



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

By Speed Post with AD

SEBI/HO/EAD-9/VKV/NK/2021/32979/10
November 17, 2021

Noticee No. & Name	Noticee No. & Name
1. Hasti Finance Ltd. (PAN.: AAACH7981E) Address: Regd. Office – No.14, Imperial Hotel Complex, near Albert Cinema Hall, Whannels Road, Egmore, Chennai – 600008 Corporate Office – Office No. 1A, Anubhav Apartments, Sayani Road, Prabhadevi, Mumbai – 400025	2. Chandrakant Baburao Tupe (Executive Director) (PAN No.: AERPT6489B) Address: Ravaji Sojpal Chawl No.8, R.No.14, T J Road, Sewaree, Mumbai - 400015
3. Nitin Prabhudas Somani (Executive Director) (AAEPS5182P) Address: A-1/703, Beau Monde, 7 th Floor, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400025	4. Sonal Somani (Executive Director) (ALHPS9758D) Address: A-1/703, Beau Monde, 7 th Floor, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400025
5. Salim Ismail Shaikh (Executive Director) (PAN No.:ALEPS4089C) Address: Flat No.3, Ground Floor, Elegant Home, opp. Konark Puram, Kondawa Khurd, Pune – 411048	6. Lucky Manoj Somani (BMRPS0728P) Address: 1204, 12 th Floor, Ivy Tower, Vasant Vally, Film City road, Off. Gen Akv Marg, Goregaon (E), Mumbai – 400097
7. Blue Sky Courier and Cargo Pvt. Ltd. (AABCB6999D) Address: Kakad Udyog Bhavan, Unit no.4, Ground Floor Off. LJ Road, Mahim, Mumbai – 400016	8. Abbas Khan Chand Khan (AMFPK1852P) Address: Badi Darga Lane, Opp. Fire Brigade Ganjipeth, Gandhi Chowk, Nagpur – 440018
9. Abhilasha Rathi (AHKPM5269N) Address: A-2/201, Gangotri Sadan, Bangur Nagar, Goregaon (W) Mumbai – 400090	10. Pankaj Kumar Shiv Singh (BEUPS8932N) Address: No.19, Chintamani Dey, Bathing Ghat Road, Ramkrishnapur, Howrah - 711101

Show Cause Notice against 22 Noticees in the matter of Hasti Finance Ltd.

सबी भवन, प्लॉट नं. सी 4-ए, जी ब्लॉक, बान्द्रा कुर्ला कॉम्प्लेक्स, बान्द्रा (पूर्व), मुंबई - 400 051.
दूरभाष : 2644 9950 / 4045 9950 (आई.बी.आर. एस.), 2644 9000 / 4045 9000 फैक्स : 2644 9019 से 2644 9022 वेब : www.sebi.gov.in

(Signature)



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11. Vinod Ramgahan Sharma (BWOPS4101D) Address: 1983, Chunamandi, Paharganj, Delhi – 110055	12. Salim Ismail Shaikh (ALEPS4089C) Address: Flat No.3, ground Floor, Elegant Home, Opp. Konark Puram, Kondawa Khurd, Pune – 411048
13. Vijay Surendraprasad Singh (AJSPV8820C) Address: Door No.1-8, H.No. 506, By43, Prakash Nagar, Begumpeth, Secunderabad - 500 003, Telangana	14. Satish Kumar (ALPPK9168D) Address: 1983, Fast Courier and Cargo, Gali No.8, Chunamandi, Paharganj, Delhi -110055
15. Nilesh Ratilal Gantra (AHIPG7146C) Address: Purya Shivam Aptment No.2, Akurde, Akola – 444101, Maharashtra	16. Santosh Birendra Kumar (BARPK9928H) Address: 518/B, Dariya, near Sunrise Public School, Chandigarh – 160101
17. Sumit Dilip Jain (AGWPJ6652M) Address: C-701, Bhavani Complex, Bhavani Shankar Road, Dadar (W), Mumbai – 400028	18. Finex Express Cargo Pvt. Ltd. (PAN No.:AABCF0584C) Address: Office No.4, Anubhav CHS Ltd., Plot No.1031, Sayani Road, Prabhadevi, Mumbai - 400025
19. Shirish Express Logistics Pvt. Ltd. (PAN No.: AAOCS2325K) Address:Office No.1A, Victoria House, Victoria Mill Compund, Opp. Bombay Dyeing, Lower Parel, Mumbai – 400013 Mob. No.: 9819705109	20. Fast Train Cargo Pvt. Ltd. (PAN No.:AAACF9293K) Address: Office No.1A, Victoria House, Victoria Mill Compund, Opp. Bombay Dyeing, Lower Parel, Mumbai – 400013
21. Shree Fast Courier and Cargo Pvt. Ltd. (PAN No.:AAJCS4580K) Address: Shop No.1, Koteswar Apartment, Koldongri Road No.4, opp. Garware House, Andheri (E), Mumbai – 400069	22. Fast Transport and Cargo Ltd. (PAN No.:ALEPS4089C) Address: Shop No.1 & 2, Vishnukrupa Housing Society, 53, Somwar Peth, Near Khadi Maidan, Pune – 411011, Maharashtra



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Sub: Notice under Rule 4(1) of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 ("AO Rules") in the matter of Hasti Finance Ltd.

1. Securities and Exchange Board of India ("SEBI") had conducted investigation to examine the preferential allotment process with respect to funding by Hasti Finance Ltd (hereinafter referred as HFL/ the company/Noticee no. 1), if any, to preferential allottees and to ascertain inter-alia whether there was any violation of provisions of SEBI Act, 1992, SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (hereinafter referred as "SEBI (PFUTP) Regulations, 2003"), during the period August 27, 2010 to August 31, 2015 (hereinafter referred to as 'Investigation Period or IP'). However, wherever deemed necessary, reference has been made outside this period. Pursuant to the Investigation, SEBI initiated adjudication proceedings under Section 15HA of the Securities and Exchange Board of India Act, 1992 against the following entities (hereinafter referred individually by their "Name or Noticee No." and collectively referred to as "Noticees") for violation of Section 12A (a), (b), (c) of SEBI Act, 1992 read with Regulations 3 (a), (b), (c), (d) & 4(1) of SEBI (PFUTP) Regulations, 2003:
 - a) The company i.e. Hasti Finance Ltd. and its Directors
 - b) Preferential allottees namely, Lucky Manoj Somani, Blue Sky Courier and Cargo Pvt. Ltd., Abbas Khan Chand Khan, Abhilasha Rathi, Pankaj Kumar Shiv Singh, Vinod Ramgahan Sharma, Salim Ismail Shaikh, Satish Kumar, Vijay Surendraprasad Singh, Nilesh Ratilal Gantra, Santosh Birendra Kumar and Sumit Dilip Jain.
 - c) Fast Train Cargo Pvt. Ltd., Shree Fast Courier and Cargo Pvt. Ltd., Finex Express Cargo Pvt. Ltd., Fast Transport and Cargo Ltd., Shirish Express Logistics Pvt., who were the subsidiaries/associated/connected entities with HFL and facilitated the funding to the aforesaid allottees.
2. In this regard, undersigned is appointed as the Adjudicating Officer ("AO") vide order dated May 25, 2021 (**Annexure 1**) under Section 15-I(1) of Securities and Exchange Board of India Act, 1992 ("the Act") and Rule 3 of AO Rules to conduct adjudication proceedings inter-alia in respect of the Noticees, in the manner specified under Rule 4 of the SEBI Adjudication Rules read with Section 15-I (1) and (2) of the SEBI Act, and if satisfied that penalty is liable, to impose such penalty deemed fit in terms of Rule 5 of the SEBI Adjudication Rules and Section 15HA of the SEBI Act.



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3. **Background of the company**

- a) HFL was incorporated on August 16, 1994 and is mainly involved in the business of leasing, hire purchase, investment banking and was listed on BSE on March 24, 1995. As per BSE website, the registered address of HFL is No.14, Imperial Hotel Complex, Near Albert Cinema Hall, Whannels Road, Egmore, Chennai, TN 600 008. The company is listed only on BSE.

b) **Management of the company:**

The details of the directors of HFL during the period August 27, 2010 to December 24, 2014.

Directors of the Company

Sr. No.	Name of Directors	PAN	Date of Appointment	Date of Cessation	MD/WT/Independent Director
1	Mr. Chandrakant Baburao Tupe	AERPT6489B	28.08.2009	12.12.2011	Whole Time Director
2	Mr. Salim Ismail Shaikh	ALEPS4089C	28.08.2009	-	Whole Time Director
3	Mr. Nitin Prabhudas Somani	AAEPS5182P	29.09.2009	-	Managing Director
4	Mrs. Sonal Nitin Somani	ALHPS9758D	29.09.2009	-	Whole Time Director
5	Mr. Nizamuddin M Shaikh	BOJPS0545E	16.11.2010	31.07.2012	Independent Director
6	Mr. Paresh Devidas Davada	ADGPD7044Q	16.11.2010	12.12.2011	Independent Director
7	Mr. Vilas Shankar Daware	AOZPD4521J	16.11.2010	-	Independent Director
8	Mr. Vishal Buddhdev	ALWPB3209R	16.11.2010	-	Independent Director
9	Mr. Manoj Kumar Padhy	AIUPP9912G	04.08.2012	-	Independent Director

c) **Shareholding Pattern** (Source: BSE website)

The quarterly shareholding pattern (SHP) during the IP was as follows:

Particulars	Quarter ended Sep-10			Quarter ended Dec-10			Quarter ended Mar-11		
	No. of share holders	No. of shares	%	No. of share holders	No. of shares	%	No. of share holders	No. of shares	%



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Promoter Holding	2	2218848	48.00	2	2218848	48.00	2	2218848	48.00
Non Promoter Holding	1114	2403752	52.00	1101	2403752	52.00	1060	2403752	52.00
Total share capital	1116	4622600	100.00	1103	4622600	100.00	1062	4622600	100.00

Particulars	Quarter ended Jun-11			Quarter ended Sep-11			Quarter ended Dec-11			Quarter ended Mar-12		
	No. of share holders	No. of shares	%	No. of share holders	No. of shares	%	No. of share holders	No. of shares	%	No. of share holders	No. of shares	%
Promoter Holding	4	3973848	40.33	4	3973848	40.33	4	3973848	40.33	4	3973848	40.33
Non Promoter Holding	1080	5880452	59.67	1041	5880452	59.67	988	5880452	59.67	959	5880452	59.67
Total share capital	1084	9854300	100.00	1045	9854300	100.00	992	9854300	100.00	963	9854300	100.00

Particulars	Quarter ended Jun-12			Quarter ended Sep-12			Quarter ended Dec-12			Quarter ended Mar-13		
	No. of share holders	No. of shares	%	No. of share holders	No. of shares	%	No. of share holders	No. of shares	%	No. of share holders	No. of shares	%
Promoter Holding	5	4482246	45.49	4	4481246	45.48	4	4482246	45.49	4	4931019	45.49
Non Promoter Holding	828	5372054	54.51	863	5373054	54.52	876	5372054	54.51	917	5908711	54.51
Total share capital	833	9854300	100.00	867	9854300	100.00	880	9854300	100.00	921	1083973	100.00

Particulars	Quarter ended Jun-13			Quarter ended Sep-13			Quarter ended Dec-13			Quarter ended Mar-14		
	No. of share holders	No. of shares	%	No. of share holders	No. of shares	%	No. of share holders	No. of shares	%	No. of share holders	No. of shares	%
Promoter Holding	4	4931019	45.49	4	4931614	45.50	4	4931614	45.50	4	4931614	45.50
Non Promoter Holding	921	5908711	54.51	920	5908116	54.50	922	5908116	54.50	923	5908116	54.50



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Total share capital	925	1083973	100.0	924	1083973	100.0	926	1083973	100.0	927	1083973	100.0
	0	0		0	0		0	0		0	0	

Particulars	Quarter ended Jun-14			Quarter ended Sep-14			Quarter ended Dec-14			Quarter ended Mar-15		
	No. of share holders	No. of shares	%	No. of share holders	No. of shares	%	No. of share holders	No. of shares	%	No. of share holders	No. of shares	%
Promoter Holding	4	4931614	45.50	4	4931614	45.50	4	4931614	45.50	4	4948064	45.65
Non Promoter Holding	938	5908116	54.50	958	5908116	54.50	950	5908116	54.50	950	5891666	54.35
Total share capital	942	1083973	100.0	962	1083973	100.0	954	1083973	100.0	954	1083973	100.0
	0	0		0	0		0	0		0	0	

Particulars	Quarter ended Jun-15			Quarter ended Sep-15		
	No. of share holders	No. of shares	%	No. of share holders	No. of shares	%
Promoter Holding	4	4948064	45.65	4	4948064	45.65
Non Promoter Holding	955	5891666	54.35	972	5891666	54.35
Total share capital	959	10839730	100.00	976	10839730	100.00

d) Changes to share capital of HFL

It was observed that the share capital of the company underwent changes during the investigation period due to the following corporate actions:

e) Issue of Warrants

On January 12, 2011, HFL allotted 52,31,700 warrants each convertible into equity share of Rs. 10/- to 3 promoters and 28 non-promoters at a premium of Rs.17/- per warrant.

The warrants were converted into equity shares on various dates as mentioned in the table below:

Sr. No.	No. of shares allotted	Allotment date	Date of listing
1	522000	08/04/2011	18/04/2012



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2	1043100	29/04/2011	18/04/2012
3	1695600	14/05/2011	18/04/2012
4	1971000	27/06/2011	22/05/2012

Consequently, the total shares increased from 4622600 in quarter ended March 2011 to 9854300 in quarter ended June 2011. It was observed that the company disclosed the same to BSE. (The details are placed at **Annexure 2**).

f) Bonus issue of shares

There was an allotment of bonus shares in the ratio 1:10 i.e., 1 equity share for every 10 equity shares held by the shareholders on March 13, 2013. Consequently, the total shares increased from 9854300 in quarter ended December 2012 to 10839730 in quarter ended March 2013. It was observed that the company disclosed the same to BSE. (The details are placed at **Annexure 3**).

g) Promoters during the investigation period

As can be seen from the Shareholding pattern at point 4 above, the no. of shareholders in the promoter category underwent changes during the investigation period. Following are the promoters of HFL, holding shares under promoter category during the Investigation Period:

Promoters of HFL during the investigation period (Source: BSEindia.com)

Sl. No.	Name of Promoter	PAN
1.	Nitin Prabhudas Somani	AAEPS5182P
2.	Sonal Nitin Somani	ALHPS9758D
3.	Manoj Prabhudas Somani	AWAPS9725L
4.	Lucky Manoj Somani	BMRPS0728P

h) Issue of Warrants on preferential basis convertible into equity shares:
(Source: BSE website, HFL email dated December 14, 2020 and January 29, 2021)

As per BSE website and BSE email dated November 20, 2020 and HFL email dated December 14, 2020 and January 29, 2021, HFL had issued warrants on preferential basis, convertible into equity shares on January 12, 2011. In the said issuance, 52,31,700 warrants were issued to 3 promoters and 28 non-promoters.

Copy of emails are placed at **Annexure 4**.



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i) Details of entities having common directors/promoters:

HFL vide its email dated January 29, 2021 and February 02, 2021 (copy of the email placed at **Annexure 5**) provided the details of other companies wherein the directors of HFL were also directors of those companies, during the period August 27, 2010 to December 24, 2014. The details of the same are as follows:

S. No.	Promoter/Director of HFL	Name of company in which he holds directorship
1	Nitin Prabhudas Somani (Promoter)	1. Fast Train Cargo Ltd. 2. Shree Fast Courier & cargo Pvt. Ltd. 3. Fast Air Cargo Pvt. Ltd. 4. Fast Realty Pvt. Ltd. 5. Shabd Brahma Developers Pvt. Ltd. 6. First International Hotels Pvt. Ltd. 7. Shreefast Logistics Pvt. Ltd. 8. Eswar Air Freight Pvt. Ltd. 9. NST Realty Pvt. Ltd. 10. Kisan Commodities Pvt. Ltd. 11. Genio Kids Education India Pvt. Ltd. 12. S BE Developers Pvt. Ltd. 13. High Speed Cargo Pvt. Ltd. 14. Leo Estates Pvt. Ltd. 15. Somani Realty Pvt. Ltd. 16. Cosper Finvest Pvt. Ltd.
2	Sonal Nitin Somani (Promoter)	1. Fast Train Cargo Ltd. 2. Shree Fast Courier & Cargo Pvt. Ltd. 3. Fast Realty Pvt. Ltd. 4. Finex Software Solutions Pvt. Ltd. 5. First International Hotels Pvt. Ltd. 6. Shreefast Logistics Pvt. Ltd. 7. Kisan Commodities Pvt. Ltd. 8. Fast Agrifarms Pvt. Ltd. 9. Genio Kids Education India Pvt. Ltd. 10. STN Developers Pvt. Ltd. 11. Fast Rail Cargo Pvt. Ltd. 12. Somani Realty Pvt. Ltd. 13. Cosper Finvest Pvt. Ltd.
3	Chandrakant Baburao Tupe (Director)	1. STA Logistics Pvt. Ltd.



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4	Salim Ismail Shaikh (Director)	1. Fast Train Cargo Ltd. 2. Eswar Air Freight Private Ltd. 3. FTC Transport Services Pvt. Ltd.
5	Nizamuddin Shaikh	1. ABN Wealth (India) Pvt. Ltd. 2. ABN Realty (India) Pvt. Ltd. 3. Stanford Capital (India) Pvt. Ltd. 4. Tarurus Resources Pvt. Ltd.
6	Paresh Devidas Davada	1. Shirish Express Logistics Pvt. Ltd. 2. Finex Express Cargo Pvt. Ltd. 3. Fast Train Cargo Ltd.
7	Vishal Buddhadev	1. Spider Display Systems Pvt. Ltd. 2. Spider Prints Pvt. Ltd.

HFL vide its email dated January 29, 2021, also provided the details of subsidiary companies of HFL as on Dec 24, 2014. The same are as follows:

S.No.	Name of Company	PAN	List of Directors
1.	Shirish Express Logistics Pvt. Ltd.	AAOCS2325K	1. Janardan Lorekar 2. Jitesh Pandey 3. Paresh Devidas Davada
2.	Finex Express Cargo Pvt. Ltd.	AABCF0584C	1. Durgesh Sonkar 2. Radhakrishna Biswaray 3. Paresh Devidas Davada
3.	Spider Display Systems Pvt. Ltd.	AALCS6483K	1. Manoj Prabhudas Somani 2. Vishal Buddhdev
4.	Spider Prints Pvt. Ltd.	AALCS3943E	1. Neil Parikh 2. Vishal Buddhdev

It is observed that Hasti Finance Limited in its Annual Report - 2010-11 (**Annexure 6**) disclosed the following:

- Finex Express Cargo Pvt. Ltd., Shirish Express Logistics Pvt. Ltd. and Spider Prints Pvt. Ltd. were the subsidiaries of Hasti Finance Ltd. during the investigation period.



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- ii. Fast Train Cargo Pvt. Ltd., Shree Fast Courier & Cargo Pvt. Ltd., Fast Transport & Cargo Ltd. were the associated entities of Hasti Finance Ltd. during the investigation period.

3. Based on findings, Investigation has made following observations:

Fund Flow Analysis

- a. To investigate whether the company/promoters/directors funded the allottees for subscribing to the preferential issue, the following bank accounts were examined for trailing fund movement, if any from company to allottee:
- the statements of bank account(s) of the company, to which the amounts were credited from the preferential allottees,
 - statements of bank account(s) of the preferential allottees from which the amounts were debited for the aforesaid preferential allotments,
 - Bank statement(s) of other entities from which the preferential allottees had received funds, if any.
- b. For establishing fund trail, only those transactions have been considered wherein the account balance of the recipient, immediately prior to receiving funds, was lower than the fund received in the concerned transaction.
- c. In case of such entities/ allottees whose account balance prior to the day of transaction was lower than the concerned transaction, 3 (three) layers of bank transactions have been examined. Further, wherever required, existence of common directors among the corporate HFL, entities funding the allottees at the third layer and entities that received funds from HFL was also examined.
- d. Accordingly, bank statements of all the 31 allottees in the warrants issue were examined regarding fund flow, as enumerated above. The findings in respect of each of these allottees have been summarized in the table below:

Fund Analysis for Preferential Allotment of shares issued on 12.01.2011:

List of preferential allottees along with findings of investigation:

Sl. No.	Name of the allottee	PAN	No. of Shares allotted	Amount received from company/related entities
1	Manoj Prabhudas Somani, Promoter	AWAPS9725L	2,25,000	No adverse inference



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2	Lucky Manoj Somani, Promoter	BMRPS0728P	90,000	Rs.18,22,500/- towards conversion of warrants into equity shares
3	Sonal Nitin Somani, Promoter	ALHPS9758D	14,40,000	No adverse inference
4	Salim Ismail Shaikh	ALEPS4089C	2,25,000	Rs.45,56,250/- towards conversion of warrants into equity shares
5	ABN Realty (India) Pvt. Ltd.	AAHCA5220E	4,41,000	No adverse inference
6	Satish Kumar	ALPPK9168D	2,25,000	Rs.15,18,750/- towards subscription of warrants
7	Anil Motiram Chavan	AJDPC4494Q	2,25,000	No adverse inference
8	Bandu Prasad Ingole	AAQPI9520D	2,16,000	No adverse inference
9	Vijay Surendraprasad Singh	AJSPV8820C	2,16,000	Rs.1,90,000/- towards subscription of warrants
10	Sangeeta Manjay Singh	CCZPS1222H	1,71,000	No adverse inference
11	Chhotu Ramgahan Sharma	AMTPC8027G	1,71,000	No adverse inference
12	Nilesh Ratilal Gantra	AHIPG7146C	1,71,000	Rs.10,00,000/- towards subscription of warrants
13	Devarajam Laxman Adepu (HUF)	AAFHD1939L	1,17,000	No adverse inference
14	Blue Sky Courier and Cargo Pvt. Ltd.	AABC6999D	1,17,000	Rs.8,69,250/- towards conversion of warrants into equity shares
15	Santosh Birendra Kumar	BARPK9928H	1,11,600	Rs.22,59,900/- towards conversion of warrants into equity shares
16	Maneesha Saurab	BXFPS5330A	1,11,600	No adverse inference
17	Seema Durgesh Sonkar	BJHPS4349M	90,000	No adverse inference
18	Vinod Ramgahan Sharma	BWOPS4101D	90,000	Rs.18,22,500/- towards conversion of warrants into equity shares
19	Abhilasha Maheshwari (now Rathi)	AHKPM5269N	90,000	Rs.8,22,500/- towards conversion of warrants into equity shares
20	Pankaj Kumar Shiv Singh	BEUPS8932N	1,80,000	Rs.18,22,500/- towards conversion of warrants into equity shares
21	Abbas Khan Chand Khan	AMFPK1852P	90,000	Rs.18,22,500/- towards conversion of warrants into equity shares
22	Chippa Mohd. Yusuf Sharif	AGOPC5888Q	90,000	No adverse inference
23	Pankaj Jivraj Khajanchi	AABPK8404F	54,000	No adverse inference
24	Mamta Jivraj Khajanchi	AABPK5710C	54,000	No adverse inference
25	Vishwas Jivraj Khajanchi	AABPK8403C	54,000	No adverse inference

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26	Meeta Vishwas Khajanchi	AAEPM5488N	54,000	No adverse inference
27	Cotton Cottage India Pvt. Ltd.	AADCC3829K	54,000	No adverse inference
28	Sumit Dilip Jain	AGWPJ6652M	45,000	Rs. 9,11,250/- towards conversion of warrants into equity shares
29	Jamnabai Jethmal Jain	AAEPJ0316B	16,200	No adverse inference
30	Priyanka Janardan Lorekar	AEOPJ5761R	15,300	No adverse inference
31	Jethmal L Jain (HUF)	AAEHJ4554L	9,000	No adverse inference

Entity wise analysis of allotment of warrants and conversion of warrants into equity shares:

- a. The bank statements of all the entities were analysed and no adverse inference was observed against few allottees namely Sonal Nitin Somani, ABN Realty (India) Pvt. Ltd., Devarajam Laxman Adepu (HUF), Pankaj Jivraj Khajanchi, Mamta Khajanchi, Vishwas Jivraj Khajanchi, Meeta Vishwas Khajanchi, Cotton Cottage India Pvt. Ltd., Jamnabai Jethmal Jain, Jethmal L Jain (HUF), Manoj Prabhudas Somani, Sangeeta Manjay Singh, Maneesha Saurab, Chippa Mohd. Yusuf Sharif, Priyanka Janardan Lorekar, Anil Motiram Chavan, Bandu Parlad Ingole, Chhotu Ramgahan Sharma and Seema Durgesh Sonkar.
- b. With respect to rest of the allottees, it was observed that Hasti Finance Ltd. directly/indirectly funded them towards subscription of warrants and/or their conversion into equity shares. Accordingly, entity wise analysis of allotment of warrants and conversion of warrants into equity shares by these allottees is elaborated in the subsequent para. It may be noted that only those transactions have been elaborated below wherein it was observed that Hasti Finance Ltd. directly/indirectly funded the allottees for subscription of warrants and/or conversion of warrants into equity shares.
 - i. **Lucky Manoj Somani (BMRPS0728P)** was allotted 90,000 shares pursuant to the conversion of warrants (allotted on January 12, 2011) into equity shares on April 08, 2011 after receipt of full payment by the company from the allottee.

It was observed that the allottee subscribed to the warrants issued by the company on January 06, 2011 by paying Rs.6,07,500/-. Rest of the amount to be paid by the allottee (Rs. 18,22,500/-) was paid on March 29, 2011 for conversion of said warrants into equity shares.

Fund flow for the payments made by the allottee was analysed, which is described as under:



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On the basis of allotment details obtained from BSE and HFL vide their email dated December 23, 2020 and December 12, 2020 respectively (copy of emails placed at **Annexure 2**), it was observed that Lucky Somani paid Rs.18,22,500/- to HFL on March 29, 2011 towards conversion of warrants into equity shares.

On analysing his bank statement, it was observed that Lucky Somani paid Rs. 18,22,500/- on March 29, 2011 from his A/c. No. 001801533190 (ICICI Bank) for conversion of warrants into equity shares. It was further observed that his account balance was Rs.1,998/- as on March 27, 2011 and he received Rs.10,02,375/- and Rs.8,20,125/- (amounting to Rs.18,22,500/-) from STA Logistics Pvt. Ltd. (A/c No.:0726102000001519, IDBI Bank) (associated entity of HFL) on March 28, 2011. Bank statements of STA Logistics (associated entity of HFL) were also analysed.

On analysing the bank statements of STA Logistics Pvt. Ltd. (A/c No.:0726102000001519, IDBI Bank), it was observed that its account balance was Rs.10,000/- as on March 27, 2011, and the entity received Rs. 9,02,500/- and Rs.9,20,000/- (amounting to Rs.18,22,500/-) from Fast Train Cargo Pvt. Ltd. on March 28, 2011. It is observed that Nitin Somani, Sonal Somani and Salim Ismail Shaikh were the directors of Fast Train Cargo Pvt. Ltd.

It was also observed that Hasti Finance Ltd. made FDs/transferred funds received by it towards subscription and conversion of warrants, to bank accounts of its subsidiaries/associated/connected entities namely Spider Prints Pvt. Ltd., Finex Express Cargo Pvt. Ltd., Reliable Milk Products Ltd., Fast Transport and Cargo Pvt. Ltd. and STA Logistics Pvt. Ltd. It was further observed that Hasti Finance Ltd. also created FDs of amounts received towards conversion of warrants, in its own bank account (A/c No.:0579102000004121, IDBI Bank) on May 13, 2011. Hasti Finance Ltd. closed the said Fixed Deposits on September 05, 2011 and transferred Rs.3.59 crores & Rs.1.50 crores (amounting to a total of 5.09 crores) to the bank account of Fast Train Cargo Pvt. Ltd (associated entity of HFL).

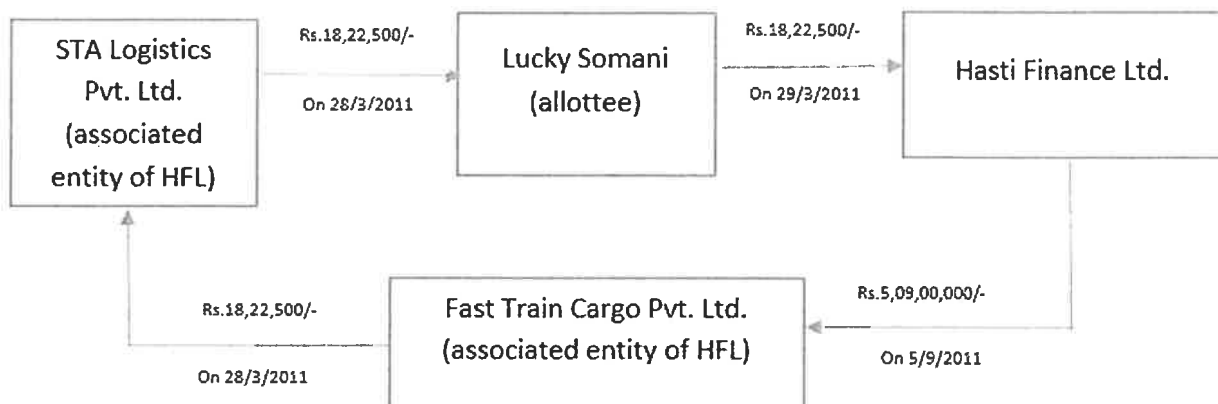
It is therefore alleged that Hasti Finance Ltd. used STA Logistics (associated entity of HFL) and Fast Train Cargo Pvt. Ltd. (associated entity of HFL) for funding the allottee. Hence, Hasti Finance Ltd. is alleged to have funded the preferential allottee duly facilitated by STA Logistics Pvt. Ltd. (associated entity of HFL) and Fast Train Cargo Pvt. Ltd. (associated entity of HFL). Copies of bank statements showing the fund trail are enclosed as **Annexure 7-A**.

The pictorial representation of the fund flow is as follows:



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- ii. **Blue Sky Courier and Cargo Pvt. Ltd. (AABCB6999D)** was allotted 1,17,000 equity shares pursuant to the conversion of warrants (allotted on January 12, 2011) into equity shares on April 08, 2011 after receipt of full payment by the company from the allottee.

It was observed that the allottee subscribed to the warrants issued by the company, on January 08, 2011 by paying Rs.7,89,750/- to HFL. Rest of the amount to be paid by the allottee (Rs. 23,69,250/-) was paid to HFL on March 19, 2011 (Rs.15,00,000/-) and on March 29, 2011 (Rs.8,69,250/-) for conversion of said warrants into equity shares.

Fund flow for the payment made by the allottee was analysed, which is described as under:

On the basis of allotment details obtained from BSE and HFL vide their email dated December 23, 2020 and email dated December 12, 2020 & Feb 27, 2021 respectively (copy of emails placed at **Annexure 2**), it was observed that Blue Sky Couriers & Cargo Pvt. Ltd. paid Rs.15,00,000/- on March 19, 2011 and Rs.8,69,250/- on March 29, 2011 to HFL towards conversion of warrants into equity shares.

It was observed that the allottee paid Rs.8,69,250/- to Hasti Finance Ltd. on March 29, 2011 from its A/c. No. 05412000001391 (HDFC Bank). Its account balance was Rs.2,07,233/- on March 28, 2011 and it received Rs.8,69,250/- from Fast Train Cargo Pvt. Ltd. (A/c No.:02400430002399, HDFC Bank) (associated entity of HFL) on March 28, 2011. It is further observed that Nitin Somani, Sonal Somani and Salim Ismail Shaikh were the directors of Fast Train Cargo Pvt. Ltd.



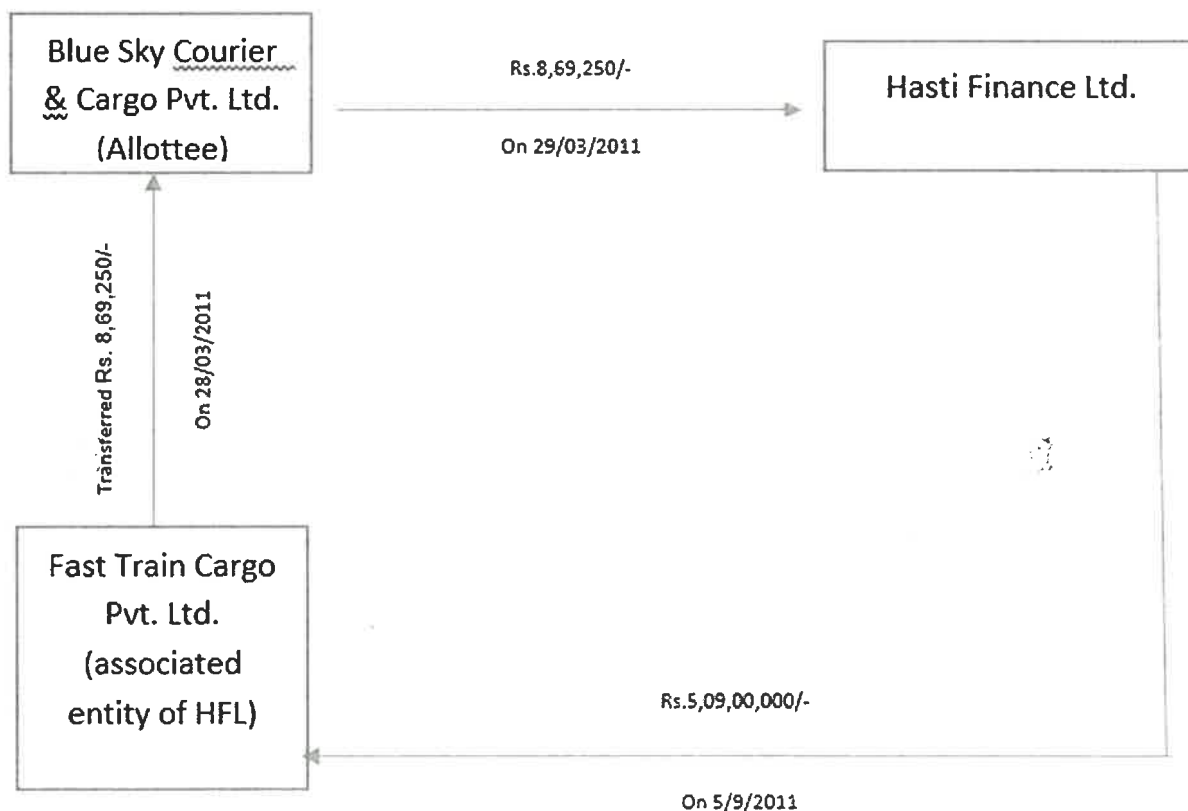
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It was also observed that Hasti Finance Ltd. made FDs/transferred funds received by it towards subscription and conversion of warrants, to the bank accounts of its subsidiaries/associated/connected entities namely Spider Prints Pvt. Ltd., Finex Express Cargo Pvt. Ltd., Reliable Milk Products Ltd., Fast Transport and Cargo Pvt. Ltd. and STA Logistics Pvt. Ltd. It was further observed that Hasti Finance Ltd. also created FDs of amounts received towards conversion of warrants, in its own bank account (A/c No.:0579102000004121, IDBI Bank) on May 13, 2011. Hasti Finance Ltd. closed the said Fixed Deposits on September 05, 2011 and transferred Rs.3.59 crores & Rs.1.50 crores (amounting to a total of 5.09 crores) to the bank account of Fast Train Cargo Pvt. Ltd (associated entity of HFL).

It is therefore alleged that Hasti Finance Ltd. used Fast Train Cargo Pvt. Ltd (associated entity of HFL) for funding the allottee. Hence, Hasti Finance Ltd. is alleged to have funded the preferential allottee duly facilitated by Fast Train Cargo Pvt. Ltd. (associated entity of HFL). Copies of bank statements showing the fund trail are enclosed as **Annexure 7-B**.

The pictorial representation of the fund flow is as follows:





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- iii. **Abbas Khan Chand Khan (AMFPK1852P)** was allotted 90,000 shares pursuant to the conversion of warrants (allotted on January 12, 2011) into equity shares on April 08, 2011 after receipt of full payment by the company from the allottee.

It was observed that the allottee (Abbas Khan) subscribed to the warrants issued by the company on January 10, 2011 by paying Rs.6,07,500/- to HFL. Rest of the amount to be paid by the allottee (Rs. 18,22,500/-) was paid on March 29, 2011 for conversion of said warrants into equity shares.

Fund flow for the payments made by the allottee were analysed, which is described as under:

On the basis of allotment details obtained from BSE and HFL vide their email dated December 23, 2020 and December 12, 2020 respectively (copy of emails placed at **Annexure 2**), it was observed that Abbas Khan paid Rs.18,22,500/- to HFL on March 29, 2011.

On analysing his bank statement, it was observed that Abbas Khan paid Rs. 18,22,500/- on March 29, 2011 from his A/c. No. 624201503835 (ICICI Bank) for conversion of warrants into equity shares. It was further observed that his account balance was Rs.10,888/- as on March 27, 2011 and he received Rs.8,74,800/- and Rs.9,47,700/- (amounting to Rs.18,22,500/-) from Ramesh Textiles (A/c No. 55912010001895, IDBI Bank) on March 28, 2011.

Bank statements Ramesh Textiles were also analysed.

On analysing the bank statements of Ramesh Textiles (A/c No. 55912010001895, IDBI Bank), it was observed that its account balance was nil as on March 27, 2011, and the entity received Rs. 9,72,150/- and Rs.8,50,350/- (amounting to Rs.18,22,500/-) from Fast Train Cargo Pvt. Ltd. on March 28, 2011. It is observed that Nitin Somani, Sonal Somani and Salim Ismail Shaikh were the directors of Fast Train Cargo Pvt. Ltd.

It was also observed that Hasti Finance Ltd. made FDs/transferred funds received by it towards subscription and conversion of warrants, to bank accounts of its subsidiaries/associated/connected entities namely Spider Prints Pvt. Ltd., Finex Express Cargo Pvt. Ltd., Reliable Milk Products Ltd., Fast Transport and Cargo Pvt. Ltd. and STA Logistics Pvt. Ltd. It was further observed that Hasti Finance Ltd. also created FDs of amounts received towards conversion of warrants, in its own bank account (A/c No.:0579102000004121, IDBI Bank) on May 13, 2011. Hasti Finance Ltd. closed the said Fixed Deposits on September 05, 2011 and



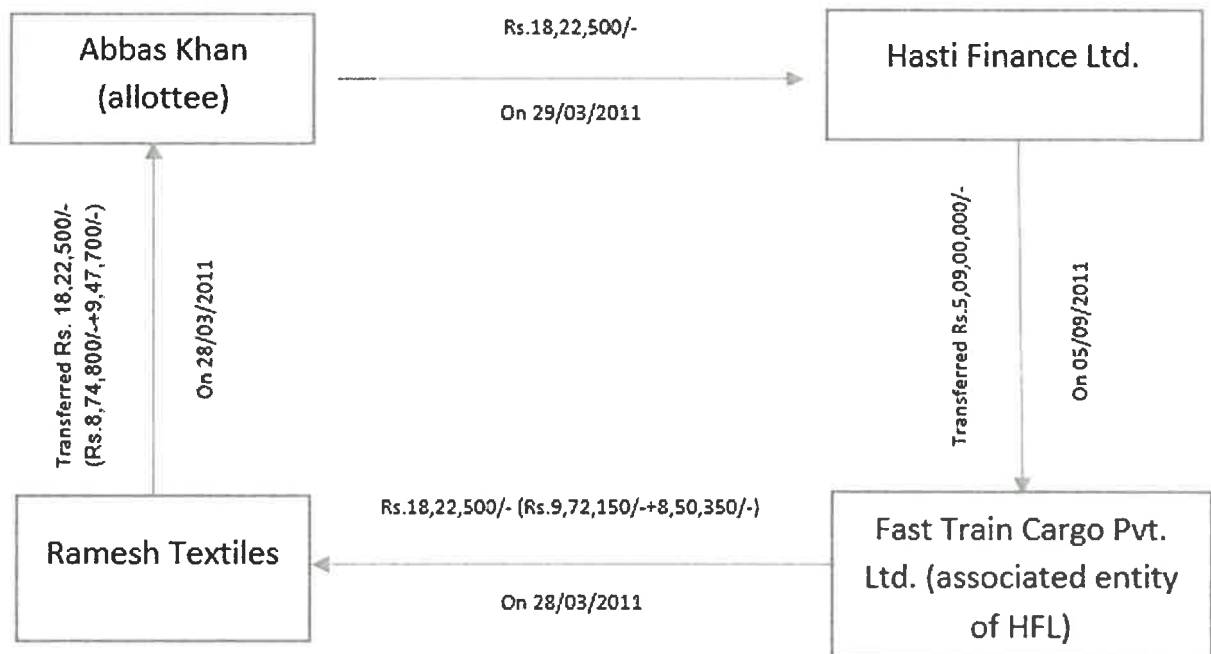
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transferred Rs.3.59 crores & Rs.1.50 crores (amounting to a total of 5.09 crores) to the bank account of Fast Train Cargo Pvt. Ltd (associated entity of HFL).

It is therefore alleged that Hasti Finance Ltd. used Ramesh Textiles and Fast Train Cargo Pvt. Ltd. (associated entity of HFL) for funding the allottee. Hence, Hasti Finance Ltd. is alleged to have funded the preferential allottee duly facilitated by Ramesh Textiles and Fast Train Cargo Pvt. Ltd. (associated entity of HFL). Copies of bank statements showing the fund trail are enclosed as **Annexure 7-C**.

The pictorial representation of the fund flow is as follows:



- iv. **Abhilasha Rathi (AHKPM5269N)** was allotted 90,000 shares pursuant to the conversion of warrants (allotted on January 12, 2011) into equity shares on April 29, 2011 after receipt of full payment by the company from the allottee.

It was observed that the allottee (Abhilasha Rathi) subscribed to the warrants issued by the company on January 06, 2011 by paying Rs.6,07,500/- to HFL. Rest of the amount to be paid by the allottee (Rs. 18,22,500/-) was paid on April 26, 2011 for conversion of said warrants into equity shares.

Fund flow for the payment made by the allottee was analysed, which is described as under:

On analysing the bank statement of the allottee (A/c no: 003-348562-006, HSBC Bank), it was observed that she paid Rs. 10,00,000/- and Rs.8,22,500/- (amounting



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to Rs. 18,22,500/-) on April 26, 2011 to HFL for conversion of warrants into equity shares. It was further observed that her account balance was Rs.3,96,679/- as on April 17, 2011 and she received Rs.7,00,000/- and Rs.2,50,000/- on April 18, 2011 and April 19, 2011 respectively, from Devesh Rathi (A/c No.:623505384894, ICICI Bank) and Rs.8,22,500/- from STA Logistics Pvt. Ltd. on April 26, 2011.

It was observed that Abhilasha Rathi received Rs.8,22,500/- from STA Logistics Pvt. Ltd. (associated entity of HFL) (A/c no.: 0726102000001519, IDBI Bank) on April 26, 2011 and Rs.8,22,000/- was later returned back to STA Logistics Pvt. Ltd. on April 30, 2011.

On analysing the bank statements of STA Logistics Pvt. Ltd. (A/c no.: 0726102000001519, IDBI Bank), it was observed that its account balance was Rs.18,350/- on April 25, 2011 and it received Rs.8,25,000/- from Fast Train Cargo Pvt. Ltd. on April 26, 2011. It is further observed that Nitin Somani, Sonal Somani and Salim Ismail Shaikh are the directors of Fast Train Cargo Pvt. Ltd.

It was also observed that Hasti Finance Ltd. made FDs/transferred funds received by it towards subscription and conversion of warrants, to bank accounts of its subsidiaries/associated/connected entities namely Spider Prints Pvt. Ltd., Finex Express Cargo Pvt. Ltd., Reliable Milk Products Ltd., Fast Transport and Cargo Pvt. Ltd. and STA Logistics Pvt. Ltd. It was further observed that Hasti Finance Ltd. also created FDs of amounts received towards conversion of warrants, in its own bank account (A/c No.:0579102000004121, IDBI Bank) on May 13, 2011. Hasti Finance Ltd. closed the said Fixed Deposits on September 05, 2011 and transferred Rs.3.59 crores & Rs.1.50 crores (amounting to a total of 5.09 crores) to the bank account of Fast Train Cargo Pvt. Ltd (associated entity of HFL).

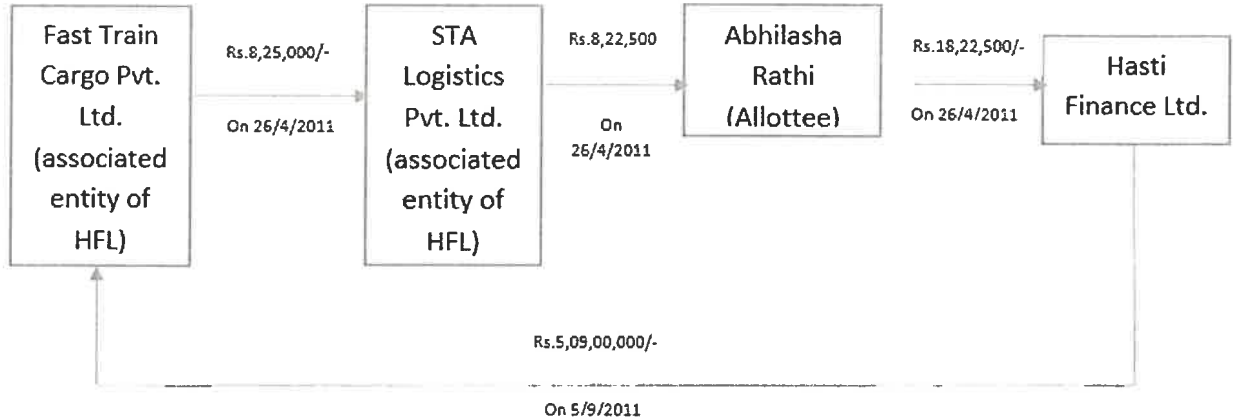
It is therefore alleged that Hasti Finance Ltd. used STA Logistics Pvt. Ltd. and Fast Train Cargo Pvt. Ltd. for funding the allottee. Hence, Hasti Finance Ltd. is alleged to have funded the preferential allottee duly facilitated by STA Logistics Pvt. Ltd. (associated entity of HFL) and Fast Train Cargo Pvt. Ltd. (associated entity of HFL). Copies of bank statements showing the fund trail are enclosed as **Annexure 7-D**.

The pictorial representation of the fund flow is as follows:



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- v. **Pankaj Kumar Shiv Singh (BEUPS8932N)** was allotted 1,80,000 shares pursuant to the conversion of warrants (allotted on January 12, 2011) into equity shares on April 29, 2011 after receipt of full payment by the company from the allottee.

It was observed that the allottee subscribed to the warrants issued by the company on January 11, 2011 by paying Rs.12,15,000/- (Rs.6,07,500/- + Rs.6,07,500/-) to HFL. Rest of the amount to be paid by the allottee (Rs. 36,45,000/-) was paid on April 25, 2011 (Rs.10,25,500/- and Rs.7,97,000/-) and on April 26, 2011 (Rs. 18,22,500/-) for conversion of said warrants into equity shares.

Fund flow for the payments made by the allottee were analysed, which is described as under:

It was observed that the B K Enterprises and Ramesh Textiles transferred Rs.10,25,500/- and Rs.7,97,000/- respectively to the bank account of HFL on April 25, 2011, on behalf of the allottee. In this regard, bank statements of HFL wherein the funds were received towards subscription of warrants and their conversion into equity shares, were sought from HFL vide our email dated December 09, 2020. Vide its email dated Feb 27, 2021, the company provided the said details. (Placed at **Annexure 2**).

From the details provided by HFL, it was observed that Rs.10,25,500/- was transferred to the bank account of HFL (A/c No. 0579102000004121, IDBI Bank Ltd.) on April 25, 2011 by B K Enterprises (A/c No. 55912010001897, IDBI Bank), Rs.7,97,000/- was transferred to the bank account of HFL on April 25, 2011 by Ramesh Textiles (A/c No. 55912010001895, IDBI Bank). Thus, B K Enterprises and Ramesh Textiles transferred funds to the bank account of Hasti Finance Ltd. on behalf of the allottee. Based on the KYC details obtained from IDBI bank (placed at **Annexure 8**), it was observed that Chandrakant Baburao Tupe was the



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authorized signatory for the bank account of Ramesh Textiles. It was further observed that Chandrakant Baburao Tupe was also the director in Hasti Finance Ltd.

On analysing the bank statements of B K Enterprises (A/c No. 55912010001897, IDBI Bank), it was observed that its account balance was Rs.700/- as on April 24, 2011 and on April 25, 2011, the entity received Rs.7,00,250/- from STA Logistics (associated entity of HFL) (A/c No. 0726102000001519, IDBI Bank), Rs. 3,25,250/- from Finex Express Cargo Pvt. Ltd. (a subsidiary of HFL) and Rs. 3,15,000/- from Shree Fast Couriers and Cargo Pvt. Ltd. (associated entity of HFL). On analysing the bank statements of STA Logistics, it was observed that its account balance was Rs.19,000/- as on April 24, 2011. It received Rs. 22,00,000/- from Hasti Finance Ltd. on April 25, 2011. Further, the account balance of Finex Express Cargo Pvt. Ltd. (A/c No.:559102000000116, IDBI Bank) was Rs.6,501/- as on April 24, 2011 and it received Rs.14,00,000/- from Hasti Finance Ltd. on April 25, 2011. Thus, it is alleged that Hasti Finance Ltd. used STA Logistics, B K Enterprises and Finex Express Cargo Pvt. Ltd. for funding the allottee. Hence, Hasti Finance Ltd. is alleged to have funded the preferential allottee duly facilitated by STA Logistics (associated entity of HFL), B K Enterprises and Finex Express Cargo Pvt. Ltd. (associated entity of HFL). Copies of bank statements showing the fund trail are enclosed as **Annexure 7-E**.

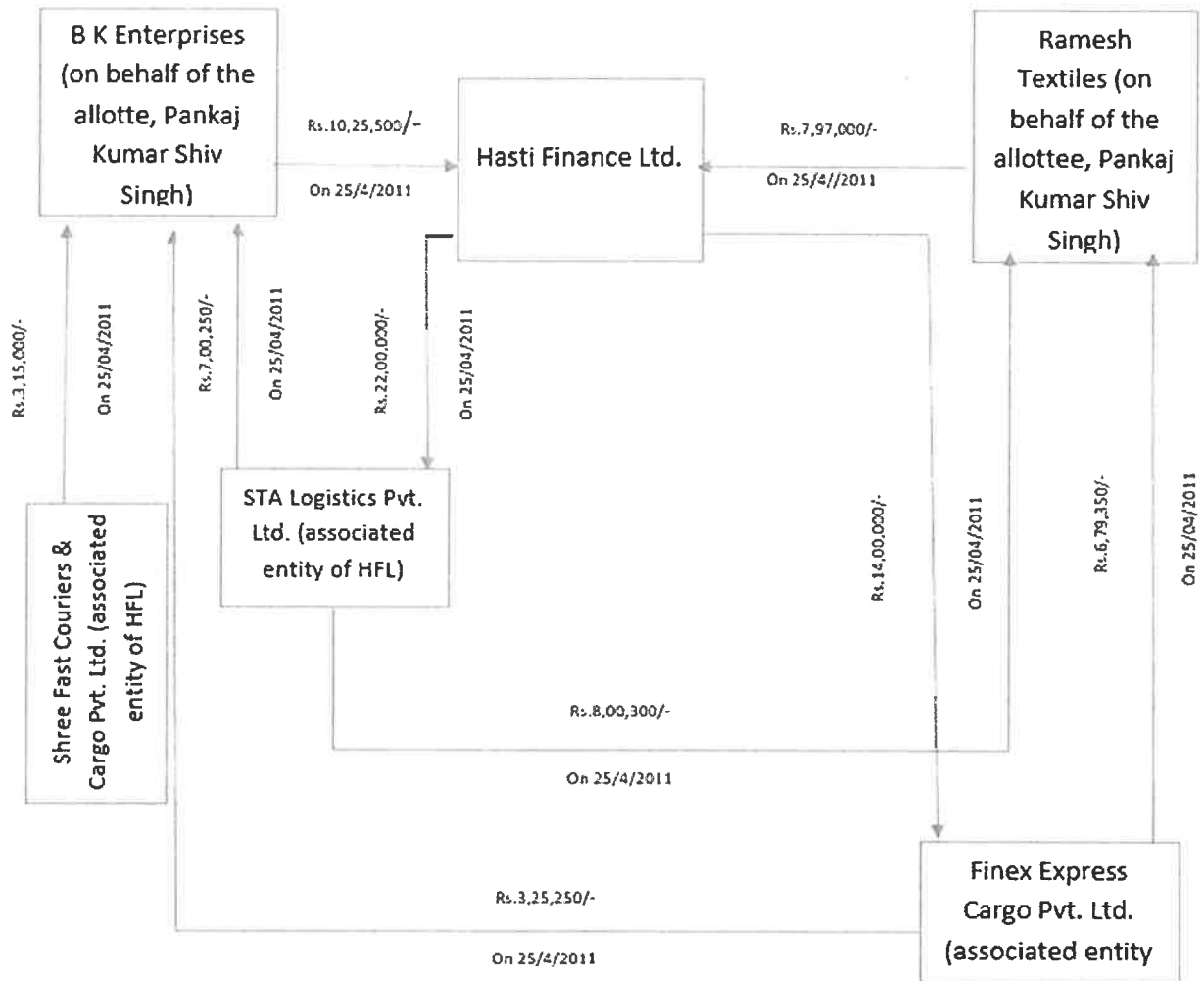
On analysing the bank statements of Ramesh Textiles (A/c No.: 55912010001895, IDBI Bank), it was observed that its account balance was Nil as on April 24, 2011 and on April 25, 2011, the entity received Rs.8,00,300/- from STA Logistics (associated entity of HFL) (A/c No. 0726102000001519, IDBI Bank) and Rs. 6,79,350/- from Finex Express Cargo Pvt. Ltd. (a subsidiary of HFL). On analysing the bank statements of STA Logistics, it was observed that its account balance was Rs.19,000/- as on April 24, 2011. It received Rs. 22,00,000/- from Hasti Finance Ltd. on April 25, 2011. Further, the account balance of Finex Express Cargo Pvt. Ltd. (A/c No.:559102000000116, IDBI Bank) was Rs.6,501/- as on April 24, 2011 and it received Rs.14,00,000/- from Hasti Finance Ltd. on April 25, 2011. Thus, it is alleged that Hasti Finance Ltd. used STA Logistics, Ramesh Textiles and Finex Express Cargo Pvt. Ltd. for funding the allottee. Hence, Hasti Finance Ltd. is alleged to have funded the preferential allottee duly facilitated by STA Logistics (associated entity of HFL), B K Enterprises, Ramesh Textiles and Finex Express Cargo Pvt. Ltd. (associated entity of HFL). Copies of bank statements showing the fund trail are enclosed as **Annexure 7-E**.

The pictorial representation of the fund flow is as follows:



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- vi. **Vinod Ramghan Sharma (BWOPS4101D)** was allotted 90,000 shares pursuant to the conversion of warrants (allotted on January 12, 2011) into equity shares on April 29, 2011 after receipt of full payment by the company from the allottee.

It was observed that the allottee subscribed to the warrants issued by the company on January 10, 2011 by paying Rs.6,07,500/- to HFL. Rest of the amount to be paid by the allottee (Rs.18,22,500/-) was paid on April 25, 2011 (Rs.11,40,500/- & Rs.6,82,000/-) for conversion of said warrants into equity shares.

Fund flow for the payments made by the allottee were analysed, which is described as under:



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On analysing the bank statements of the allottee (A/c No.:072201503017 and A/c No:030701513439, ICICI Bank), no transaction was observed wherein Rs.11,40,500/- and Rs.6,82,000 were transferred to the bank account of Hasti Finance Ltd on April 25, 2011.

In this regard, bank statements of HFL wherein the funds were received towards subscription of warrants and their conversion into equity shares were sought from HFL vide our email dated December 09, 2020. Vide its email dated Feb 27, 2021, the company provided the said details. (Placed at **Annexure 2**).

From the details provided by HFL, it was observed that Rs.11,40,500/- was transferred to the bank account of HFL (A/c No. 0579102000004121, IDBI Bank Ltd.) on April 25, 2011 by S K Enterprises (A/c No. 55912010001896, IDBI Bank) and Rs.6,82,000/- was transferred to the bank account of HFL on April 25, 2011 by Ramesh Textiles (A/c No. 55912010001895, IDBI Bank). Thus, S K Enterprises and Ramesh Textiles transferred funds to Hasti Finance Ltd. on behalf of the allottee. Based on the KYC details obtained from IDBI bank (placed at **Annexure 8**), it was observed that Chandrakant Baburao Tupe was the authorized signatory for the bank account of Ramesh Textiles and S K Enterprises. It was further observed that Chandrakant Baburao Tupe was also the director in Hasti Finance Ltd.

On analysing the bank statements of S K Enterprises (A/c no. 55912010001896, IDBI Bank), it was observed that its account balance was Rs.730/- as on April 24, 2011 and it received Rs. 7,00,100/- from STA Logistics (associated entity of HFL) (A/c no.: 0726102000001519, IDBI Bank) and Rs. 4,40,400/- from Finex Express Cargo Pvt. Ltd. (a subsidiary of HFL) on April 25, 2011. On analysing the bank statements of STA Logistics, it was observed that its account balance was Rs.19,000/- as on April 24, 2011. It received Rs. 22,00,000/- from Hasti Finance Ltd. on April 25, 2011. Further, the account balance of Finex Express Cargo Pvt. Ltd. (A/c No.:559102000000116, IDBI Bank) was Rs.6,501/- as on April 24, 2011 and it received Rs.14,00,000/- from Hasti Finance Ltd. on April 25, 2011. Thus, it is alleged that Hasti Finance Ltd. used the entities STA Logistics, S K Enterprises and Finex Express Cargo Pvt. Ltd. to provide funds for the said transactions. Hence, Hasti Finance Ltd. is alleged to have funded the preferential allottee duly facilitated by STA Logistics (associated entity of HFL), S K Enterprises and Finex Express Cargo Pvt. Ltd. (subsidiary of HFL). Copies of bank statements showing the fund trail are enclosed as **Annexure 7-F**.

Further, on analysing the bank statements of Ramesh Textiles (A/c No. 55912010001895, IDBI Bank), it was observed that its account balance was nil as

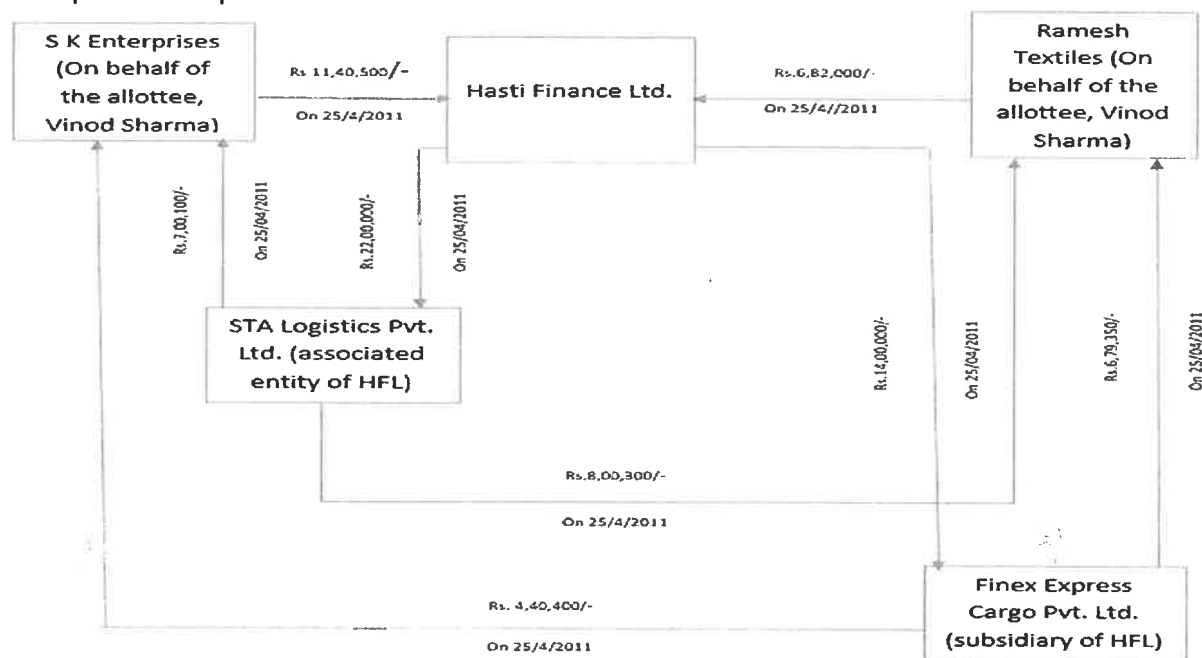


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on April 24, 2011 and the entity received Rs.8,00,300/- from STA Logistics (associated entity of HFL) (A/c No. 0726102000001519, IDBI Bank) and Rs. 6,79,350/- from Finex Express Cargo Pvt. Ltd. (a subsidiary of HFL) on April 25, 2011. On analysing the bank statements of STA Logistics, it was observed that its account balance was Rs.19,000/- as on April 24, 2011. It received Rs. 22,00,000/- from Hasti Finance Ltd. on April 25, 2011. Further, the account balance of Finex Express Cargo Pvt. Ltd. (A/c No.:559102000000116, IDBI Bank) was Rs.6,501/- as on April 24, 2011 and it received Rs.14,00,000/- from Hasti Finance Ltd. on April 25, 2011. Thus, it is alleged that Hasti Finance Ltd. used STA Logistics, SK Enterprises, Ramesh Textiles and Finex Express Cargo Pvt. Ltd. to provide funds for the said transactions. Hence Hasti Finance Ltd. is alleged to have funded the preferential allottee duly facilitated by STA Logistics (associated entity of HFL), SK Enterprises, Ramesh Textiles and Finex Express Cargo Pvt. Ltd. (subsidiary of HFL). Copies of bank statements showing the fund trail are enclosed as **Annexure 7-F**.

The pictorial representation of the fund flow is as follows:



- vii. **Salim Ismail Shaikh (ALEPS4089C)** was allotted 2,25,000 shares pursuant to the conversion of warrants (allotted on January 12, 2011) into equity shares on May 14, 2011 after receipt of full payment by the company from the allottee.

It was observed that the allottee subscribed to the warrants issued by the company on January 11, 2011 by paying Rs.15,18,750/- to HFL. Rest of the amount to be



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paid by the allottee (Rs. 45,56,250/-) was paid on May 04, 2011 for conversion of said warrants into equity shares.

Fund flow for the payments made by the allottee were analysed, which is described as under:

On the basis of allotment details obtained from BSE and HFL vide their email dated December 23, 2020 and December 12, 2020 respectively (copy of emails placed at **Annexure 2**), it was observed that the allottee paid Rs.45,56,250/- to HFL on May 04, 2011.

On analysing his bank statement, it was observed that the allottee paid Rs. 45,56,250/- on May 04, 2011 from his A/c. No. 06331000012000 (HDFC Bank) for conversion of warrants into equity shares. It was further observed that his account balance was Rs.6,967/- as on May 01, 2011 and he received Rs.40,00,000/- from Nitin Somani (A/c No. 57910010015644, IDBI Bank) on May 02, 2011 and Rs. 5,57,000/- from Fast Transport and Cargo (A/c No.:06332560001831, HDFC Bank) on May 03, 2011.

It is therefore observed that Nitin Somani, Executive Director of Hasti Finance Ltd. is alleged to have funded the allottee.

Bank statements of Fast Transport and Cargo (associated entity of HFL) were also analysed.

On analysing the bank statements of Fast Transport and Cargo (A/c No.:06332560001831, HDFC Bank), it was observed that its account balance was Rs.4,91,618/- as on May 01, 2011, and the entity received Rs. 5,57,000/- from Fast Train Cargo Pvt. Ltd. on May 02, 2011.

It was also observed that Hasti Finance Ltd. made FDs/transferred funds received by it towards subscription and conversion of warrants, to bank accounts of its subsidiaries/associated/connected entities namely Spider Prints Pvt. Ltd., Finex Express Cargo Pvt. Ltd., Reliable Milk Products Ltd., Fast Transport and Cargo Pvt. Ltd. and STA Logistics Pvt. Ltd. It was further observed that Hasti Finance Ltd. also created FDs of amounts received towards conversion of warrants, in its own bank account (A/c No.:0579102000004121, IDBI Bank) on May 13, 2011. Hasti Finance Ltd. closed the said Fixed Deposits on September 05, 2011 and transferred Rs.3.59 crores & Rs.1.50 crores (amounting to a total of 5.09 crores) to the bank account of Fast Train Cargo Pvt. Ltd (associated entity of HFL).

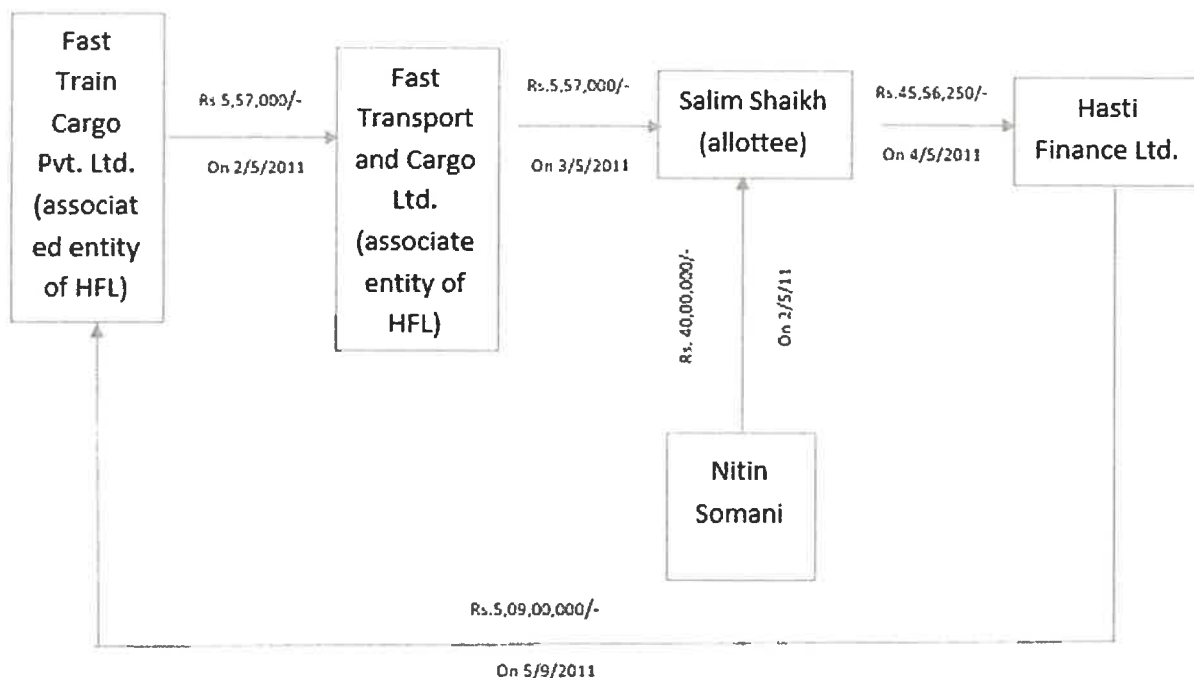


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It is therefore alleged that Hasti Finance Ltd. used Fast Transport and Cargo Ltd., Nitin Somani and Fast Train Cargo and Pvt. Ltd. for funding the allottee. Hence, Hasti Finance Ltd. is alleged to have funded the preferential allottee duly facilitated by Fast Transport and Cargo Ltd. (associated entity of HFL), Nitin Somani (executive director of HFL) and Fast Train Cargo and Pvt. Ltd (associated entity of HFL). Copies of bank statements showing the fund trail are enclosed as **Annexure 7-G**.

The pictorial representation of the fund flow is as follows:



- viii. **Satish Kumar (ALPPK9168D)** was allotted 2,25,000 shares pursuant to the conversion of warrants (allotted on January 12, 2011) into equity shares on May 14, 2011 after receipt of full payment by the company from the allottee.

It was observed that the allottee subscribed to the warrants issued by the company on January 07, 2011 by paying Rs.15,18,750/-. Rest of the amount to be paid by the allottee (Rs. 45,56,250/-) was paid on May 10, 2011 (Rs.20,00,000/- + Rs.25,00,000/-) and May 28, 2011 (Rs.56,250/-) for conversion of said warrants into equity shares.

Fund flow for the payments made by the allottee were analysed, which is described as under:

On the basis of allotment details obtained from BSE and HFL vide their email dated December 23, 2020 and December 12, 2020 respectively (copy of emails placed



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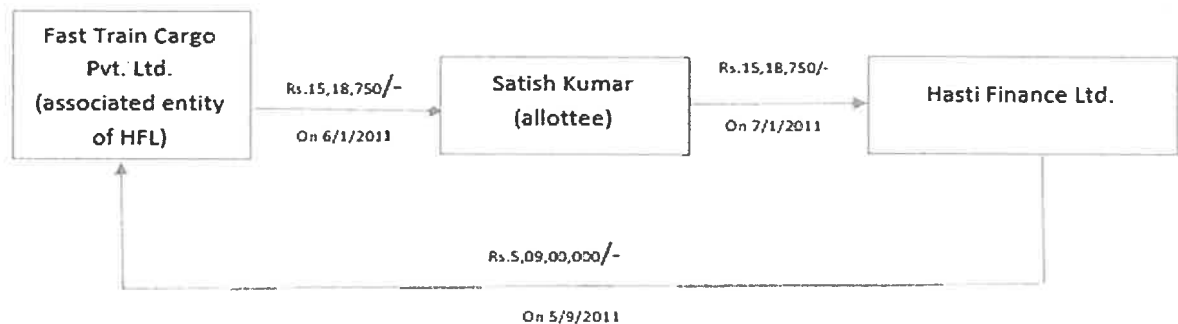
at **Annexure 2**), it was observed that the allottee paid Rs.15,18,750/- to HFL on January 07, 2011.

On analysing his bank statement, it was observed that Satish Kumar transferred Rs. 15,18,750/- on January 7, 2011 from his A/c. No. 072201503887 (ICICI Bank) for subscribing for warrants. It was further observed that his account balance was Rs.15/- as on January 5, 2011 and he received Rs.15,18,750/- from Fast Train Cargo Pvt. Ltd. (associated entity of HFL) (A/c No.:06382060000376, Kotak Bank) on January 6, 2011. It is further observed that Nitin Somani, Sonal Somani and Salim Ismail Shaikh are the directors of Fast Train Cargo Pvt. Ltd.

It was also observed that Hasti Finance Ltd. made FDs/transferred funds received by it towards subscription and conversion of warrants, to bank accounts of its subsidiaries/associated/connected entities namely Spider Prints Pvt. Ltd., Finex Express Cargo Pvt. Ltd., Reliable Milk Products Ltd., Fast Transport and Cargo Pvt. Ltd. and STA Logistics Pvt. Ltd. It was further observed that Hasti Finance Ltd. also created FDs of amounts received towards conversion of warrants, in its own bank account (A/c No.:0579102000004121, IDBI Bank) on May 13, 2011. Hasti Finance Ltd. closed the said Fixed Deposits on September 05, 2011 and transferred Rs.3.59 crores & Rs.1.50 crores (amounting to a total of 5.09 crores) to the bank account of Fast Train Cargo Pvt. Ltd (associated entity of HFL).

It is therefore alleged that Hasti Finance Ltd. used Fast Train Cargo Pvt. Ltd. for funding the allottee. Hence, Hasti Finance Ltd. is alleged to have funded the preferential allottee duly facilitated by Fast Train Cargo Pvt. Ltd (associated entity of HFL). Copies of bank statements showing the fund trail are enclosed as **Annexure 7-H**.

The pictorial representation of the fund flow is as follows:





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- ix. **Vijay Surendraprasad Singh (AJSPV8820C)** was allotted 2,16,000 shares pursuant to the conversion of warrants (allotted on January 12, 2011) into equity shares on May 14, 2011 after receipt of full payment by the company from the allottee.

It was observed that the allottee subscribed to the warrants issued by the company on January 08, 2011 by paying Rs.14,58,000/-. Rest of the amount to be paid by the allottee (Rs. 43,74,000/-) was paid on May 10, 2011 for conversion of said warrants into equity shares.

Fund flow for the payments made by the allottee was analysed, which is described as under:

On the basis of allotment details obtained from BSE and HFL vide their email dated December 23, 2020 and December 12, 2020 respectively (copy of emails placed at **Annexure 2**), it was observed that the allottee paid Rs.14,58,000/- to HFL on January 08, 2011 towards subscription of warrants issued by HFL.

On analysing the bank statements of Vijay Singh (A/c No.: 00421000195700, HDFC Bank), it was observed that his account balance was Rs.455/- as on January 05, 2011 and he received Rs. 14,58,000/- from Shirish Express Logistics Pvt. Ltd. (A/c No.:726102000000657, IDBI Bank) (a subsidiary of HFL) on January 06, 2011. Accordingly, bank statement of Shirish Express Logistics Pvt. Ltd. was analysed.

It was observed that the account balance of Shirish Express Logistics Pvt. Ltd. was Rs.8,442/- as on January 04, 2011 and it received Rs. 6,24,277/- and Rs.6,39,155/- (amounting to Rs.12,63,432/-) from Gati Ltd. on January 05, 2011 and Rs.1,90,000/- from Fast Train Cargo Pvt. Ltd. (associated entity of HFL) on January 06, 2011 . It is further observed that Nitin Somani, Sonal Somani and Salim Ismail Shaikh are the directors of Fast Train Cargo Pvt. Ltd.

It was also observed that Hasti Finance Ltd. made FDs/transferred funds received by it towards subscription and conversion of warrants, to bank accounts of its subsidiaries/associated/connected entities namely Spider Prints Pvt. Ltd., Finex Express Cargo Pvt. Ltd., Reliable Milk Products Ltd., Fast Transport and Cargo Pvt. Ltd. and STA Logistics Pvt. Ltd. It was further observed that Hasti Finance Ltd. also created FDs of amounts received towards conversion of warrants, in its own bank account (A/c No.:0579102000004121, IDBI Bank) on May 13, 2011. Hasti Finance Ltd. closed the said Fixed Deposits on September 05, 2011 and



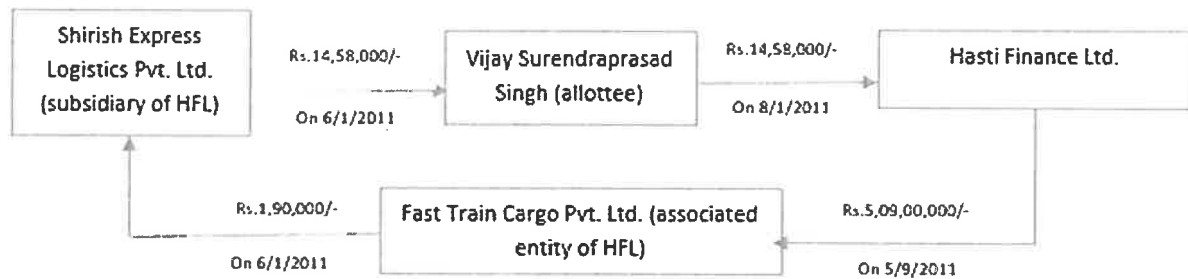
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transferred Rs.3.59 crores & Rs.1.50 crores (amounting to a total of 5.09 crores) to the bank account of Fast Train Cargo Pvt. Ltd (associated entity of HFL).

It is therefore alleged that Hasti Finance Ltd. used its subsidiary, Shirish Express Logistics Pvt. Ltd. and Fast Train Cargo Pvt. Ltd. (associated entity of HFL) for funding the allottee. Hence, Hasti Finance Ltd. is alleged to have funded the preferential allottee duly facilitated by Shirish Express Logistics Pvt. Ltd (subsidiary of HFL) and Fast Train Cargo Pvt. Ltd. (associated entity of HFL). Copies of bank statements showing the fund trail are enclosed as **Annexure 7-I**.

The pictorial representation of the fund flow is as follows:



- x. **Nilesh Ratilal Gantra (AHIPG7146C)** was allotted 1,71,000 shares pursuant to the conversion of warrants (allotted on January 12, 2011) into equity shares on May 14, 2011 after receipt of full payment by the company from the allottee.

It was observed that the allottee subscribed to the warrants issued by the company on January 8, 2011. Ajit Ashok Pange and Sanjay Dhole paid Rs.4,28,000/- and Rs.5,72,000/- respectively to HFL on behalf of the allottee on January 06, 2011 and Rs.1,54,250/- was transferred to the bank account of HFL by the allottee on January 19, 2011 from bank account no. 520, Akola Janata Commercial Co-operative Bank. Spider Prints Pvt. Ltd. paid Rs.34,00,000/- to HFL on behalf of the allottee on May 10, 2011 for conversion of said warrants into equity shares. Based on the KYC details obtained from IDBI Bank (placed at **Annexure 9**), it was observed that Ajit Ashok Pange was an employee of Fast Train Cargo Pvt. Ltd.(associated entity of HFL).

Fund flow for the payments made on behalf of the allottee were analysed, which is described as under:

On the basis of allotment details obtained from BSE and HFL vide their email dated December 23, 2020 and December 12, 2020 respectively (copy of emails placed



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at **Annexure 2**), it was observed that Ajit Ashok Pange and Sanjay Dhoke paid Rs.10,00,000/- (Rs.4,28,000/- and Rs.5,72,000/-) to HFL on January 08, 2011 on behalf of the allottee, towards subscription of warrants issued by HFL.

Based on the UCC details, bank statements of the allottee were sought from Akola Janata Commercial Co-operative Bank. On analysing the bank statements of Nilesh Ratilal Gantra (A/c. No. 520, Akola Janata Commercial Co-operative Bank), it was observed that Rs.1,54,250/- was transferred to the bank account of HFL on January 19, 2011. It was further observed that his account balance was Rs.1,60,318/- as on January 19, 2011.

Bank statements of HFL wherein the funds were received towards subscription of warrants and conversion into equity shares were sought from HFL vide our email dated December 09, 2020. Vide its email dated Feb 27, 2021, the company provided the said details. (Placed at **Annexure 2**).

From the details provided by HFL, it was observed that Rs.4,28,000/- was transferred to the bank account of HFL (A/c No. 030012100000882 (121/882), Bharat Co-operative Bank Ltd.) on January 06, 2011 (via Pay Order, which got credited on January 8, 2011) by Ajit Ashok Pange (A/c No.: 57910010016462, IDBI Bank) and Rs. 5,72,000/- was transferred to the bank account of HFL on January 6, 2011 (via Pay Order, which got credited on January 8, 2011) by Sanjay Dhoke (A/c No.: 55910010015806, IDBI Bank) and Rs.1,54,250/- was transferred from bank account of Shree Raghuvir Trading Company (having the same PAN No. as that of allottee i.e. AHIPG7146C) (A/c. No. 520, Akola Janata Commercial Co-operative Bank) January 19, 2011 towards subscription of warrants by the allottee. Thus, Ajit Ashok Pange and Sanjay Dhoke transferred funds to Hasti Finance Ltd. on behalf of Nilesh Ratilal Gantra (the allottee).

On analysing the bank statements of Ajit Ashok Pange (A/c No. 57910010016462, IDBI Bank), it was observed that his account balance was Rs.46,269/- as on January 05, 2011 and on January 06, 2011, the entity received Rs.5,28,000/- from Finex Express Cargo Pvt. Ltd. (a subsidiary of HFL). It was observed that Finex Express Cargo Pvt. Ltd. received Rs.5,00,000/- from Hasti Finance Ltd. on January 07, 2011 in its bank account no.:030012100000872 (121/872), Bharat Co-operative Bank. It further received Rs.8,00,000/- in the same bank account from Hasti Finance Ltd. on January 08, 2011.

It is therefore alleged that Hasti Finance Ltd. used the entities Ajit Ashok Pange and Finex Express Cargo Pvt. Ltd. (subsidiary of HFL), for funding the allottee.

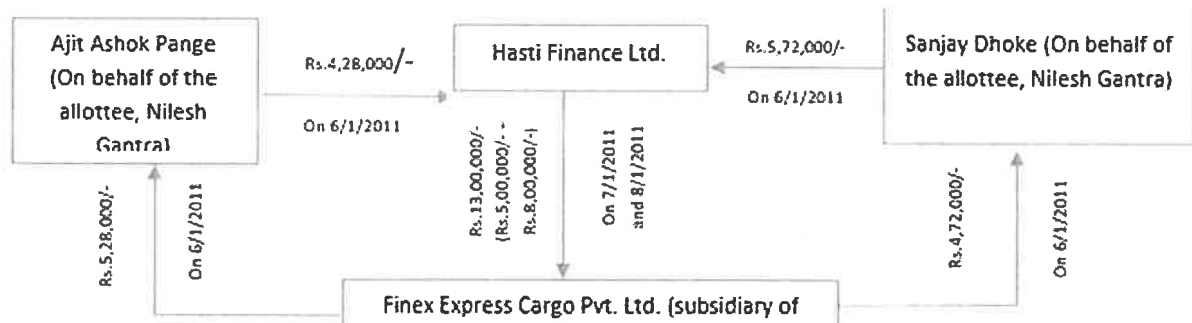


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On analysing the bank statements of Sanjay Dhole (A/c No.: 55910010015806, IDBI Bank), it was observed that his account balance was Rs.1,30,571/- as on January 05, 2011 and on January 06, 2011, the entity received Rs.4,72,000/- from Finex Express Cargo Pvt. Ltd. (a subsidiary of HFL) (A/c No.:559102000000116, IDBI bank). It was observed that Finex Express Cargo Pvt. Ltd. received Rs.5,00,000/- from Hasti Finance Ltd. on January 07, 2011 in its bank account no.:030012100000872 (121/872), Bharat Co-operative Bank. It further received Rs.8,00,000/- in the same bank account from Hasti Finance Ltd. on January 08, 2011. It is therefore alleged that Hasti Finance Ltd. used Ajit Ashok Pange, Sanjay Dhole and Finex Express Cargo Pvt. Ltd. (subsidiary of HFL), for funding the allottee. Hence, Hasti Finance Ltd. is alleged to have funded the preferential allottee duly facilitated by Ajit Ashok Pange, Sanjay Dhole and Finex Express Cargo Pvt. Ltd. (subsidiary of HFL). Copies of bank statements showing the fund trail are enclosed as **Annexure 7-J**.

The pictorial representation of the fund flow is as follows:



- xi. **Santosh Birendra Kumar (BARPK9928H)** was allotted 1,11,600 shares pursuant to the conversion of warrants (allotted on January 12, 2011) into equity shares on May 14, 2011 after receipt of full payment by the company from the allottee.

It was observed that the allottee subscribed to the warrants issued by the company on January 11, 2011 by paying Rs.7,53,300/- to HFL. Rest of the amount to be paid by the allottee (Rs. 22,59,900/-) was paid on May 5, 2011 for conversion of said warrants into equity shares.

Fund flow for the payments made by the allottee were analysed, which is described as under:



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On the basis of allotment details obtained from BSE and HFL vide their email dated December 23, 2020 and December 12, 2020 respectively (copy of emails placed at **Annexure 2**), it was observed that the allottee paid Rs. 8,09,900/-, Rs.6,40,000/- and Rs.8,10,000/- (amounting to a total of Rs.22,59,900/-) to HFL on May 05, 2011, towards conversion of warrants issued by HFL into equity shares.

On analysing the bank statements of Santosh Birendra Kumar (A/c No. 096401502623, ICICI Bank), (A/c no. 04841000010341, 0484160001055, 04841460001062, 04841930002416, 08731000012048, 50100318442671, HDFC Bank), no transaction was observed wherein Rs. 8,09,900/-, Rs.6,40,000/- and Rs.8,10,000/- (amounting to a total of Rs.22,59,900/-) were transferred to the bank account of Hasti Finance Ltd on May 05, 2011.

In this regard, bank statements of HFL wherein the funds were received towards subscription of warrants and their conversion into equity shares were sought from HFL vide our email dated December 09, 2020. Vide its email dated Feb 27, 2021, the company provided the said details. (Placed at **Annexure 2**).

From the details provided by HFL, it was observed that Rs.8,09,900/-, Rs.6,40,000/- and Rs.8,10,000/- (amounting to a total of Rs.22,59,900/-) were transferred to the bank account of HFL (A/c No. 0579102000004121, IDBI Bank Ltd.) on May 05, 2011. On further scrutiny, it was observed that Ramesh Textiles (A/c No. 55912010001895, IDBI Bank) transferred Rs.8,09,900/- to the bank account of HFL on May 05, 2011, S K Enterprises (A/c No. 55912010001896, IDBI Bank) transferred Rs.6,40,000/- to the bank account of HFL on May 05, 2011 and B K Enterprises (A/c No. 55912010001897, IDBI Bank) transferred Rs.8,10,000/- to the bank account of HFL on May 05, 2011. Based on the KYC details obtained from IDBI bank (placed at **Annexure 8**), it was observed that Chandrakant Baburao Tupe was the authorized signatory for the bank account of Ramesh Textiles and S K Enterprises. It was further observed that Chandrakant Baburao Tupe was also the director in Hasti Finance Ltd.

Thus, Ramesh Textiles, S K Enterprises and B K Enterprises transferred funds to Hasti Finance Ltd. on behalf of Santosh Birendra Kumar (the allottee).

On analysing the bank statements of Ramesh Textiles (A/c No. 55912010001895, IDBI Bank), it was observed that its account balance was Rs.713/- as on May 04, 2011 and the entity received Rs.8,06,000/- from Fast Train Cargo Pvt. Ltd. (associated entity of HFL) (A/c No. 55912010001881, IDBI Bank) and Rs. 5,000/- from B K Enterprises (A/c No. 55912010001897, IDBI Bank) on May 05, 2011. It is further observed that Nitin Somani, Sonal Somani and Salim Ismail Shaikh are the directors of Fast Train Cargo Pvt. Ltd.



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It was also observed that Hasti Finance Ltd. made FDs/transferred funds received by it towards subscription and conversion of warrants, to bank accounts of its subsidiaries/associated/connected entities namely Spider Prints Pvt. Ltd., Finex Express Cargo Pvt. Ltd., Reliable Milk Products Ltd., Fast Transport and Cargo Pvt. Ltd. and STA Logistics Pvt. Ltd. It was further observed that Hasti Finance Ltd. also created FDs of amounts received towards conversion of warrants, in its own bank account (A/c No.:0579102000004121, IDBI Bank) on May 13, 2011. Hasti Finance Ltd. closed the said Fixed Deposits on September 05, 2011 and transferred Rs.3.59 crores & Rs.1.50 crores (amounting to a total of 5.09 crores) to the bank account of Fast Train Cargo Pvt. Ltd (associated entity of HFL).

Thus, it is observed that Hasti Finance Ltd. used the entities Ramesh Textiles and Fast Train Cargo Pvt. Ltd. to provide funds for the said transactions. Hence, Hasti Finance Ltd. is alleged to have funded the preferential allottee duly facilitated by Ramesh Textiles and Fast Train Cargo Pvt. Ltd (associated entity of HFL). Copies of bank statements showing the fund trail are enclosed as **Annexure 7-K**.

On analysing the bank statements of S K Enterprises (A/c No. 55912010001896, IDBI Bank), it was observed that its account balance was Rs.805/- as on May 04, 2011 and on May 05, 2011, the entity received Rs.6,43,700/- from Shree Fast Couriers & Cargo Pvt. Ltd (associated entity of HFL) (A/c No.:55912010001913, IDBI bank). It is further observed that Nitin Somani and Sonal Somani were the directors of Shree Fast Courier and Cargo Pvt. Ltd and Fast Train Cargo Pvt. Ltd. It was observed that Shree Fast Courier and Cargo Pvt. Ltd. received Rs.5,00,000/- from Fast Train Cargo Pvt. Ltd. on May 09, 2011.

It was also observed that Hasti Finance Ltd. made FDs/transferred funds received by it towards subscription and conversion of warrants, to bank accounts of its subsidiaries/associated/connected entities namely Spider Prints Pvt. Ltd., Finex Express Cargo Pvt. Ltd., Reliable Milk Products Ltd., Fast Transport and Cargo Pvt. Ltd. and STA Logistics Pvt. Ltd. It was further observed that Hasti Finance Ltd. also created FDs of amounts received towards conversion of warrants, in its own bank account (A/c No.:0579102000004121, IDBI Bank) on May 13, 2011. Hasti Finance Ltd. closed the said Fixed Deposits on September 05, 2011 and transferred Rs.3.59 crores & Rs.1.50 crores (amounting to a total of 5.09 crores) to the bank account of Fast Train Cargo Pvt. Ltd (associated entity of HFL).

Thus, it is alleged that the Hasti Finance Ltd. used the entities S K Enterprises, Fast Train Cargo Pvt. Ltd. and Shree Fast Couriers and Cargo Pvt. Ltd. to provide funds for the said transactions. Hence, Hasti Finance Ltd. is alleged to have funded



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the preferential allottee duly facilitated by S K Enterprises, Fast Train Cargo Pvt. Ltd. (associated entity of HFL) and Shree Fast Courier and Cargo Pvt. Ltd (associated entity of HFL). Copies of bank statements showing the fund trail are enclosed as **Annexure 7-K**.

On analysing the bank statements of B K Enterprises (A/c No. 55912010001897, IDBI Bank), it was observed that its account balance was Rs.5,762/- as on May 04, 2011 and on May 05, 2011, the entity received Rs.8,10,200/- from Fast Train Cargo Pvt. Ltd. (associated entity of HFL) (A/c No. 55912010001881, IDBI Bank). It is further observed that Nitin Somani, Sonal Somani and Salim Ismail Shaikh are the directors of Fast Train Cargo Pvt. Ltd.

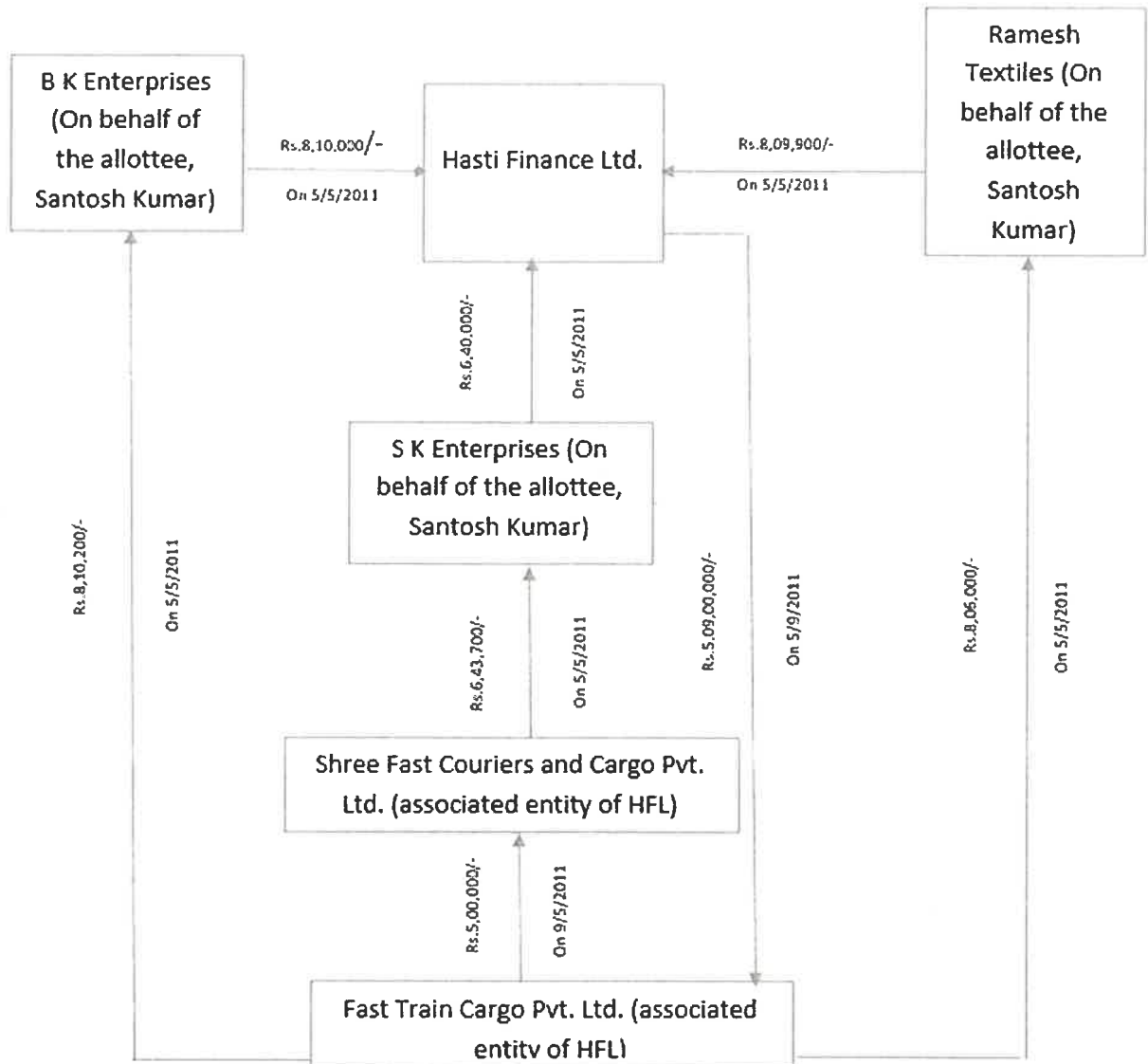
It was also observed that Hasti Finance Ltd. made FDs/transferred funds received by it towards subscription and conversion of warrants, to bank accounts of its subsidiaries/associated/connected entities namely Spider Prints Pvt. Ltd., Finex Express Cargo Pvt. Ltd., Reliable Milk Products Ltd., Fast Transport and Cargo Pvt. Ltd. and STA Logistics Pvt. Ltd. It was further observed that Hasti Finance Ltd. also created FDs of amounts received towards conversion of warrants, in its own bank account (A/c No.:0579102000004121, IDBI Bank) on May 13, 2011. Hasti Finance Ltd. closed the said Fixed Deposits on September 05, 2011 and transferred Rs.3.59 crores & Rs.1.50 crores (amounting to a total of 5.09 crores) to the bank account of Fast Train Cargo Pvt. Ltd (associated entity of HFL). Thus, it is alleged that Hasti Finance Ltd. used the entities B K Enterprises and Fast Train Cargo Pvt. Ltd. to provide funds for the said transactions. Hence, Hasti Finance Ltd. is observed to have funded the preferential allottee duly facilitated by B K Enterprises and Fast Train Cargo Pvt. Ltd (associated entity of HFL). Copies of bank statements showing the fund trail are enclosed as **Annexure 7-K**.

The pictorial representation of the fund flow is as follows:



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- xii. **Sumit Dilip Jain (AGWPJ6652M)** was allotted 45,000 shares pursuant to the conversion of warrants (allotted on January 12, 2011) into equity shares on May 14, 2011 after receipt of full payment by the company from the allottee.

It was observed that the allottee subscribed to the warrants issued by the company on January 08, 2011 by paying Rs.3,03,750/- to HFL. Rest of the amount to be paid by the allottee (Rs. 9,11,250/-) was paid on May 04, 2011 for conversion of said warrants into equity shares.



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Fund flow for the payments made by the allottee were analysed, which is described as under:

On the basis of allotment details obtained from BSE and HFL vide their email dated December 23, 2020 and December 12, 2020 respectively (copy of emails placed at **Annexure 2**), it was observed that the allottee paid Rs.9,11,250/- to HFL on May 04, 2011 towards conversion of warrants issued by HFL into equity shares.

On analysing his bank statement, it was observed that the allottee paid Rs. 9,11,250/- on May 04, 2011 from his A/c. No. 032301512658 (ICICI Bank) for conversion of warrants into equity shares. It was further observed that his account balance was Rs.1,49,518/- as on May 02, 2011 and he received Rs.2,77,300/- from S K Enterprises (A/c No. 55912010001896, IDBI Bank), Rs.2,24,000/- from Ramesh Textiles and Rs.4,10,000/- from B K Enterprises on May 03, 2011 (amounting to a total of Rs.9,11,300/-). Based on the KYC details obtained from IDBI bank (placed at **Annexure 8**), it was observed that Chandrakant Baburao Tupe was the authorized signatory for the bank account of Ramesh Textiles and S K Enterprises. It was further observed that Chandrakant Baburao Tupe was also the director in Hasti Finance Ltd.

Bank statements of S K Enterprises, B K Enterprises and Ramesh Textiles were also analysed.

On analysing the bank statements of S K Enterprises (A/c No. 55912010001896, IDBI Bank), it was observed that its account balance was Rs.730/- as on May 02, 2011 and the entity received Rs.2,77,375/- from STA Logistics Pvt. Ltd. (associated entity of HFL) (A/c no.: 0726102000001519, IDBI Bank) on May 03, 2011. On analysing the bank statements of STA Logistics Pvt. Ltd., it was observed that its account balance was Rs.18,350/- as on April 25, 2011. It received Rs. 8,25,000/- on April 26, 2011 and Rs.1,00,000/- on May 03, 2011 from Fast Train Cargo Ltd. (associated entity of HFL) (A/c No.55912010001881, IDBI Bank). It is further observed that Nitin Somani, Sonal Somani and Salim Ismail Shaikh are the directors of Fast Train Cargo Pvt. Ltd.

It was also observed that Hasti Finance Ltd. made FDs/transferred funds received by it towards subscription and conversion of warrants, to bank accounts of its subsidiaries/associated/connected entities namely Spider Prints Pvt. Ltd., Finex Express Cargo Pvt. Ltd., Reliable Milk Products Ltd., Fast Transport and Cargo Pvt. Ltd. and STA Logistics Pvt. Ltd. It was further observed that Hasti Finance Ltd. also created FDs of amounts received towards conversion of warrants, in its own bank account (A/c No.:0579102000004121, IDBI Bank) on May 13, 2011. Hasti Finance Ltd. closed the said Fixed Deposits on September 05, 2011 and



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transferred Rs.3.59 crores & Rs.1.50 crores (amounting to a total of 5.09 crores) to the bank account of Fast Train Cargo Pvt. Ltd (associated entity of HFL). It is therefore alleged that Hasti Finance Ltd. used S K Enterprises, STA Logistics Pvt. Ltd. and Fast Train Cargo Pvt. Ltd. for funding the allottee. Hence, Hasti Finance Ltd. is alleged to have funded the preferential allottee duly facilitated by S K Enterprises, STA Logistics Pvt. Ltd (associated entity of HFL) and Fast Train Cargo Pvt. Ltd (associated entity of HFL). Copies of bank statements showing the fund trail are enclosed as **Annexure 7-L**.

On analysing the bank statements of B K Enterprises (A/c No. 55912010001897, IDBI Bank), it was observed that its account balance was Rs.5,700/- as on May 02, 2011 and the entity received Rs.4,10,062/- from STA Logistics Pvt. Ltd. (associated entity of HFL) (A/c no.: 0726102000001519, IDBI Bank) on May 03, 2011. On analysing the bank statements of STA Logistics Pvt. Ltd., it was observed that its account balance was Rs.18,350/- as on April 25, 2011. It received Rs. 8,25,000/- on April 26, 2011 and Rs.1,00,000/- on May 03, 2011 from Fast Train Cargo Ltd. (associated entity of HFL) (A/c No.55912010001881, IDBI Bank). It is further observed that Nitin Somani, Sonal Somani and Salim Ismail Shaikh are the directors of Fast Train Cargo Pvt. Ltd.

It was also observed that Hasti Finance Ltd. made FDs/transferred funds received by it towards subscription and conversion of warrants, to bank accounts of its subsidiaries/associated/connected entities namely Spider Prints Pvt. Ltd., Finex Express Cargo Pvt. Ltd., Reliable Milk Products Ltd., Fast Transport and Cargo Pvt. Ltd. and STA Logistics Pvt. Ltd. It was further observed that Hasti Finance Ltd. also created FDs of amounts received towards conversion of warrants, in its own bank account (A/c No.:0579102000004121, IDBI Bank) on May 13, 2011. Hasti Finance Ltd. closed the said Fixed Deposits on September 05, 2011 and transferred Rs.3.59 crores & Rs.1.50 crores (amounting to a total of 5.09 crores) to the bank account of Fast Train Cargo Pvt. Ltd (associated entity of HFL). It is therefore alleged that Hasti Finance Ltd. used B K Enterprises, STA Logistics Pvt. Ltd. and Fast Train Cargo Pvt. Ltd. for funding the allottee. Hence Hasti Finance Ltd. is alleged to have funded the preferential allottee duly facilitated by B K Enterprises, STA Logistics Pvt. Ltd (associated entity of HFL) and Fast Train Cargo Pvt. Ltd (associated entity of HFL). Copies of bank statements showing the fund trail are enclosed as **Annexure 7-L**.

On analysing the bank statements of Ramesh Textiles (A/c No. 55912010001895, IDBI Bank), it was observed that its account balance was Rs.650/- as on May 02, 2011 and the entity received Rs.2,24,063/- from STA Logistics Pvt. Ltd. (associated entity of HFL) (A/c no.: 0726102000001519, IDBI Bank) on May 03, 2011. On



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analysing the bank statements of STA Logistics Pvt. Ltd., it was observed that its account balance was Rs.18,350 as on April 25, 2011. It received Rs. 8,25,000/- on April 26, 2011 and Rs.1,00,000/- on May 03, 2011 from Fast Train Cargo Ltd (associated entity of HFL) (A/c No.55912010001881, IDBI Bank). It is observed that Nitin Somani, Sonal Somani and Salim Ismail Shaikh are the directors of Fast Train Cargo Pvt. Ltd.

It was also observed that Hasti Finance Ltd. made FDs/transferred funds received by it towards subscription and conversion of warrants, to bank accounts of its subsidiaries/associated/connected entities namely Spider Prints Pvt. Ltd., Finex Express Cargo Pvt. Ltd., Reliable Milk Products Ltd., Fast Transport and Cargo Pvt. Ltd. and STA Logistics Pvt. Ltd. It was further observed that Hasti Finance Ltd. also created FDs of amounts received towards conversion of warrants, in its own bank account (A/c No.:0579102000004121, IDBI Bank) on May 13, 2011. Hasti Finance Ltd. closed the said Fixed Deposits on September 05, 2011 and transferred Rs.3.59 crores & Rs.1.50 crores (amounting to a total of 5.09 crores) to the bank account of Fast Train Cargo Pvt. Ltd (associated entity of HFL). It is therefore alleged that Hasti Finance Ltd. used Ramesh Textiles, STA Logistics Pvt. Ltd. and Fast Train Cargo Pvt. Ltd. for funding the allottee. Hence, Hasti Finance Ltd. is alleged to have funded the preferential allottee duly facilitated by Ramesh Textiles, STA Logistics Pvt. Ltd (associated entity of HFL) and Fast Train Cargo Pvt. Ltd (associated entity of HFL). Copies of bank statements showing the fund trail are enclosed as **Annexure 7-L**.

Summon was issued to Sumit Dilip Jain on January 04, 2021 (Placed at **Annexure 16**) seeking bank statements of the account from which he transferred funds to the bank account of HFL for subscription towards warrants and conversion of warrants into equity shares and the source of those funds.

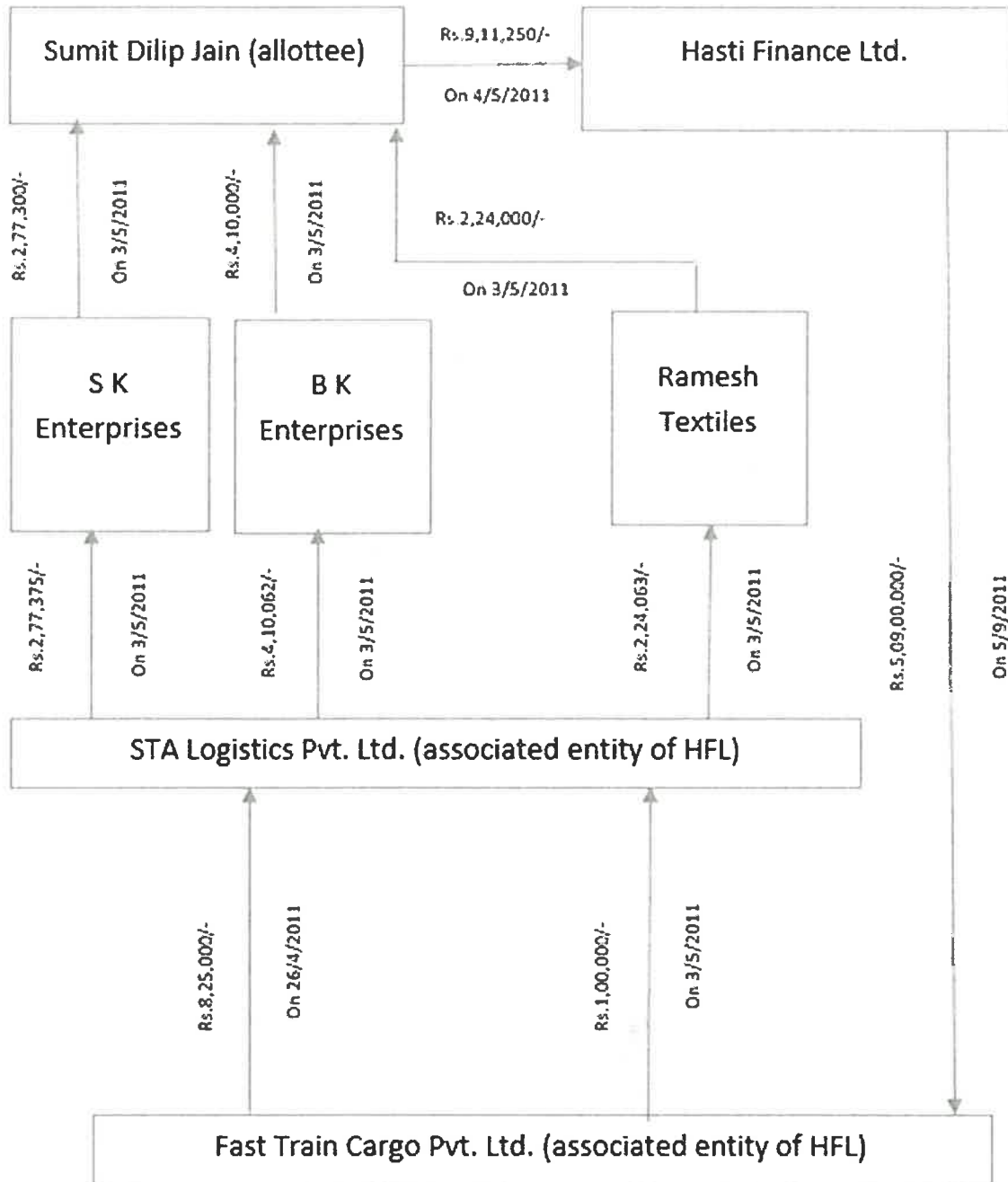
Vide letter dated Jan 31, 2021, the allottee provided his response. In his response, the allottee stated that Nitin Somani arranged funds for him from 3 entities namely, S K Enterprises, Ramesh Textiles and B K Enterprises, as a loan against the gold ornaments of his grandmother. However, the allottee has not provided any supporting evidence for the same. The copy of response of the allottee is placed at **Annexure 16-A**.

The pictorial representation of the fund flow is as follows:



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4. Based upon the above examination, it is alleged that:

- Noticees at Sr. No. 1 to 5 were part of the scheme where company along with its Director had funded the allottees in fraudulent manner through its subsidiaries/associated/connected entities in connection with the



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subscription to the preferential allotment of warrants and conversion of those warrants into equity shares and thus, have allegedly violated the provisions of Section 12A(a), (b), (c) of SEBI Act, read with Regulations 3(a),(b),(c),(d) and Regulation 4(1) of PFUTP Regulations.

- b. Noticees at Sr. No. 6 to 17 were part of the scheme where company along with its Director had funded these Noticees in fraudulent manner. These Noticees had received funds from the subsidiary/associated/connected entities of HFL, which were used for the purpose of subscription of warrants / conversion of warrants into equity shares. HFL had transferred funds received from allottees to subsidiary/associated/connected entities and thus, have allegedly violated the provisions of Section 12A(a), (b), (c) of SEBI Act, read with Regulations 3(a),(b),(c),(d) and Regulation 4(1) of PFUTP Regulations.
- c. Noticees at Sr. No. 18 to 22 were part of the scheme where company along with its Director had funded the allottees in fraudulent manner. These Noticees funded/transferred funds to the Noticees at Sr. No. 6 to 17, which were used for the purpose of subscription/conversion, of preferential issue of warrants and subsequently received funds from HFL and thus, have allegedly violated the provisions of Section 12A(a), (b), (c) of SEBI Act, read with Regulations 3(a), (b), (c), (d) and Regulation 4(1) of PFUTP Regulations.

5. Thus, relevant provisions alleged to have been contravened by the Noticees are reproduced below for reference:

SEBI Act, 1992

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

12A. No person shall directly or indirectly—



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(a) use or employ, in connection with the issue, purchase or sale of any securities listed or proposed to be listed on a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of this Act or the rules or the regulations made thereunder;

(b) employ any device, scheme or artifice to defraud in connection with issue or dealing in securities which are listed or proposed to be listed on a recognised stock exchange;

(c) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person, in connection with the issue, dealing in securities which are listed or proposed to be listed on a recognised stock exchange, in contravention of the provisions of this Act or the rules or the regulations made thereunder;

PFUTP Regulations, 2003

3. Prohibition of certain dealings in securities

No person shall directly or indirectly—

(a) buy, sell or otherwise deal in securities in a fraudulent manner;

(b) use or employ, in connection with issue, purchase or sale of any security listed or proposed to be listed in a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of the Act or the rules or the regulations made there under;

(c) employ any device, scheme or artifice to defraud in connection with dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange;



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

4. Prohibition of manipulative, fraudulent and unfair trade practices

(1) Without prejudice to the provisions of regulation 3, no person shall indulge in a fraudulent or an unfair trade practice in securities.

6. The aforesaid alleged contravention of the provisions of Section 12A (a), (b), (c) and Regulation 3 (a), (b), (c), (d), and Regulation 4(1) of the PFUTP Regulations, if established make the Noticees liable for monetary penalty under Section 15HA of SEBI Act, 1992. Provisions of Section 15HA of SEBI Act, 1992 *inter-alia* read as under:

88[Penalty for fraudulent and unfair trade practices.

15HA. If any person indulges in fraudulent and unfair trade practices relating to securities, he shall be liable to a penalty 89[which shall not be less than five lakh rupees but which may extend to twenty - five crore rupees or three times the amount of profits made out of such practices, whichever is higher].

88 *Inserted by the SEBI (Amendment) Act, 2002, w.e.f.29-10-2002.*

89 *Substituted for the words —twenty-five crore rupees or three times the amount of profits made out of such failure, whichever is higher II by the Securities Laws (Amendment) Act, 2014, w.e.f. 08-09-2014*

7. You all are, therefore, called upon to show cause as to why an inquiry should not be held against you in terms of Rule 4 of AO Rules and penalty be not imposed under section 15HA of the Act for the alleged violation of provisions of law.
8. Your replies, if any, should reach the undersigned, at the address given below and also by e-mail at vijayantkv@sebi.gov.in and noorinkhan@sebi.gov.in,



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within 14 days from the date of receipt of this notice, failing which it shall be presumed that you all have no replies to submit and the matter would be further proceeded with on the basis of the evidence available on record in terms of Rule 4 (7) of the said Rules.

**Securities and Exchange Board of India
SEBI Bhavan II, C-7, G block
Bandra Kurla Complex, Bandra (East)
Mumbai- 400 051**

9. You all may also indicate whether you desire a personal hearing in the matter and you all are also advised to submit your e-mail ID, contact numbers and a photocopy of your Permanent Account Number Card (PAN card) for our records.
10. Noticees may also note that a settlement mechanism is provided under the SEBI (Settlement Proceedings) Regulations, 2018. If Noticees wish to avail the benefit of the settlement process, Noticees may apply for the same in the manner provided in the said regulations under intimation to the undersigned.

**Vijayant Kumar Verma
Adjudicating Officer**

Enclosures:

1. Annexure 1 - Appointment order of Adjudicating Officer
2. CD containing Soft copy of Annexures 2 to 10