SECURITIES AND EXCHANGE BOARD OF INDIA

INTERIM ORDER

Under Sections 11(1), 11(4) and 11B of the Securities and Exchange Board of India Act, 1992

In respect of:

Noticee No.	Name of Noticee	PAN/ Registration No.
1.	Synoptics Technologies Limited	AAMCS4502L
2.	First Overseas Capital Limited	INM000003671
3.	Jatin Shah	AONPS5463E
4.	Jagmohan Manilal Shah	ABWPS9290B
5.	Janvi Jatin Shah	AYAPS9827K

(The aforesaid entities are hereinafter individually referred to by their respective names / Noticee no. and collectively as "Noticees", unless the context specifies otherwise)

In the matter of Synoptics Technologies Limited

Background

1. Synoptics Technologies Limited (STL/Company), a company having its registered office at '3rd floor, A Wing, Interface Building No-16, Mindspace, Link Road, Malad (West), Mumbai, was incorporated in 2008. STL is engaged in trading in Information Technology (IT) products and providing IT networking solutions.

2. The key financials metrics of the Company for the period FY20 to FY24 is given in the Table below:

(Rs. Cr)

	FY20	FY21	FY22	FY23	FY24
Sales	22.05	34.62	50.79	51.00	43.14
Expenses	15.69	26.76	39.74	35.53	29.45
Operating Profit	6.36	7.86	11.05	15.47	13.69
Net Profit	2.04	2.43	4.29	6.63	6.01

(Source: Screener.in)

3. The Company came out with an Initial Public Offer (IPO) of equity shares and got listed on the SME Platform of NSE Ltd. (NSE) on July 13, 2023. Noticee 2, First Overseas Capital Limited (FOCL), acted as the Lead Manager to the issue.

4. The IPO, which was a fixed-priced issue priced at ₹237 per share, raised ₹54.04 Crore of which ₹35.08 Crore was through a fresh issue of shares and the remaining (₹18.96 Crore) was through an offer for sale of shares made by two promoters (Noticee 3 and Noticee 4). The details of the public issue made by the Company are given in the Table below:

Name	Synoptics Technologies Limited
Segment and Platform	SME – NSE Emerge
IPO Opened On	June 30, 2023
IPO Closed On	July 5, 2023
Issue Type	Fixed Price issue
Issue Price	₹237 per share for all categories of Investors
Public Issue Size	22,80,000 shares
Public Issue Size (value)	₹ 54.04 Crore
Fresh Issue(shares)	14,80,000 shares
Fresh Issue size (value)	₹35.08 Crore
Offer for Sale by Noticees 3 and 4	8,00,000 shares
Offer for Sale (value)	₹18.96 Crore

No. of times the issue was subscribed	Retail Individual Investors – 2.24 times Non Retail Investors – 0.88 times Market Maker - 1.00 time Overall – 1.66 times		
Date of Listing and Trading Approval	NSE EMERGE: Listing Approval: July 12, 2023 Trading Approval: July 13, 2023 Date of commencement of trading: July 13, 2023		
Lock-in details at the time of filing of Prospectus	Category	No of Shares	Lock in Date
	Promoter & Promoter Group	43,97,000	31-Jul-24
	Promoter & Promoter Group	18,03,000	31-Jul-26
	Total	62,00,000	

5. As per the disclosures made in the Red Herring Prospectus (RHP) filed by the Company, issue-related expenses amounted to ₹80 lakh, of which ₹50 lakh was to be paid from the proceeds of the fresh issue, while the remaining ₹30 lakh was to be met by the selling shareholders under the offer for sale. Net of these expenses, the Company was projected to receive ₹34.58 Crore from the public issue, to be utilized for the objects specified in the RHP. The objects of the issue, as disclosed in the RHP, are given below:

Object	Amount (₹ Cr)
Repayment of Borrowings	5.00
Working Capital	17.58
Investment in Strategic Acquisition/ Joint Venture	5.30
General Corporate Purpose	6.70
Total	34.58

6. The issue was open for subscription from June 30, 2023 to July 5, 2023. During the first three days of the bidding period, limited interest was witnessed in the retail investor category, with subscription levels at 0.20x, 0.51x, and 0.78x, respectively. The High Net Worth Individual (HNI) category also recorded modest interest on the first two days, with subscription figures of 0.12x and 0.53x. However, on the third day, there was a sudden and significant surge in the HNI category subscription to 2.09x, primarily due to large applications submitted by certain entities who simultaneously also placed bids in the retail category.

7. The sharp rise in bids across both the HNI and retail categories on the third day appeared to create an impression of heightened investor interest, which was followed by a significant increase in retail subscription to 2.54x on the fourth day. The bids submitted by entities that had applied in both categories were subsequently cancelled. Despite these cancellations, the issue sailed through primarily on account of retail investor interest which peaked on the fourth day. The issue did not need to enforce the underwriting commitment provided by the Lead Manager.

8. On the listing day, the equity shares of the company opened for trading at ₹238. The share price movement of STL from the date of listing till April 29, 2025, is given in the chart below:

(Source: Screener.in)

9. It can be noted from the subscription data, presented in the paragraphs 6 and 7 of this Order, that it was only because the retail portion of the issue was oversubscribed, that the IPO could garner full subscription without the need to resort to the underwriting commitment provided by the Lead Manager. Subsequent to the closure of the issue, Securities and Exchange Board of India (SEBI) received complaints alleging irregularities in the bidding process, which prompted an examination into the IPO.

10. During the course of this examination, the utilization of the IPO proceeds was also reviewed to ascertain whether funds raised in the IPO were used for the objects disclosed in the RHP.

11. It was noted that the issue proceeds were deposited into an escrow account maintained with Fort Branch, Mumbai, of HDFC Bank, the Banker to the issue, on July 12, 2023. The flow of funds into the said account is given in the Table below:

(₹ Cr.)

Date	Particulars	Withdrawal	Deposit	Remarks
12-07-2023	Proceeds of Public Issue	-	53.37	Proceeds from public issue (including offer for sale portion)
12-07-2023	ABS Tech Service	7.00	-	Transfers made on the instructions of the Merchant Banker
12-07-2023	CN IT Solutions	6.00	-	
12-07-2023	Dev Solutions	6.00	-	
12-07-2023	Public issue		0.11	
12-07-2023	Public issue		0.11	
12-07-2023	Jatin Jagmohan Shah	7	-	Withdrawal of Offer for sale portion
12-07-2023	Jagmohan Shah	1	-	
13-07-2023	Jatin Jagmohan Shah	9.56	-	
13-07-2023	Jagmohan Shah	1.37	-	
13-07-2023	Synoptics Technologies Limited	15	-	Transfer to Company's Federal Bank CC account.
13-07-2023	Public issue	-	0.44	
13-07-2023	Other Expenses	1.11	-	Includes ₹ 0.50 Crore transferred to Kiran Traders.
		54.04	54.04	

12. As can be noted from the Table above, ₹19 Crore from the issue proceeds was transferred out of the escrow account on July 12, 2023 - a day prior to the listing of the shares of the Company and the grant of trading approval. This was a deviation from the Public Issue Account Agreement dated May 08, 2023 (escrow agreement), entered between STL, HDFC Bank, FOCL and Bigshare

(the Registrar to the Issue), which required transactions to be effected "*following the receipt of the listing and trading approvals*".

13. Examination of these transactions revealed that the transfers were effected based on an instruction issued by FOCL to HDFC Bank on July 12, 2023. It was stated in the instruction issued by FOCL that the said payments pertained to '*amounts due from the Company as Issue management fees, underwriting and selling commissions, Registrar fees, and other IPO related expenses'*. A copy of the said instruction of FOCL to HDFC Bank is placed as Annexure A to this Order.

14. The details of bank accounts and other transfer details mentioned in the instruction issued by FOCL to HDFC Bank are given in the Table below:

Beneficiary Name	Amount (in Rs.)	Beneficiary's Bank Name	Beneficiary Account No.	Beneficiary Bank Address	IFSC Code
Dev Solutions	60000000	Mehsana Urban Co-Operative Bank Ltd	00441101000690	S G Highway, Ahmedabad	MSNU0000044
CN IT SOLUTION	60000000	Bandhan Bank Limited	11230001316400	Maninagar, Ahmedabad	BDBL0001895
ABS TECH SERVICES	70000000	Indusind Bank Ltd	256359928904	Bopal Ahmedabad	INDB0000676

15. In this regard, it was noted that clause 3.2.3.4 (iii) of the escrow agreement provided as under:

"(iii) The Lead Manager shall, following the receipt of the listing and trading approvals, provide HDFC Bank Limited, in the prescribed form (specified in Annexure A2 hereto), instructions stating the details of the payment towards the amount representing the Issue management fees, registrar fees, advisory fees and other IPO related expenses payable by the Company to various intermediaries (as applicable)."

16. FOCL, it can, therefore, be noted was authorised under the escrow agreement to issue instructions to the Banker to the Issue for release of issue-related expenses, using the format prescribed (Annexure A2) in the agreement.

17. The instruction dated July 12, 2023, issued by FOCL to HDFC Bank (annexed to this Order) was as per the format provided under Annexure A2 and in exercise of the authority granted under clause 3.2.3.4 of the escrow agreement.

18. As noted earlier, as per the disclosures made in the RHP, issue-related expenses amounted to only ₹80 lakh. The amount actually transferred was,

therefore, more than 23 times the disclosed figure, raising concerns about the nature, basis, and legitimacy of these payments.

19. Given this significant deviation, comments of the Company on this matter were sought. The Company in its reply submitted that the aforesaid payments were not related to issue expenses and were instead for Working Capital (payment made to Dev Solutions) and Strategic Investment/Joint Venture objects (payment made to CN IT Solution and ABS Tech Services) as disclosed in the RHP.

20. However, given that the funds were transferred directly from the escrow account on the instructions of the Merchant Banker, without being routed through the Company's bank account, and the classification of these payments as issued related expenses by FOCL, there were misgivings regarding the explanation offered by the Company. Given the same, the aforesaid transactions were examined in detail.

Object - Investment in Strategic Acquisition/ Joint Venture

21. As per the disclosures in the RHP dated June 22, 2023, ₹5.30 Crore from the issue proceeds was proposed to be utilized for "Investment in Strategic Acquisition/Joint Venture." The Company, vide submission dated June 3, 2024, made to NSE, stated that, in addition to this amount, the entire sum of ₹6.70 crore allocated for General Corporate Purposes (GCP) was also utilized for the same object. Accordingly, it was submitted that a total of ₹12 Crore from the IPO proceeds was deployed towards "Investment in Strategic Acquisition/Joint Venture."

22. However, as noted earlier, an amount of ₹13 Crore was transferred from the escrow account to CN IT Solutions and ABS Tech Services. Thus, even if the submissions made by the Company are taken at face value, a discrepancy of ₹1 crore remains, as the explanation furnished by the Company accounted for only ₹12 Crore being deployed towards strategic acquisition.

23. It was further noted that in the RHP dated June 22, 2023, in respect of the object Strategic Acquisition/ Joint Venture, the following was disclosed:

'*Our Management is looking forward for expansion either through Joint Venture Model and/ or Partnership Model and/ or Merger Model and/ or Substantial Investment Mode. Our management confirms that as on the date of filing this Prospectus such target entities are not identified and it shall take the necessary approval and do necessary regulatory compliances as and when required.'*

24. It can, therefore, be noted that as on the date of filing the RHP (June 22, 2023), STL had disclosed that the target entities for the proposed strategic investment had not yet been identified. However, within 20 days of the RHP filing—and on the very day the IPO proceeds were credited to the issue account—funds earmarked for strategic investment and general corporate purposes were transferred to the two aforementioned entities toward the object of strategic acquisition, as per the submissions made by the Company.

25. Further, upon examination of the agreements entered into with CN IT Solutions and ABS Tech Services, it was observed that both were executed on July 11, 2023—a day prior to the credit of IPO proceeds to the escrow account maintained with HDFC Bank.

26. It was further observed that, apart from being executed on the same day, the two agreements shared several other similarities, the details of which are given below:

    a. Both agreements listed the same address for CN IT Solutions and ABS Tech Services. Further, during a site visit conducted by NSE, it was found that neither of the entities was present/located at the stated address.
    b. Both agreements were neither registered nor notarised.
    c. Except for the object clause, the remaining terms and conditions in both agreements were identical and followed the same template. Notably, the amounts which the Company claimed were utilized towards strategic investment were, under the terms of these agreements, treated as earnest money deposits (EMDs), repayable after a period of three years.
    d. The agreements provided for developing products/ availing services from the said entities and did not appear to be in the nature of investments made by STL. Both CN IT Solutions and ABS Tech Services were sole proprietorships, and the agreements contained no provisions for the transfer of ownership rights or any form of equity participation in favour of STL—arrangements that would ordinarily be expected if the payments were made towards the strategic acquisition objective as disclosed in the RHP.

27. Further, when the Company was advised to furnish copies of Board approvals authorizing the above-mentioned strategic investments, no such approvals

were provided. The Managing Director (MD) of the Company, Noticee 3, was called for statement recording on April 29, 2025, and was questioned about the due diligence undertaken by the Company prior to making the said investments. In response, the MD submitted that no due diligence had been conducted prior to making the above investments.

Object – Working Capital

28. Similarly, with respect to the ₹6 Crore transferred to Dev Solutions—classified by the Company as utilization towards working capital—it was observed that the agreement submitted in this regard followed a template similar to those executed with ABS Tech Services and CN IT Solutions.
29. In all three instances, the payments were classified as EMDs made towards the development or provision of certain services and were stated to be returnable after a period of three years. While the payments to ABS Tech Services and CN IT Solutions were classified by the Company as strategic investment, a similar payment made to Dev Solutions was classified as working capital. The Company has failed to provide any reasonable justification for this divergence in classification.
30. Further, as in the case of ABS Tech Services and CN IT Solutions, a site visit undertaken by NSE to the address of Dev Solutions, as mentioned in the agreement with STL, revealed that no such business existed at the stated location, raising serious concerns about the nature and authenticity of the payments made.
31. It was further noted that in the financial results of the Company for the quarter ended September 2023, the payments made to ABS Tech Services, CN IT Solutions and Dev Solutions were classified under 'loans and advances'.
32. On the balance sheet of Synoptics, amount under 'loans and advances' had increased from ₹1.70 Crore to ₹21 Crore during the said period.
33. Given the above, it was prima facie noted that the Company was attempting to misrepresent the true nature of these transactions and, therefore, an analysis of the bank statements of the aforementioned three entities to whom Rs. 19 Crore was transferred, was undertaken to trace the flow of funds.

Analysis of Bank Accounts Statements

34. The bank statements of the accounts to which funds were directed to be transferred by FOCL were scrutinized. Upon independently obtaining information from the respective banks, it was found that these bank accounts were not held by the entities to whom FOCL had directed the transfers and with whom STL had purportedly entered into agreements.

35. Shockingly, the bank account numbers furnished by FOCL, as belonging to the said entities were, in fact, held in the name of entirely different account holders. The details of such discrepancies noticed are provided in the Table below:

Bank Name	Bank account number	Information provided by the company	Information obtained from Banks
		Account Holder Name	Account Holder Name
Mehsana Urban Co-Operative Bank Ltd	00441101000690	Dev Solution	Sachiel Exim Private Limited
IndusInd bank Ltd	256359928904	ABS Tech Services	Transpaacific Shipping and Resources Pvt. Ltd.
Bandhan Bank Ltd	11230001316400	CN IT Solution	Dev Trading

36. It was, therefore, noted that the funds transferred to the purported bank accounts of Dev Solutions, ABS Tech Services, and CN IT Solutions, on the instructions of FOCL, were, in fact, credited to the bank accounts of Sachiel Exim Pvt. Ltd., Transpaacific Shipping and Resourcing Pvt. Ltd., and Dev Trading, respectively. The examination of the fund trail from the aforesaid accounts is still ongoing and findings till date are provided as **Annexure B** to this Order.

37. It can, however, be clearly concluded that funds transfers were not made to entities with whom STL had entered into agreements dated July 10, 2023 and July 11, 2023. Given the same, the explanation regarding deploying funds towards the objects of the issue furnished by the Company becomes untenable. The Company misrepresented all facts to SEBI.

Need for Interim Directions

38. The observations and findings recorded above show that the Company's funds, which came as IPO proceeds, have been diverted and mis-utilized. As per clause (a) of Regulation 238 of the ICDR Regulations, 2018, only 20 % of the

post-issue Equity Share Capital of the Company, has to be locked in for three years. The remaining shareholding held by the promoters is freely transferable at present. It, therefore, becomes necessary to restrain the promoters (Noticee 3, 4 and 5) of the Company from alienating or encumbering their shareholding during the pendency of proceedings.

39. The actions of FOCL in giving instructions for the transfers to HDFC Bank, Fort Branch, Mumbai, are shocking and stunning at the same time. FOCL, having acted in complete derogation of its role as a Merchant Banker, cannot be permitted to undertake any fresh public issue assignments, as its continued presence in the market poses a serious risk to investors and the orderly functioning of the capital markets.

40. In view of the abovementioned facts and circumstances, I am convinced that it is a fit case for issuance of interim directors to protect the integrity of the securities market and the interest of the investors as FOCL and STL, prima facie, appear to have violated the provisions of Section 12A (a), (b) and (c) of the SEBI Act, 1992 and Regulations 4(1) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 ("**PFUTP Regulations, 2003**").

Conclusion

41. The facts brought out during the examination reveal a well laid out plan of the Company and the Lead Manager, FOCL, to siphon away funds raised in the IPO. Acting under the authority granted by an escrow agreement, FOCL *prima facie* appears to have issued instructions to the Banker to the Issue for transfer of funds under the guise of meeting issue-related expenses.

42. However, the amount so transferred ostensibly for meeting '*Issue management fees, underwriting and selling commissions, Registrar fees, and other IPO related expenses'*—₹19 Crore—was grossly disproportionate to the ₹80 lakh disclosed as issue expenses in the RHP, and <u>accounted for more than 54% of the total proceeds raised by Synoptics through the fresh issue of shares (Rs. 35.08 Crore) and 35% of the total issue size (Rs. 54.04 Crore)</u>.

43. The fresh issue of shares which raised Rs. 35.08 Crore should have helped the Company in scaling up its operations. However, as can be noted from the

financials of the Company, which has been given in the Table below paragraph 2 of this Order, the reverse happened. Sales came down and profitability plateaued. The share price of the Company has been on a downward trend from the date of the issue. This should not come as a surprise given the incidents narrated in this Order. It can be noted, prima facie, that the issue proceeds do not seem to have been meaningfully utilized by the Company.

44. When questioned, the Company attempted to justify these payments by claiming that they were in fact related to the stated objects of the issue, namely strategic investment and working capital. This explanation, however, does not withstand scrutiny.

45. Not only were the payments routed directly from the escrow account without the funds being credited to the Company's bank account, but it was also found that the bank accounts to which the payments were made did not belong to the entities named in the contracts submitted by the Company.

46. Therefore, even if the obvious discrepancies in the contracts are set aside—such as the use of identical templates, classification of payments as refundable EMDs rather than actual investments, lack of board approvals, and the absence of any transfer of ownership or commercial substance—the fact that the recipient bank accounts were not held by the named counterparties fundamentally undermines the Company's explanation.

47. The misuse of the authority granted under the escrow agreement by FOCL, and the Company's subsequent attempt to justify the payments, raise serious concerns regarding the integrity of the issue process and the protection of investor funds. These findings, taken together, lead to a strong prima facie conclusion that FOCL, acting in concert with the Company, siphoned off a substantial portion of the issue proceeds**.**

48. FOCL, during the period May 01, 2022 to April 30, 2025, has undertaken IPO assignments for 20 companies which listed on SME segment of BSE and NSE. SEBI shall examine the utilization of funds raised in all these issues to identify whether a similar modus operandi was adopted in any of the other issues managed by FOCL during this period.

Order:

49. Keeping in view the foregoing factual deliberations recorded in the preceding paragraphs and in order to protect the interests of shareholders of STL and other investors and the integrity of the securities market, I, in exercise of the powers conferred upon me under Sections 11, 11(4) and 11B(1) read with section 19 of the SEBI Act, 1992 hereby issue, by way of this interim order, the following directions, which shall be in force until further orders: -

    (a) Noticees 1, 3, 4 and 5 are restrained from buying, selling or dealing in the securities market or associating themselves with the securities market, either directly or indirectly, in any manner whatsoever until further orders. If the Noticees have any open position in any exchange-traded derivative contracts, as on the date of the order, they can close out /square off such open positions within 7 days from the date of this order. The Noticees are permitted to settle the pay-in and pay-out obligations in respect of transactions, if any, which have taken place before the close of trading on the date of this Order.

    (b) Noticee 2 shall not take up any new assignment relating to merchant banking activities in the securities market till further directions from SEBI.

    (c) In respect of any pending assignments where Noticee 2 is already engaged as a Lead Manager as on date of this Order, the issuer shall appoint a Monitoring Agency to monitor the use of proceeds irrespective of the issue size.

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

51. The above directions shall take effect immediately and shall be in force until further orders.

52. A copy of this order shall be served upon Noticees, Stock Exchanges, Registrar and Transfer Agents and Depositories for necessary action and compliance with the above directions.

DATE: MAY 06, 2025 **ASHWANI BHATIA**

PLACE: MUMBAI **WHOLE TIME MEMBER**

SECURITIES AND EXCHANGE BOARD OF INDIA

Annexure A

ANNEXURE A2

FORM OF INSTRUCTIONS TO THE BANKER(S) TO THE ISSUE

Date: 12-07-2023

To:
HDFC BANK LIMITED

From:
FIRST OVERSEAS CAPITAL LIMITED

Dear Sirs,

Re: Public Issue Account of Synoptics Technologies Limited and Public Issue Account Agreement Dated May 08, 2023

Account number: 57500001231914

Account Title: SYNOPTICS TECHNOLOGIES LIMITED -PUBLIC ISSUE ACCOUNT

Pursuant to Section 3.2.3.3 and Section 3.2.3.4 of the Public Issue Account Agreement dated May 08, 2023 we hereby instruct you to transfer on 12-07-2023, from public issue account bearing account name and number **"SYNOPTICS TECHNOLOGIES LIMITED -PUBLIC ISSUE ACCOUNT and 57500001231914"** to the following bank accounts amounts due from the company as Issue management fees, underwriting and selling commissions, Registrar fees, and other IPO related expenses:

Beneficiary Name	Amount (in Rs.)	Beneficiary's Bank Name	Beneficiary Account No.	Beneficiary Bank Address	IFSC Code
Dev Solutions	60000000	Mehsana Urban Co-Operative Bank Ltd	00441101000690	S G Highway, Ahmedabad	MSNU0000044
CN IT SOLUTION	60000000	Bandhan Bank Limited	11230001316400	Maninagar, Ahmedabad	BDBL0001895
ABS TECH SERVICES	70000000	Indusind Bank Ltd	256359928904	Bopal Ahmedabad	INDB0000676

Capitalized terms not defined herein shall have the same meaning as assigned to them in the Public Issue Account Agreement.

Kindly acknowledge the receipt of this letter.

For FIRST OVERSEAS CAPITAL LIMITED

Authorized Signatory

Annexure B

Sachiel Exim Private Limited (Sachiel)

53. Sachiel, having its registered address at Ahmedabad, Gujarat, was incorporated on April 17, 2018. As per MCA records, the latest financial statements filed by Sachiel pertain to the FY 2019-20. For FY 2019-20, its balance sheet size was only ₹83,768 and it had Nil revenue from operations in FY 2018-19 and FY 2019-20.

54. Sachiel, after receiving the said amount of ₹6 Crore in its bank account from STL on July 12, 2023, transferred the said amount onward to Bright Trading (Yes Bank, A/C Number: 031163400000846) on the same day.

55. As per the KYC documents of Bright Trading obtained from Yes Bank, the said firm is a sole proprietorship concern, having its address at Mumbai. While its turnover, as per the KYC documents, was more than ₹250 Crores, it was not registered under GST.

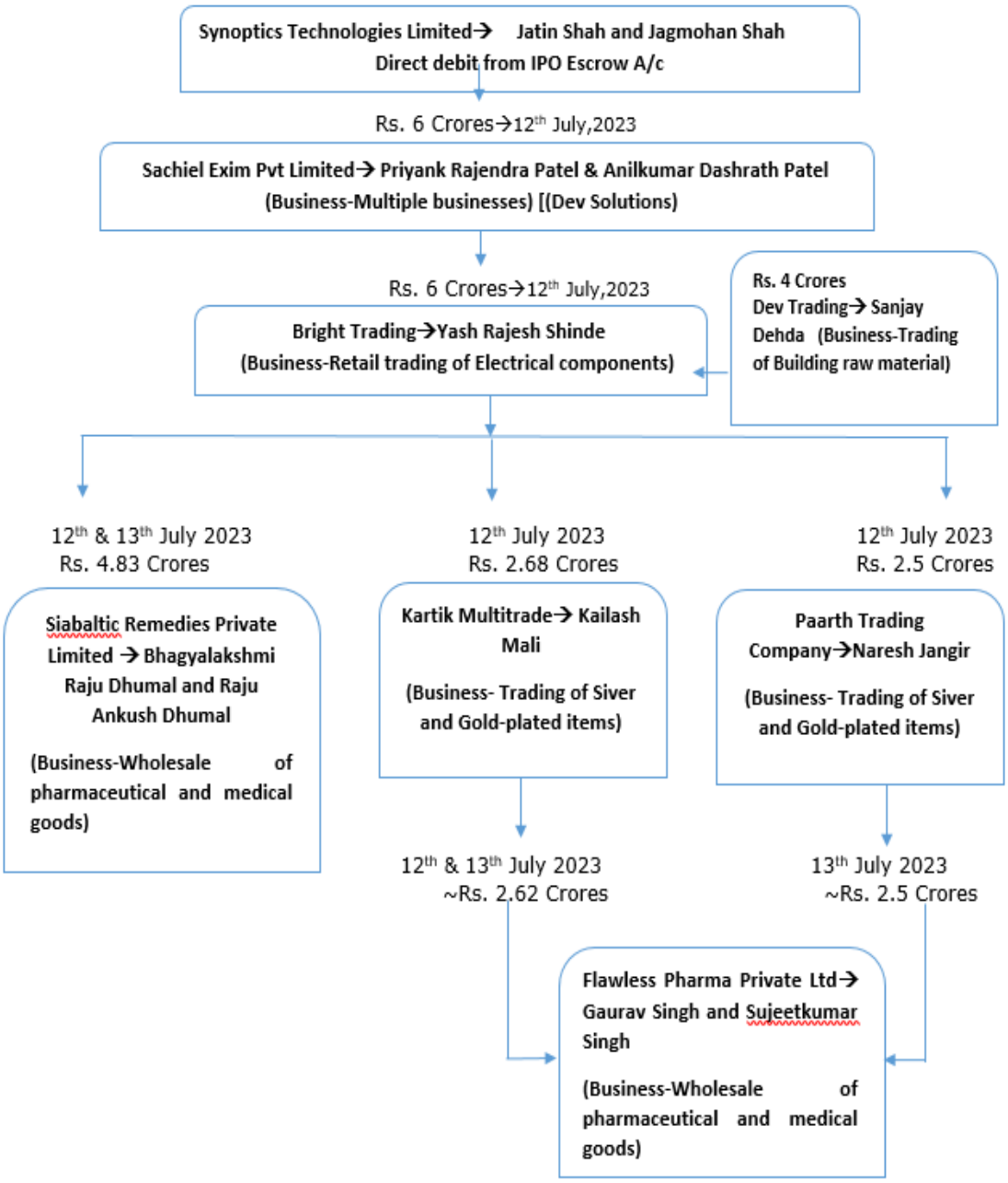
56. Analysis of Bright Trading's bank account statement after receiving ₹6 Crore from Synoptics IPO proceeds on July 12, 2023, showed the following debits / credits:

Date	**Name**	**Deposit (₹ In Crores**	**Withdraw (₹ In Crores)**
12-Jul-23	Sachiel Exim Private Ltd.	6	0
12-Jul-23	Siabltic Remedies Pvt Ltd	0	1.36
12-Jul-23	Kartik Multitrade	0	0.18
12-Jul-23	Dev Trading	4	0
12-Jul-23	Kartik Multitrade	0	2.50
12-Jul-23	Parth Trading Company	0	2.50
13-Jul-23	Siabltic Remedies Pvt Ltd	0	3.47
	Total	**10**	**10.01**

57. As seen above, Bright Trading received total funds of ₹10 Crore in its bank account from Sachiel and Dev Trading on July 12, 2023 (explained in portion

below dealing with Dev Trading). Out of the same, ₹4.83 Crore was transferred to Siabaltic Remedies Pvt. Ltd., ₹2.68 Crores was transferred to Kartik Multitrade and ₹2.50 Crores was transferred to Parth Trading Company either on the same day or next day.

58. A graphical representation of flow of funds from STL to Sachiel and then to other entities through layered transactions is provided below:



Transpaacific Shipping and Resources Private Limited (Transpaacific)

59. As per the KYC documents obtained from IndusInd Bank, Transpaacific had no revenue during the period FY 2018-19 to FY22 and had revenue of ₹19 Lakh in FY23. Its balance sheet size was only ₹4 Lakh for FY23.

60. Transpaacific, after receiving funds to the tune of ₹7 Crore from STL's IPO Escrow Account on July 12, 2023, transferred ₹5.01 Crore to Kuber Enterprises and ₹1.99 Crore to Om Enterprises, respectively, on the same day.

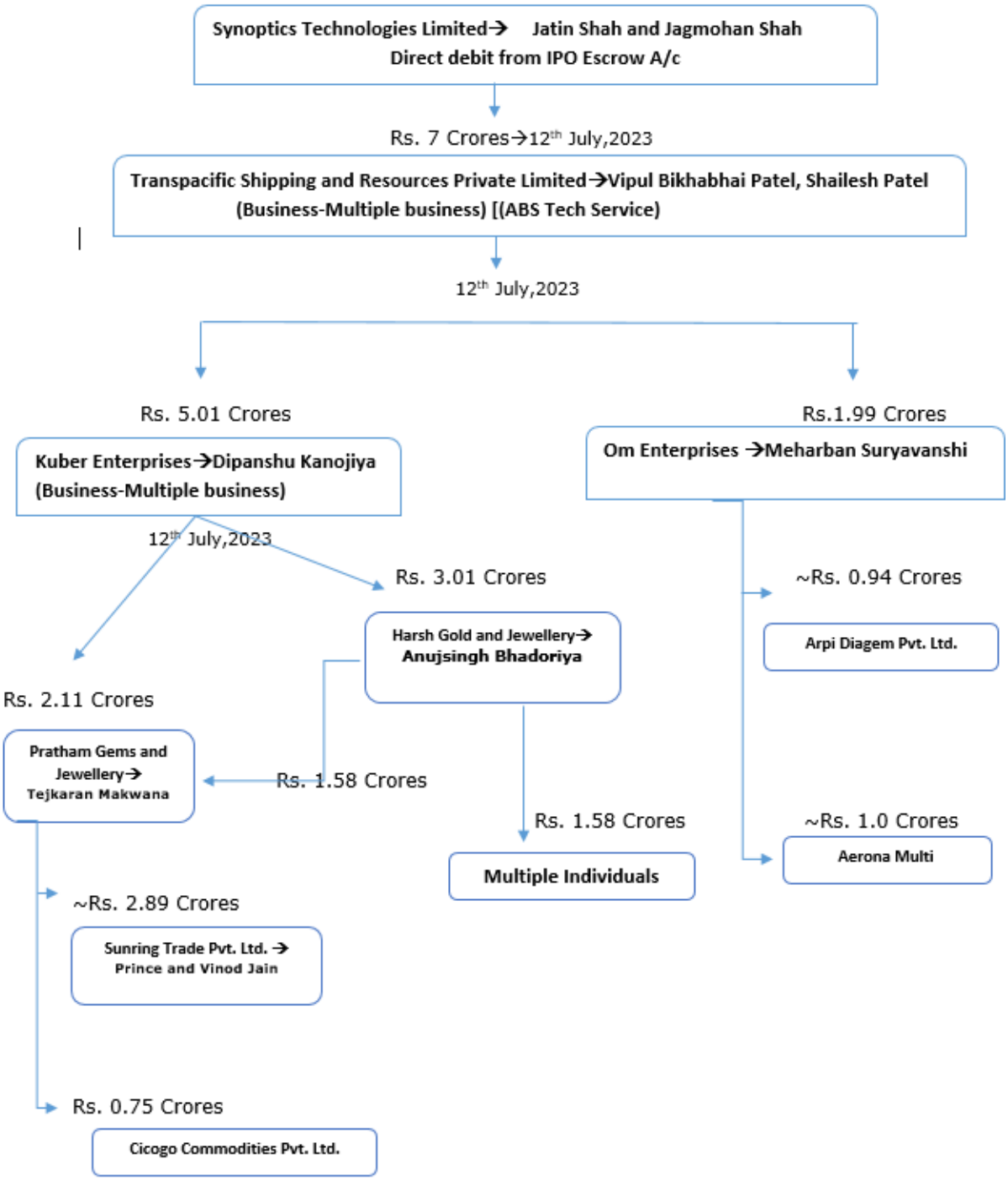
61. Kuber Enterprises, in turn, transferred ₹2.11 Crore to Pratham Gems and Jewellery (ICICI Bank A/c. No. 642605500897) and ~₹3.00 Crore to Harsh Gold and Jewellery (ICICI Bank A/c. No. 642605500918) on the same day (i.e. July 12, 2023).

62. Pratham Gems and Jewellery, apart from receiving ₹2.11 Crore from Kuber Enterprises, also received ₹1.58 Crore from Harsh Gold and Jewellery on July 12-13, 2023. Subsequently, Pratham Gems and Jewellery transferred ₹2.89 Crore to Sunring Trade Pvt. Ltd. and ₹0.75 Crore to Cicago Commodities Pvt. Ltd.

63. Harsh Gold and Jewellery, apart from transferring ₹1.58 Crore to Pratham Gems and Jewellery, transferred the balance amount to multiple parties namely Navgunjara Finance, Kirdat Dhanashree, Indira Vikas Vohra, Shailaja Tukaram, Sanjeev Iyer, Maulivk Dilip Maniar, Chhaya, Mehrukh Asfaq, Hitesh Choradiya, Gohil Rashmi Anil, Aashi Vijay Raj.

64. As regards ₹1.99 Crore transferred by Transpaacific to Om Enterprises, it was noted that out of the said funds, Om Enterprises transferred ₹0.94 Crore to Arpi Diagem Pvt. Ltd. and ~₹ 1 Crore to Aerona Multi.

65. A graphical representation of flow of funds from STL to Transpaacific and then to other entities through layered transactions is provided below:



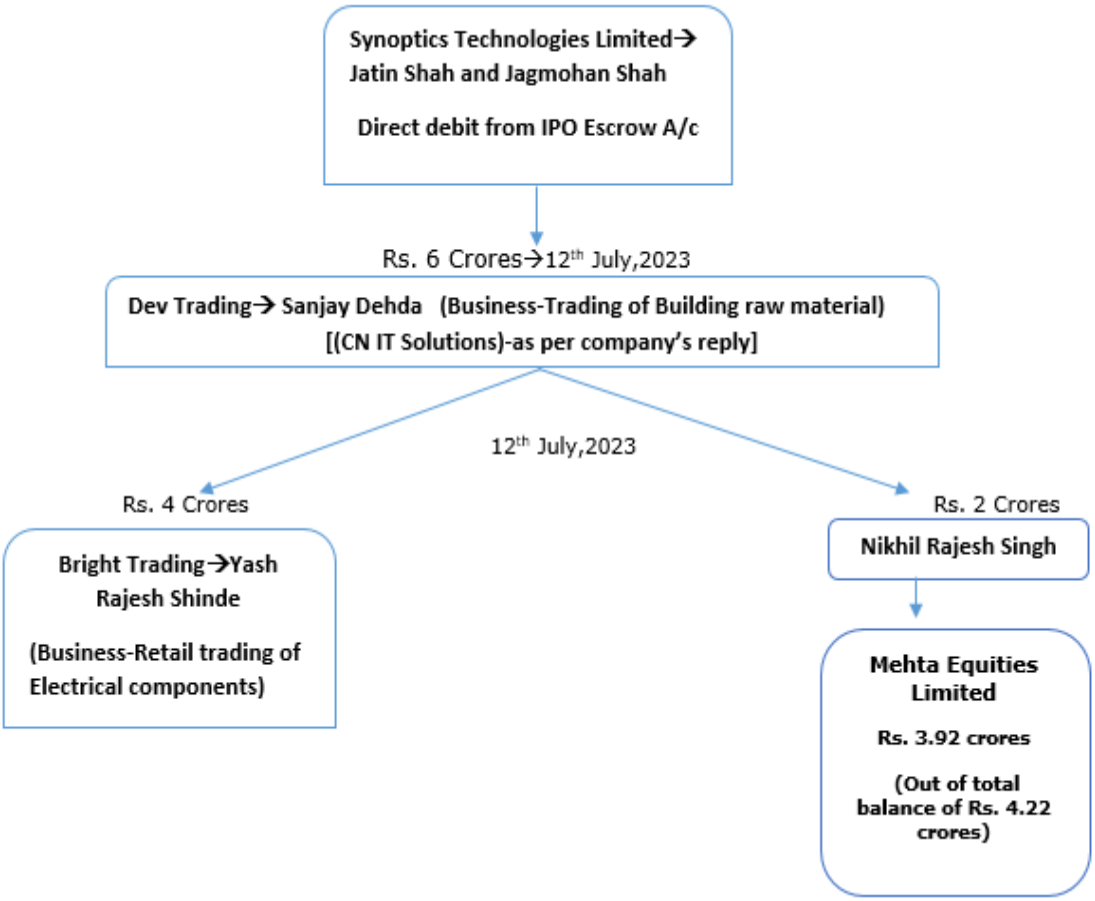
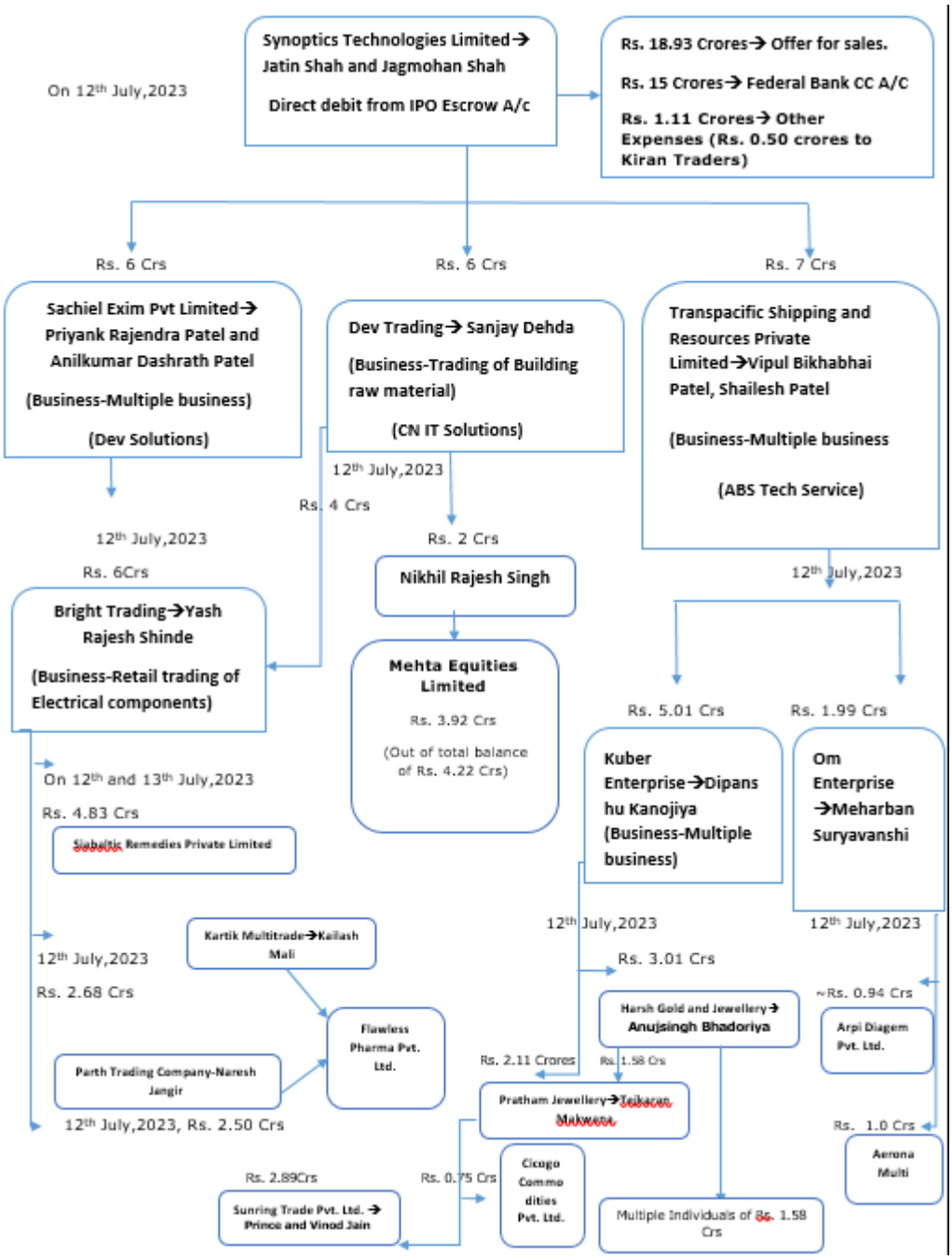
Dev Trading

66. As per the KYC documents obtained from Bandhan Bank, Dev Trading is a Proprietorship Concern and the nature of its business was 'trading of building materials'.

67. Dev Trading, after receiving funds to the tune of ₹6 Crore from STL's IPO Escrow Account on July 12, 2023, transferred ₹4 Crore to Bright Trading and ₹2 Crore to Mr. Nikhil Rajesh Singh on the same day (i.e. July 12, 2023). The fund flow involving Bright Trading has already been discussed in earlier paras.

68. It was noted from the Bulk Deal Data available on the Exchange website that Nikhil Rajesh Singh purchased 1,60,800 shares of STL at ₹238 per share, totaling to ₹3.82 Crore on the very next day, i.e., July 13, 2023. From the same, it is apparent that a part of IPO proceeds was transferred to Dev Trading which transferred funds to Nikhil Rajesh Singh, who in turn used the funds for buying shares of STL.

69. A graphical representation of flow of funds from STL to Dev Trading and then to other entities through layered transactions is provided below:



70. A graphical representation summarizing the flow of funds out of IPO Proceeds of STL is provided below: