Jatwal             | APNPJ7211C |
| 22             | Girish Rajkumar Goel            | BDLPG2634K |
| 23             | Vijay Mahavir Tibrewal          | ACZPT5384R |
| 24             | Kavita Vijay Tibrewal           | ADHPT3452F |
| 25             | Prem Lata Nahar                 | AFAPN8764M |
| 26             | Hasmukhbhai Dhanabhai Gohil     | ARNPG7530M |
| 27             | Chandrapalsinh Mohansinh Rathod | AZGPR9023D |
| 28             | Jugalkishor Ramchandra Parmar   | ASIPP9432F |
| 29             | Sabirbhai Sattarbhai Bhathiyara | AUCPB9000F |
| 30             | Pankajkumar Jugalkishor Parmar  | ATYPP6409M |
| 31             | Shirin Sabirbhai Bhatiyara      | BGIPB9055R |
| 32             | Vipul Rajendrabhai Gandhi       | AKZPG3383R |
| 33             | Daulat Laxmilal Chandraliya     | AAAPC7685H |

4. The directions issued against Mr. Praful Arvindbhai Solanki and Mr. Sonal Virani Neeraj were revoked vide SEBI's Order dated August 25, 2016:
5. The directions against the remaining 31 entities were confirmed vide Order dated August 25, 2016.
6. Pursuant to the interim order, SEBI conducted a detailed investigation of the entire scheme employed in the instant matter, connection amongst the debarred entities, funds used for the price manipulation of the scrip of KFCL, etc., so as to ascertain the violation of securities laws.
7. Upon completion of investigation by SEBI, it is noted that investigation did not find any adverse evidence/findings with regard to the role of the following 14 entities in respect of price manipulation in the scrip of KFCL warranting continuation of action under Sections 11B and 11(4) of the SEBI Act for the violation of provisions of SEBI Act and PFUTP Regulations, etc.

| Sl. No. | Name of the Entity            | PAN        |
|---------|-------------------------------|------------|
| 1.      | Paresh Shah                   | AWWPS6699H |
| 2.      | Heetal Kumar J Shah           | AIMPS2740R |
| 3.      | Naresh Suresh Gurav           | AOWPG1458E |
| 4.      | Chandresh Upadhyay            | ABKPU3443N |
| 5.      | Arvindkumar Upadyay           | AASPU5859K |
| 6.      | Suneel Upadhyay Kumar         | AAXPU1010F |
| 7.      | Ankit Mahendra Kachhara       | BMOPK4328N |
| 8.      | Yogesh Vitthal Jadhav         | AKHPJ5994R |
| 9.      | Gulmohar Dealcom P Ltd        | AADCG9091K |
| 10.     | Prem Lata Nahar               | AFAPN8764M |
| 11.     | Hasmukhbhai Dhanabhai Gohil   | ARNPG7530M |
| 12.     | Jugalkishor Ramchandra Parmar | ASIPP9432F |
| 13.     | Vipul Rajendrabhai Gandhi     | AKZPG3383R |
| 14.     | Daulat Laxmilal Chandraliya   | AAAPC7685H |

8. Considering the fact that there are no adverse findings against the aforementioned entities with respect to their role in the price manipulation in the scrip of KFCL warranting continuation of action under Sections 11B and 11(4) of the SEBI Act, I am of the considered view that the directions issued against them vide interim order dated February 20, 2015 which were confirmed vide Order dated August 25, 2016, are liable to be revoked.
9. 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, 11(4) and 11B of the SEBI Act, hereby revoke the Confirmatory Order dated August 25, 2016 *qua* aforesaid 14 entities (paragraph 7 above) with immediate effect.
10. The revocation of the directions issued vide the abovementioned order (at paragraph 9) is only in respect of the entities mentioned at paragraph 7 of this order in the matter of KFCL pertaining to the period from January 15, 2014 to December 26, 2014. As regards

---

*Order in the matter of Kamalakshi Finance Corporation Limited (presently known as Gromo Trade & Consultancy Limited)*

remaining 17 entities in the scrip of KFCL, violations under SEBI Act, SCRA, PFUTP Regulations, etc., were observed and SEBI shall continue its proceedings against them. Hence, the directions issued vide Order dated August 25, 2016 against remaining 17 entities shall continue.

11. A copy of this Order shall be served on the Stock Exchanges and Depositories, for necessary action.

**DATE: SEPTEMBER 22, 2017**

**PLACE: MUMBAI**

**MADHABI PURI BUCH**

**WHOLE TIME MEMBER**

**SECURITIES AND EXCHANGE BOARD OF INDIA**