

SECURITIES AND EXCHANGE BOARD OF INDIA

INTERIM ORDER CUM SHOW CAUSE NOTICE

Under Section 11(1), 11(4), 11(4A), 11B(1) and 11B(2) of the Securities and Exchange Board of India Act, 1992

In respect of:

Sr. No.	Name of the Noticee	PAN
1.	Seacoast Shipping Services Limited	AACCM2171R
2.	Manish Shah	AVUPS3273N
3.	Sameer Shah	FAWPS1709B
4.	Rakesh Shah	ACFPM3696K
5.	Parasmal Kundanmal Shah	ASOPS6543G
6.	Parasmal Kundanmal Shah HUF	AAOHS9993Q
7.	CSB Projects Private Limited	AADCC6909J
8.	Credo Holdings Private Limited	AABCR5729H
9.	Deep Shah	DWBPS3733L
10.	Shail Shah	HAMPS6706J
11.	Cheryl Shah	AWJPS0540A
12.	Sushil Sanjot	ASEPS9658L
13.	Vipul Momaya	ADBPM0538M
14.	Jaydeep Shah	BSCPS4008R
15.	Apurv Patel	EJOPP6392D
16.	Viren Makwana	CJXPM6600E
17.	Shivangi Gajjar	ASRPG2005J
18.	Ankita Soni	DIKPS0065J
19.	Parin Shah	GUIPS3791C
20.	Parth A Patel	CBDPP9586J
21.	Pawansut Swami	CCSPS3205B
22.	Vinay Kumar Jain	APIPJ8654G

(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 Seacoast Shipping Services Limited

Background:

1. Seacoast Shipping Services Limited (“Seacoast”/ “SSSL”/ “Company”) (previously known as Mahaan Impex Limited), is a public limited company incorporated on October 15, 1982 having CIN No: L61100GJ1982PLC105654. The Company has its registered office at D-1202, Swati Crimson and Clover, Shilaj Circle, Sardar Patel Ring Road, Thaltej, Ahmedabad – 380054.
2. The Company was listed on BSE on August 23, 2019 and is primarily engaged in the business of shipping and logistics services. It is a small-cap company with a market capitalization of Rs. 272.57 crore as on September 25, 2024 and the share price as on September 30, 2024 is Rs. 4.94 (Face Value: Re. 1/- per share) as per BSE website.
3. The number of outstanding equity shares of the Company increased almost 240 times from 22,45,000 shares as on March 31, 2020 to 53,86,80,000 shares as on September 25, 2024 on account of the following corporate actions:

Particulars	No of Shares
Opening shares as on March 31, 2020	22,45,000
Equity shares issued against business takeover	1,50,00,000
Equity shares issued for cash	<u>52,00,000</u>
Total Equity shares before bonus share issue	2,24,45,000
Bonus shares issued (1:2) on November 06, 2020	<u>1,12,22,500</u>
Closing shares as on 31st March 2021	<u>3,36,67,500</u>
Stock split (10:1) as on December 30, 2021	33,66,75,000
Rights issue	<u>20,20,25,000</u>
Closing shares as on December 31, 2023	53,86,80,000

4. An examination was carried out by BSE owing to a considerable increase in the net sales and net profit of the Company in FY 2020-21. The said examination by BSE, *inter alia*, indicated that the Company had booked revenue and purchases with sundry debtors and creditors during FY 2020-21 and FY 2021-22 and there were doubts on the genuineness of the transactions.

5. A snapshot of the annual financial performance of the Company as disclosed on the BSE website during FY 2019-20 to FY 2022-23 is as under:

Table 1: Snapshot of Annual Financial Statements (Rs. in crore)

Particulars	2019-20	2020-2021	2021-2022	2022-23
Revenue from Operations	0.52	243.15	127.80	429.57
PAT	0.02	11.09	2.55	14.28
Net Worth	3.40	45.09	47.71	61.99
Long-term Borrowings	0	0.55	2.34	10.08

Thus, as is evident, there was a sudden spike in sales of the company during FY 2020-21 as compared to FY 2019-20.

6. On examining the information submitted by the Company, BSE noted that around 61% of the total revenue from operations and 60% of the total operating expenses of SSSL during FY 2020-21 consisted of transactions undertaken with one related party, viz., Seacoast Shipping and Marine Services [i.e., the HUF business of Mr. Manishkumar Raichand Shah (who is the Chairman cum Managing Director and Chief Financial Officer of SSSL and hereinafter referred to as “Manish Shah”)] which was taken over by SSSL pursuant to a business takeover agreement dated May 15, 2020. Based on the findings of the examination, BSE submitted a report to SEBI.
7. On receipt of the report from BSE, considering the gravity of the findings, SEBI initiated an investigation in the matter, *inter alia*, to ascertain whether the books of accounts of SSSL were manipulated or there was wrongful diversion/ siphoning of Company’s funds by Promoters/ Directors/ key managerial persons and as a consequence thereof, the provisions of the SEBI Act, 1992, SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003 [“SEBI (PFUTP) Regulations, 2003”], SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 [“SEBI (LODR) Regulations, 2015”] and any other relevant laws and regulations thereof were violated.
8. For the purpose of the said investigation, the records maintained by SSSL such as sale and purchase registers along with invoices and e-way bills corresponding to the sale and purchase entries, bank account details, GST returns, etc. were called for and summons for personal appearance were issued to concerned entities.
9. As per the disclosures made by the Company in its Annual Report for FY 2020-21 to FY 2022-23 and the corporate announcements until December 31, 2023, the

following were/are the Board of Directors, Chief Financial Officer (CFO) and Company Secretary (CS) of SSSL during the investigation period, i.e., April 01, 2020 to December 31, 2023 [collectively referred to as 'Key Managerial Personnel' (KMP) of the Company]:

Table 2

Sl. No.	Name	Category	Appointment Date	Cessation Date
1	Manishkumar Raichand Shah	Chairman cum Managing Director	May 04, 2020	-
		Chief Financial Officer	March 03, 2023	-
2	Sameer Amit Shah	Executive Director	May 04, 2020	December 26, 2023
3	Sushil R Sanjot	Independent Director	May 08, 2020	April 14, 2023
4	Cheryl Manish Shah	Non-Executive Non-Independent Director	July 27, 2020	December 11, 2023
5	Vipul Sharadchandra Momaya	Independent Director	May 08, 2020	August 23, 2021
6	Rajiv Majumder	Executive Director	May 08, 2020	July 23, 2020
7	Pratikkumar N Ghoda	Chief Financial Officer	March 16, 2020	July 20, 2020
8	Parin N Shah	Company Secretary	October 01, 2017	January 12, 2021
9	Ankita D Soni	Independent Director	November 12, 2019	May 10, 2021
10	Jaydeep Bakul Shah	Independent Director	June 02, 2022	January 01, 2024
11	Apurv Kumar P Patel	Independent Director	June 02, 2022	April 04, 2023
12	Vinay Kumar Jain	Company Secretary	May 02, 2023	September 01, 2023
13	Pawansut Swami	Company Secretary	March 22, 2022	May 01, 2023
14	Dhruval Kumar Patel	Chief Financial Officer	June 02, 2022	March 03, 2023
15	Parth A Patel	Company Secretary	March 11, 2021	October 20, 2021
16	Viren Makwana	Independent Director	April 04, 2023	September 21, 2023
17	Shivangi Gajjar	Independent Director	April 14, 2023	September 21, 2023
18	Joshua Gonsalves	Independent Director	November 08, 2023	-
19	Prakash Ganpathy Pai	Independent Director	November 08, 2023	-

Sl. No.	Name	Category	Appointment Date	Cessation Date
20	Aesha Harsh Shah	Independent Director	December 11, 2023	-

Findings of the investigation

A. Misrepresentation of Financial Statements

A.1 General observations regarding the financials during the Investigation Period

10. In the absence of the required supporting documents, the investigation regarding genuineness of sales and purchases proceeded on the assumption that all the credits in the bank accounts (except the rights allotment account and share premium account) are towards receipts from sales/ debtors and all the debits in such bank accounts are towards payments for purchases/ to creditors.
11. A comparison of the amounts to be received by SSSL as per the Annual Reports vis-à-vis the amounts actually received in the Bank accounts of SSSL and Seacoast-HUF is as follows:

Table 3

(in Rs. crore)

Period (FY)	As per the Annual Reports		As per the Bank Statements	Difference
	Sales during FY	Amount to be received during FY (after accounting for Debtors and amounts written off)	Total amount of receipts in the bank accounts	
2020-21	243.15	150.48	140.07	(10.41)
2021-22	127.80	26.57	28.84	2.27
2022-23	429.58	465.81	69.16	(396.65)
Total	800.53	642.86	238.07	(404.79)

Thus, considering all the receipts/credits, including non-related receipts in the bank accounts, the Company received Rs. 238.07 crore only, i.e., 37% of the amount which it was supposed to receive (Rs. 642.86 crore) as per the sale and debtor figures disclosed in the Annual Reports during the three year period.

12. Further, a comparison of payments to be made by SSSL as per the Annual Reports vis-à-vis payments actually made from all the bank accounts of SSSL and Seacoast-HUF is as follows:

Table 4

(in Rs. crore)

Period (FY)	As per the Annual Reports		As per the Bank Statements	Difference
	Purchases during FY	Amount to be paid during FY (after accounting for creditors and amounts written off)	Total amount of payments in the bank accounts	
2020-21	224.79	146.27	159.91	13.64
2021-22	116.82	25.41	29.02	3.61
2022-23	396.32	519.10	67.30	(451.80)
Total	737.93	690.78	256.23	(434.55)

Considering all the payments, including non-related payments in the bank accounts, the Company had paid Rs. 256.23 crore only, i.e., again only 37% of the amount which was supposed to be paid (Rs. 690.78 crore) as per the purchase and creditor figures disclosed in the Annual Reports for the three years.

13. Accordingly, it appears that the sales and purchases disclosed in the financial statements of the company for FY 2020-21, 2021-2022 and 2022-2023 were inflated.

A.2 Misrepresentation of Financial Statements during FY 2020-21

14. During FY 2020-21, SSSL took over the HUF business of Mr. Manish Shah, i.e., Seacoast Shipping and Marine Services (hereinafter referred to as 'Seacoast-HUF') and entered into a business takeover agreement dated May 15, 2020. As per the said business takeover agreement, it was mutually agreed between the parties that Seacoast-HUF will undertake the transactions on behalf of Seacoast Limited until the end of transition period, i.e., FY 2020-21. Accordingly, all the sales and purchases incurred by Seacoast-HUF under its PAN and GST number for FY 2020-21, were added to the books of SSSL. However, despite multiple summons and repeated reminders, Mr. Manish Shah failed to provide the complete information regarding bank statements, invoices, sale and purchase registers, GST returns of

SSSL and Seacoast-HUF and documentary proof for the attendance of the Directors to the Board and Audit Committee meetings.

15. Moreover, Mr. Manish Shah in his deposition dated February 05, 2024, and in his response dated February 26, 2024, submitted that SSSL and Seacoast-HUF had only one bank account each. However, during the course of investigation, multiple bank accounts of SSSL and Seacoast-HUF were identified. The details of these accounts are placed at **Annexure-A**.

16. The investigation also revealed discrepancies in the sales and purchases for FY 2020-21 as disclosed by SSSL in its Annual Report, in the sales registers of SSSL and Seacoast-HUF and in the GST returns of SSSL and Seacoast-HUF and the same are tabulated below:

Table 5: Sales for FY 2020-21

Name	Sales (in Rs. crore)		
	As per Annual Report	As per Sales Register	As per GST returns
SSSL	243.15	94.55	85.45
Seacoast-HUF		151.59	149.38
Total		246.14	234.83

Table 6: Purchases for FY 2020-21

Name	Purchases (in Rs. crore)		
	As per Annual Report	As per Purchase Register	As per GST returns
SSSL	224.79	91.13	NA *
Seacoast-HUF		158.13	9.62
Total		249.26	NA

* Despite multiple summons and repeated reminders, Mr. Manish Shah failed to produce GSTR 2A returns filed by the Company

Observations on customers and vendors for FY 2020-21

17. Despite repeated reminders, Mr. Manish Shah failed to provide any documentary evidence (viz., sale and purchase invoices) in respect of the sales and purchases made by Seacoast-HUF and thus, genuineness of the sales and purchases made by Seacoast-HUF could not be ascertained. In respect of sales and purchases made by SSSL (details of all vendors and customers of SSSL during FY 2020-21 are placed at **Annexure-B**), an analysis of three customers constituting 100% of

the sales and five (out of seven) vendors constituting 98.89% of the purchases of Seacoast Limited is as under (the bank account details of these customers/vendors as per the sale/purchase invoices are mentioned at **Annexure-C**):

(I) Bimstar Holdings Pte Ltd (Customer No. 1)

As per the Sale Register of SSSL for FY 2020-21, 86% of the sales amounting to Rs. 81.35 crore were made to a single entity, viz., Bimstar Holdings Pte Ltd ("Bimstar"), a Singapore-based Company which has since been struck off (Relevant details regarding Bimstar are placed at **Annexure-D**). SSSL provided 11 sale invoices in respect of Bimstar totalling to Rs. 81.35 crore. However, no transaction of SSSL with Bimstar could be identified upon perusal of the Bank statements of the Bank account of SSSL mentioned in the aforesaid 11 sale invoices. Further, Mr. Manish Shah, in his deposition dated February 05, 2024, *inter alia*, stated as under:

"Out of Rs. 81.35 crore of sale made by SSSL to Bimstar approx. 90% sale is fictitious."

Thus, it is *prima facie* found that sales made by SSSL to Bimstar are fictitious.

(II) Allianz Bulk Carriers DMCC (Vendor No. 1)

As per the Purchase Register of SSSL for FY 2020-21, 80% of the purchases amounting to Rs. 73.31 crore were made from a single entity, viz., Allianz Bulk Carriers DMCC ("Allianz"). SSSL provided 11 purchase invoices in respect of Allianz totalling to Rs. 73.31 crore. However, on perusal of all the available bank statements of SSSL, no transaction with Allianz could be identified. Further, Mr. Manish Shah, in his deposition dated February 05, 2024, *inter alia*, stated as under:

"The entire purchases of Rs. 73.30 crore made by SSSL from Allianz are fictitious. No payment has been made by SSSL to Allianz."

Thus, it is *prima facie* found that purchases made by SSSL from Allianz are fictitious.

(III) Circulation of funds amongst certain other customers and vendors - S. Sons (Customer No. 2 and Vendor No. 2), Cogo Freight Private Limited (Customer No. 3) and Vojas Overseas (Vendor No. 3)

The sales and purchases (as per registers/invoices) along with the transactions entered into by these entities with SSSL (as per Bank statements) are tabulated below:

Table 7 (Amount in Rs. crore)

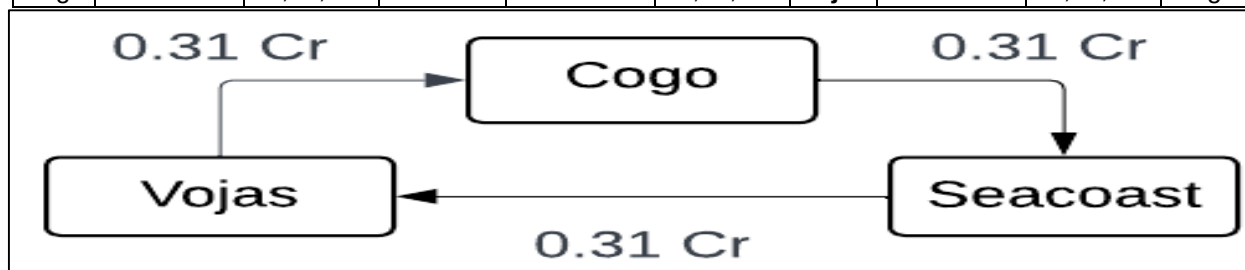
Entity Name	Sales made by SSSL as per sale register (in Rs. crore)	Amount as per sale invoice(s)	Amount received by SSSL (in Rs. crore)	Purchase made by SSSL (in Rs. crore)	Amount as per purchase invoice(s)	Amount paid by SSSL (in Rs. crore)
Vojas Overseas	-	-	-	0.31	No invoices provided	0.31
S. Sons	8.76	8.76	1.50	4.14	4.14	2.15
Cogo Freight Private Limited	4.43	4.12	2.89	-	-	0.10

Further, the circulation of funds amongst these entities and SSSL is illustrated as under:

(i) Vojas Overseas (Amount paid by SSSL – Rs. 0.31 crore)

Table 8

Party	Date	Amount	Party	Date	Amount	Party	Date	Amount	Party
Cogo	22/01/2021	10,00,000	Seacoast	22/01/2021	10,00,000	Vojas	22/01/2021	10,00,000	Cogo
Cogo	22/01/2021	10,00,000	Seacoast	22/01/2021	10,00,000	Vojas	22/01/2021	10,00,000	Cogo
Cogo	25/01/2021	11,37,185	Seacoast	25/01/2021	11,37,185	Vojas	25/01/2021	11,37,185	Cogo

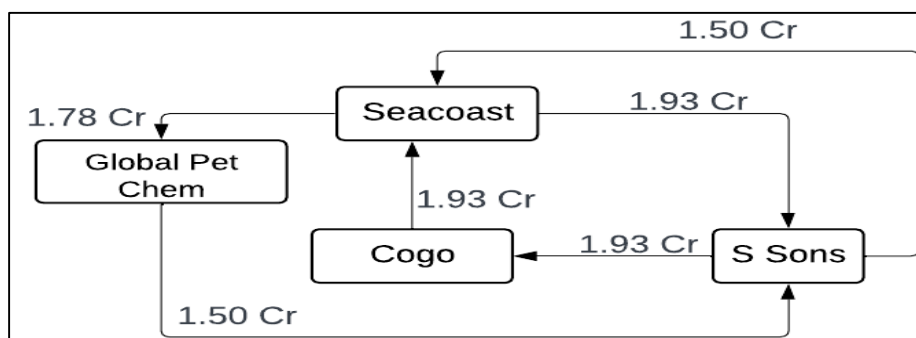


(ii) **S. Sons (Amount paid by SSSL – Rs. 2.15 crore and received by SSSL – Rs. 1.5 crore)**

Table 9

Party	Date	Amount	Party	Date	Amount	Party	Date	Amount *	Party
Seacoast	08/12/2020	1,78,00,000	Global Pet Chem	21/12/2020	1,49,99,953	S Sons	21/12/2020	1,50,00,000	Seacoast
Seacoast	22/07/2021	93,00,000	S Sons	22/07/2021	93,00,000	Cogo	22/07/2021	93,00,000	Seacoast
Seacoast	22/07/2021	50,00,000	S Sons	22/07/2021	49,00,000	Cogo	22/07/2021	49,00,000	Seacoast
Seacoast	23/07/2021	24,00,000	S Sons	23/07/2021	25,00,000	Cogo	23/07/2021	25,00,000	Seacoast
Seacoast	23/07/2021	26,00,000	S Sons	23/07/2021	26,00,000	Cogo	23/07/2021	26,00,000	Seacoast
Seacoast	12/08/2021	10,00,000	S Sons	12/08/2021	10,00,000	Cogo	12/08/2021	10,00,000	Seacoast HUF
Seacoast	13/08/2021	5,00,000	S Sons	13/08/2021	5,00,000	Cogo	13/08/2021	5,00,000	Seacoast HUF
Seacoast	24/08/2021	7,00,000	S Sons	24/08/2021	7,00,000	Cogo	24/08/2021	7,00,000	Seacoast HUF

* Entire amount of Rs.1.5 crore received by SSSL from S. Sons, and the payment of Rs. 1.93 crore (out of Rs. 2.15 crore) made by SSSL to S. Sons involved circulation of funds. The balance Rs. 0.22 crore paid by SSSL to S. Sons was indirectly paid to Seacoast-HUF.



(iii) **Cogo Freight Private Limited (Amount paid by SSSL – Rs. 0.10 crore and received by SSSL – Rs. 2.89 crore)**

From the above pictorial representations, it *prima facie* shows that an amount of Rs. 2.24 crore (Rs. 0.31 crore and Rs. 1.93 crore) out of Rs. 2.89 crore received by SSSL from Cogo involved circulation of funds. Further, out of the balance receipt of Rs. 0.65 crore, an amount of Rs. 0.55 crore was indirectly funded by Seacoast HUF. However, the fund trail regarding the remaining receipt of 0.10 crore by SSSL and payment of 0.10 crore by SSSL could not be traced. The same is illustrated below:

Table 10

Party	Date	Amount	Party	Date	Amount	Party	Date	Amount	Party
Seacoast HUF	31/05/2021	5,50,000	Vojas	31/05/2021	5,50,000	Cogo	31/05/2021	5,50,000	Seacoast
Seacoast HUF	29/07/2021	50,00,000	SSCH Shipping	29/07/2021	49,20,000	Cogo	29/07/2021	49,20,000	Seacoast
						Cogo	27/01/2021	10,00,000	Seacoast HUF

Party	Date	Amount	Party	Date	Amount	Party	Date	Amount	Party
Seacoast HUF	31/05/2021	5,50,000	Vojas	31/05/2021	5,50,000	Cogo	31/05/2021	5,50,000	Seacoast
Seacoast HUF	29/07/2021	50,00,000	SSCH Shipping	29/07/2021	49,20,000	Cogo	29/07/2021	49,20,000	Seacoast
			Seacoast	24/02/2021	10,00,000	Cogo			

During his deposition dated June 03, 2024, Mr. Manish Shah, upon being confronted with these observations regarding circulation of funds, *inter alia*, admitted that the transactions of SSSL with S. Sons, Cogo and Vojas were fictitious. Therefore, it is found that the transactions made by SSSL with Cogo, Vojas and S. Sons were fictitious.

(IV) Global Pet Chem (Vendor No. 4)

As per the Purchase Register of SSSL for FY 2020-21, SSSL made purchases amounting to Rs. 8.33 crore from Global Pet Chem. On perusal of bank statements of SSSL and Global pet Chem, the following fund trail was observed:

Table 11

Party	Date	Amount	Party	Date	Amount	Party	Date	Amount	Party
Seacoast	02/12/2020	5,28,00,000	Global Pet Chem	03/12/2020	40,03,425	Elite Foods General Trading LLC			
	05/12/2020	1,30,00,000		07/12/2020	3,52,70,621				
	08/12/2020	1,78,00,000		08/12/2020	3,15,00,000	Real Tex	08/12/2020	3,14,87,392	Elite Foods General Trading LLC
				21/12/2020	1,50,00,000	S Sons	21/12/2020	1,50,00,000	Seacoast
				27/01/2021	15,00,000	Real Tex	27/01/2021	15,00,000	National Rice Mill
Total		8,36,00,000							

Thus, it is observed that SSSL, made a payment of Rs. 8.36 crore to Global Pet Chem. Out of this amount, Global Pet Chem transferred an amount of Rs. Rs. 3.93 crore to Elite Foods General Trading LLC, an amount of Rs. 3.30 crore to Real Tex and an amount of Rs. 1.50 crore to S. Sons (which S. Sons, on the same day, transferred to SSSL). Real Tex further transferred an amount of Rs. 3.15 crore to Elite Foods General Trading LLC and an amount of Rs. 0.15 crore to National Rice Mill. In this regard, Mr. Manish Shah in his deposition dated February 05, 2024, *inter alia*, stated as under:

“The entire purchases of Rs. 8.32 crore made by SSSL from Global Pet Chem are fictitious. SSSL made a payment of Rs 8.37 crore to Global Pet Chem on account of Rs. 8.37 crore payable by Seacoast HUF. The amount received as loan from IndusInd bank was utilized for making this payment.”

Thus, it is *prima facie* found that the purchases made by SSSL from Global Pet Chem are fictitious. Further, as admitted by Mr. Manish Shah during his deposition, it is also found that payment to the tune of Rs. 8.36 crore to Global Pet Chem was made by utilising the Cash Credit facility availed from IndusInd Bank and thereby, an amount of Rs. 6.86 crore (Rs. 8.36 crore - Rs. 1.50 crore which came back to SSSL from S. Sons) was diverted from the Company.

(V) Starchart Shipping and Marine Services Private Limited (Vendor No. 5)

As per the Purchase Register of SSSL for FY 2020-21, SSSL made purchases amounting to Rs. 4.03 crore from Starchart Shipping and Marine Services Private Limited (“Starchart”). On perusal of bank statements of SSSL and Starchart, the following fund trail was observed:

Table 12

Party	Date	Amount	Party	Date	Amount	Party	Date	Amount	Party
Seacoast	04/12/2020	54,00,000	Starchart	05/12/2020	54,00,000	Fiducia	05/12/2020	52,50,000	Bluebell Polymers Pvt Ltd
Seacoast	05/12/2020	30,00,000	Starchart	05/12/2020	30,00,000	Fiducia	07/12/2020	6,50,000	Nirbhay Projects
							14/12/2020	25,00,000	Daywind Enterprise
Seacoast	10/12/2020	2,50,00,000	Starchart	10/12/2020	2,50,00,000	Seacoast HUF			
Seacoast	14/12/2020	25,00,000	Starchart	14/12/2020	25,00,000	Manish			
Seacoast	15/12/2020	10,00,000	Starchart	15/12/2020	10,00,000	Seacoast HUF			
Seacoast	22/12/2020	10,00,000	Starchart	22/12/2020	10,00,000	Seacoast HUF			
Seacoast	23/12/2020	7,00,000	Starchart	23/12/2020	7,00,000	Global Shipping Services			
Seacoast	27/08/2021	10,50,000	Starchart	27/08/2021	10,50,000	Manish			
Total		3,96,50,000							

As per the above table, it is *prima facie* found that SSSL made a total payment of Rs. 3.97 crore to Starchart by utilising the Cash Credit account availed by the Company from IndusInd Bank. Out of this amount, Starchart transferred an amount

of Rs. 2.70 crore to Seacoast HUF, an amount of Rs. 0.36 crore to Mr. Manish Shah, an amount of Rs. 0.84 to Fiducia Infrastructure Pvt. Ltd., and an amount of Rs. 0.07 crore to Global Shipping Services. In this regard, Mr. Manish Shah in his deposition dated June 3, 2024, *inter alia*, admitted that the purchase of Rs. 4.03 crore by Seacoast from Starchart was fictitious.

Thus, it was found that the purchases made by SSSL from Starchart are fictitious and SSSL diverted Rs. 3.97 crore from the Company as a result of the said transactions.

18. Therefore, in view of the aforesaid analysis undertaken in respect of 100% of sales and 98.89% of purchases of SSSL during FY 2020-21, it is found that all sales and purchases of SSSL during the year were fictitious.

Analysis of Balance Sheet for FY 2020-21

19. An extract of Balance sheet of SSSL for FY 2020-21, as disclosed in the annual report, is reproduced as under:

Table 13

Assets	Amount (Rs. in crore)	%	Liabilities	Amount (Rs. in crore)	%
Property, Plant and Equipment	0.06	0.04%	Equity Share Capital	33.67	22.64%
Loans & Advances	0.05	0.03%	Other Equity	11.43	7.68%
Trade Receivables	93.31	62.73%	Long term loans and liabilities	0.55	0.37%
Cash and Cash Equivalents	0.07	0.05%	Short term borrowing	19.99	13.44%
Short Term Loans & Advances	0.71	0.48%	Trade Payables	78.58	52.83%
Advance to suppliers	53.79	36.16%	Other current liabilities	0.81	0.54%
Balance with Govt. Authorities	0.75	0.50%	Provisions	3.71	2.49%
Inventory	0.00	0.00%			
Total Assets	148.75	100.00%	Total Liabilities	148.75	100.00%

Thus, it is noted that the Company had negligible (0.04%) tangible fixed assets of Rs. 0.06 crore and zero inventory. Further, 98.89% of the total assets of SSSL

comprise of trade receivables and advances to suppliers. In this regard, the breakup of trade receivables and advances to creditors is given as under:

Table 14: Trade receivables

Name of the Debtor	Amount (in Rs. crore)	Remarks
Bimstar Holdings Pte Ltd.	81.35	Arising out of fictitious sale as noted in at para 17 above
S. Sons	7.27	Arising out of fictitious sale as noted at para 17 above
Cogo freight Pvt Ltd.	4.12	Arising out of fictitious sale as noted at para 17 above
Ebony India Ltd.	0.57	Corresponding sale couldn't be traced in the sale registers
Total	93.31	

Table 15: Advances to creditors

Name of the Creditor	Amount (in Rs. crore)	Remarks
Seacoast-HUF	51.04	Corresponding purchase couldn't be traced in the purchase registers
Starchart	1.66	Creditor pertaining to fictitious purchase as noted at para 17 above
Others	1.09	-
Total	53.79	

20. On seeking clarifications regarding the rationale for SSSL to have a receivable amount of Rs. 51.04 crore from Seacoast-HUF, despite Seacoast Limited taking over the business of Seacoast-HUF, Mr. Manish Shah responded as under:

“The Company has takeover the Seacoast Shipping & Marine Services HUF business as on 15th May, 2020. In the said takeover agreement, the company has taken the amount upto 31.03.2020. They have specifically mentioned in the agreement that the transaction period will end on 31.03.2021 and accordingly all the contracts which has been made by Seacoast Shipping & Marine Services HUF before 31.03.2021. The business transaction which was made from 01.04.2020 to the date of final period of takeover and the amount reflecting receivable from Seacoast Services HUF 51.04 Crores.”

Although there is a lack of clarity in the reply of Mr. Manish Shah, it appears that SSSL is claiming that it had shown the receivables of Seacoast-HUF during the takeover transition period in its balance sheet under the category of ‘advances to creditors’. However, as would be discussed in the subsequent paragraphs, the ‘advances to creditors’ have suddenly become negligible in FY 2022-23 (without

any corresponding receipt in respect of receivables of Seacoast-HUF) as tabulated below:

Analysis of Cash Flow Statement for FY 2020-21

21. On perusal of Cash Flow Statement for FY 2020-21 of SSSL (**Annexure-E**), it is noted that SSSL has, *inter alia*, disclosed a cash inflow of Rs. 30.60 crore as 'Proceeds from shares issued including premium'. However, as would be discussed in subsequent paragraphs, during FY 2020-21, SSSL made a preferential allotment of 2.02 crore shares, out of which 0.52 crore shares were allotted for a cash consideration of Rs. 7.88 crore and the balance 1.50 crore shares worth Rs. 22.73 crore were allotted for non-cash consideration towards acquisition of Seacoast-HUF.
22. On seeking clarifications in this regard, Mr. Manish Shah vide email dated June 11, 2024, *inter alia*, stated as under:
- "Total consideration received from preferential issue was Rs.30.60 crores out of which Rs. 7.88 crores were received as cash consideration and balance consideration was received in form of net assets acquired by the company amounting to Rs. 22.73 crores as a non-cash consideration which formed part of assets of the company. The entire consideration received by the company against equity shares issued in form of cash consideration and non-cash consideration has been considered as cash inflow from financing activity."*
23. Thus, by accounting the non-cash consideration of Rs.22.73 crore as cash inflow under the category of 'Proceeds from shares issued including premium', it is *prima facie* found that the cash flow statement of Seacoast for FY 2020-21, did not reflect the true state of affairs with respect to the cash flows in the company.
24. In sum, the analysis in the preceding paragraphs has found that SSSL recorded fictitious sale and purchase transactions, with an intent to inflate the turnover and the balance sheet size for FY 2020-21. Considering the non-submission of appropriate documentary evidences for the sales and purchases by the Company, circulation of funds identified between the Company and its customers and vendors, discrepancies in the sale and purchase figures noted among the respective registers, Annual Reports and GST returns, and the deposition of the KMPs, it is *prima facie* found that the financial statements of Seacoast for the FY 2020-21,

were misrepresented. Further, SSSL did not receive full consideration in cash for the preferential allotment of shares.

A.3 Misrepresentation of Financial Statements during FY 2021-22

25. The investigation revealed discrepancies in the sales and purchases for FY 2021-22 as disclosed by SSSL in its Annual Report, in the sales registers of SSSL and in the GST returns of SSSL. The same are tabulated below:

Table 16: Sales for FY 2021-22

Sales Amount (Rs. in crore)		
As per Annual Report	As per Sales Register	As per GST returns
127.80	127.83	106.88

Table 17: Purchases for FY 2021-22

Purchases Amount (Rs. in crore)		
As per Annual Report	As per Purchase Register	As per GST returns
116.81	116.92	NA *

* Despite multiple summons and repeated reminders, Mr. Manish Shah failed to produce GSTR 2A returns filed by the Company.

Thus, a discrepancy was observed between the figures for sales and purchases disclosed by SSSL in its Annual Report for FY 2021-22 and the figures disclosed by SSSL in its GST returns for FY 2021-22.

Observations on customers and vendors for FY 2021-22

26. It is noted that SSSL ventured into the business of agro sales and purchases during FY 2021-22 in addition to its business of ocean freight. The details of all vendors and customers of SSSL during FY 2021-22 are placed at **Annexure-F**. An analysis of two (out of five) ocean freight customers constituting 99.42% of the ocean freight sales, one (out of four) ocean freight vendor constituting 96.89% of the ocean freight purchases, ten agro customers constituting 100% of the agro sales, and eight agro vendors constituting 100% of the agro purchases of Seacoast for FY 2021-22, is as under:

Ocean Freight business

(I) Real Tex Shipping and Marine Services Pte Ltd (Customer No. 1) and Safe Cargo Shipping Services Pte Ltd (Vendor No. 1)

It is noted that Real Tex Shipping and Marine Services Pte Ltd ("Real Tex") and Safe Cargo Shipping Services Pte Ltd ("Safe Cargo") were registered with the Accounting and Corporate Regulatory Authority of Singapore on the same date with

the same registered address and Mr. Sushil Sanjot was a common director of both these Companies. Further, Mr. Sameer Shah, one of the directors of SSSL is also a director of Safe Cargo. However, SSSL has not disclosed the transactions with Real Tex Pte and Safe Cargo as related party transactions. The details of these two companies are as under:

Table 18

Name	Real Tex Shipping and Marine Services Pte Ltd ('Real Tex Pte')	Safe Cargo Shipping Services Pte Ltd ('Safe Cargo')
Date of Incorporation	April 15, 2019	April 15, 2019
Paid up capital	5000 SGD	5000 SGD
Current Status	Struck Off	Active
Address	1 Raffles place, #44-01A, One Raffles Place, Singapore 048616	1 Raffles Place, #44-01a, One Raffles Place, Singapore 048616
Industry	Shipping Agencies (Freight)	Shipping Agencies (Freight)
Previous Name	-	Seacoast Shipping And Marine Services Pte. Ltd
Annual Return	Not filed	Not filed
Date of Last AGM	Not filed	Not filed
Common Director	Sushil Sanjot	Sushil Sanjot & Sameer Shah

As per the Purchase Register of SSSL for FY 2021-22, 80% of the purchases amounting to Rs. 94.06 crore were made from a single entity, viz., Safe Cargo. SSSL provided 12 purchase invoices in respect of Safe Cargo totalling to Rs. 94.06 crore. However, on perusal of all the available bank statements of SSSL, no transaction with Safe Cargo could be identified. Further, Mr. Manish Shah, in his deposition dated February 05, 2024, *inter alia*, stated as under:

"The entire purchases of Rs. 94.06 crore made by SSSL from Safe Cargo are fictitious. No payment has been made by SSSL to Safe Cargo."

Further, as per the Sale Register of SSSL for FY 2021-22, 47% of the sales amounting to Rs. 60.56 crore were made to a single entity, viz., Real Tex. SSSL provided 7 sale invoices in respect of Real Tex totalling to Rs. 94.06 crore. However, on perusal of all the available bank statements of SSSL, no receipt from Real Tex could be identified. Further, Mr. Manish Shah, in his deposition dated February 05, 2024, *inter alia*, stated as under:

“Out of Rs. 60.56 crore of sale made by SSSL to Realtex approx. 90% sale is fictitious.”

Thus, it is *prima facie* found that sales made to Real Tex and purchases made from Safe Cargo by SSSL during FY 2021-22 were fictitious.

(II) Damin Shipping Sea Cargo Services LLC (Customer No. 2)

As per the Sale Register of SSSL for FY 2021-22, 36% of the sales amounting to Rs. 45.59 crore were made to a single entity, viz., (II) Damin Shipping Sea Cargo Services LLC (“Damin”). SSSL provided 6 sale invoices in respect of Damin totalling to Rs. 45.59 crore. However, on perusal of all the available bank statements of SSSL, no transaction with Damin could be identified. Further, Mr. Manish Shah, in his deposition dated February 05, 2024, inter alia, stated as under:

“The entire sale of Rs. 45.59 crore made to Damin LLC is fictitious.”

Thus, it is *prima facie* found that sales made by SSSL to Damin Shipping Sea Cargo Services LLC are also fictitious.

Thus, the combined sales to Real Tex and Damin accounting for more than 99% of the sales pertaining to Ocean Freight business of SSSL in FY 2021-22 were found to be fictitious. Further, purchases from Safe Cargo constituting more than 96% of purchases pertaining to Ocean Freight business of SSSL in FY 2021-22 were also fictitious.

In view of the aforesaid analysis undertaken in respect of more than 99% of sales and more than 96% of purchases of SSSL during FY 2021-22, it is *prima facie* found that all sales and purchases during the year were fictitious.

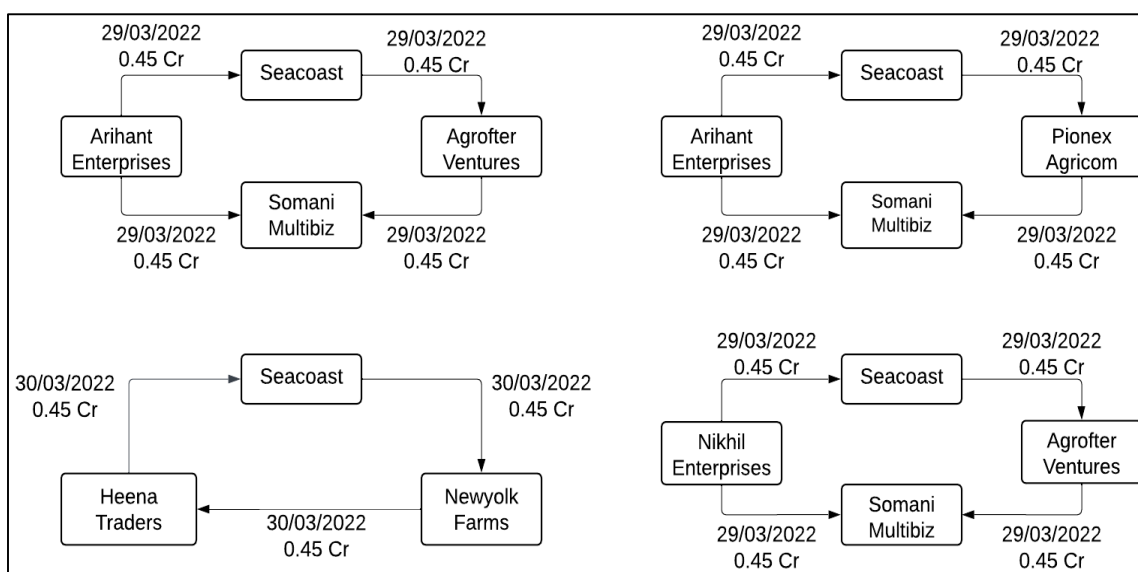
Agro business

The breakup of Agro Sales and Agro Purchases, as per the Sale and Purchase registers of SSSL, and the corresponding receipts and payments reflected in SSSL’s Bank statement for FY 2021-22, is as under:

Table 19**(Amount in Rs. crore)**

Agro Customers	Amount as per Sales Register	Receipts in Bank Statement	Agro Vendors	Amount as per Purchase Register	Payments in Bank Statement
Shree Traders	6.85	6.85	Shalin Enterprise	6.86	6.86
Best Trading	4.36	4.36	Sadhana Trading Co	4.04	4.04
Arihant Enterprise	2.76	2.76	Agrofter Ventures Pvt Ltd	2.67	2.67
Nikhil Enterprise	2.01	2.01	Pionex Agricom Pvt Ltd	2.66	2.66
K D Enterprise	1.63	1.63	Newyolk Farms Pvt Ltd.	1.76	1.76
Heena Traders	1.39	1.39	Birmixten Agriserv Pvt Ltd	0.90	0.90
Shreenath Traders	1.11	1.11	Maxxters Trading Pvt Ltd	0.90	0.90
Paras Enterprise	0.54	0.54	Best Trading	0.05	0.05
Torextron Ventures Pvt Ltd	0.25	0.25			
Hiren Enterprise	0.17	0.17			
Total	21.07	21.07	Total	19.84	19.84

Thus, it is noted that 100% of the receipts of Agro sales and 100% of the payments of Agro purchases were reflected in SSSL's bank statement. However, on a detailed analysis of Bank statements of SSSL and all the above mentioned agro customers and agro vendors of SSSL for FY 2021-22, it is noted that these receipts and payments to and from SSSL's Bank account involved circulation of funds amongst entities by means of multiple transactions. A sample illustration of the circulation of funds is as below:



Therefore, *prima facie* it was found that there were no actual receipts/ payments between SSSL and the Agro customers/ Agro vendors. Further, despite multiple summons and repeated reminders, the Company failed to produce documentary evidences supporting the Agro sales and Agro purchases. Moreover, Mr. Manish Shah and Mr. Sameer Shah in their depositions dated February 05, 2024 and February 27, 2024 respectively, have admitted that all the Agro sales and Agro purchases made by SSSL were fictitious. Accordingly, it is *prima facie* found that all the Agro sales and Agro purchases made by SSSL during FY 2021-22 are fictitious.

Analysis of Balance Sheet for FY 2021-22

An extract of Balance sheet of SSSL for FY 2021-22, as disclosed in the Annual Report, is reproduced as under:

Table 20

Assets	Amount (in Rs. crore)	%	Liabilities	Amount (in Rs. crore)	%
Property, Plant and Equipment	0.00	0.00%	Equity Share Capital	33.67	13.60%
Loans & Advances	0.00	0.00%	Other Equity	14.04	5.67%
Trade Receivables	194.54	78.56%	Long term loans and liabilities	2.35	0.95%
Cash and Cash Equivalents	0.05	0.02%	Short term borrowing	20.16	8.14%
Short Term Loans & Advances	0.78	0.31%	Trade Payables	169.94	68.63%

Assets	Amount (in Rs. crore)	%	Liabilities	Amount (in Rs. crore)	%
Advance to suppliers	52.25	21.10%	Other current liabilities	0.19	0.08%
Inventory	0.00	0.00%	Provisions	7.28	2.94%
Total	247.62	100.00%	Total	247.62	100.00%

Thus, it is noted that the Company had negligible (0%) tangible fixed assets of Rs. 18,000/-, and zero inventory. Further, 99.66% of the total assets of SSSL comprised of trade receivables and advances to creditors. In this regard, the breakup of trade receivables and advances to creditors is as under:

Table 21: Trade Receivable

Name of the Debtor	Amount (in Rs. crore)	Remarks
Bimstar Holdings Pte Ltd	81.35	Arising out of fictitious sale as noted at para 17 above
Real Tex Shipping and Marine Services Pte Ltd	60.56	Arising out of fictitious sale as noted at para 27 above
Damin Shipping Sea Cargo Services LLC	45.59	Arising out of fictitious sale as noted at para 27 above
S. Sons	5.36	Arising out of fictitious sale as noted at para 17 above
Cogo freight Pvt Ltd	1.64	Arising out of fictitious sale as noted at para 17 above
Pentagon Waterlines Pvt Ltd	0.03	-
Total Debtors	194.54	

Table 22: Advances to Creditors

Name of the Creditor	Amount (in Rs. crore)	Remarks
Seacoast-HUF	49.64	Arising out of fictitious entry as noted at para 20 above
Starchart	1.76	Creditor pertaining to fictitious purchase as noted at para 17 above
Others	0.85	-
Total	52.25	

27. In view of the above, it is prima facie found that the 'Trade Receivables' and 'Advances to Creditors' constituting 99.96% of the total assets of SSSL as on March 31, 2022 were fictitious.

28. Therefore, in light of the analysis in the preceding paragraphs, SSSL had recorded fictitious sale and purchase transactions with an intent to inflate the turnover and the balance sheet size for FY 2021-22. Considering the non-submission of

appropriate documentary evidences for the sales and purchases by the Company, circulation of funds identified between the Company and its customers and vendors, discrepancies in the sale and purchase figures noted among the respective registers, Annual Reports and GST returns, and the deposition of its KMPs, it is prima facie found that the financial statements of Seacoast for the FY 2021-22 were misrepresented. The pattern, as can be observed, was similar to that of the financial statements of FY 2020-21.

A.4 Misrepresentation of Financial Statements during FY 2022-23

29. The investigation revealed discrepancies in the sales and purchases for FY 2022-23 as disclosed by SSSL in its Annual Report, in the sales registers of SSSL and in the GST returns of SSSL and the same are tabulated as under:

Table 23: Sales for FY 2022-23

Sales (in Rs. crore)		
As per Annual Report	As per Sales Register	As per GST returns
429.58	429.58	226.53

Table 24: Purchases for FY 2022-23

Purchases (in Rs. crore)		
As per Annual Report	As per Purchase Register	As per GST returns
396.32	396.32	NA *

* Despite multiple summons and repeated reminders, Mr. Manish Shah failed to produce GSTR 2A returns filed by the Company, however, exempt, nil-rated and non-GST inward supplies to the tune of Rs. 212.56 crore were recorded as per GSTR 3B returns.

Thus, a discrepancy was observed between the figures for sales and purchases disclosed by SSSL in its Annual Report for FY 2022-23 and the figures disclosed by SSSL in its GST returns for FY 2022-23.

Observations on customers and vendors for FY 2022-23

30. It is noted that all the sales and purchases of SSSL during FY 2022-23 pertained to Agro sales and Agro purchases. In this regard, it is found that as per the registers, Agro sales were made to a total of 23 Agro customers (amounting to Rs. 429.58 crore) and Agro purchases were made from a total of 24 Agro vendors (amounting to Rs. 396.32 crore). The details of all vendors and customers of SSSL during FY 2022-23 are placed at **Annexure-G**. However, receipts and payments in the bank accounts of SSSL pertain to a few of these entities only and the amount reflecting

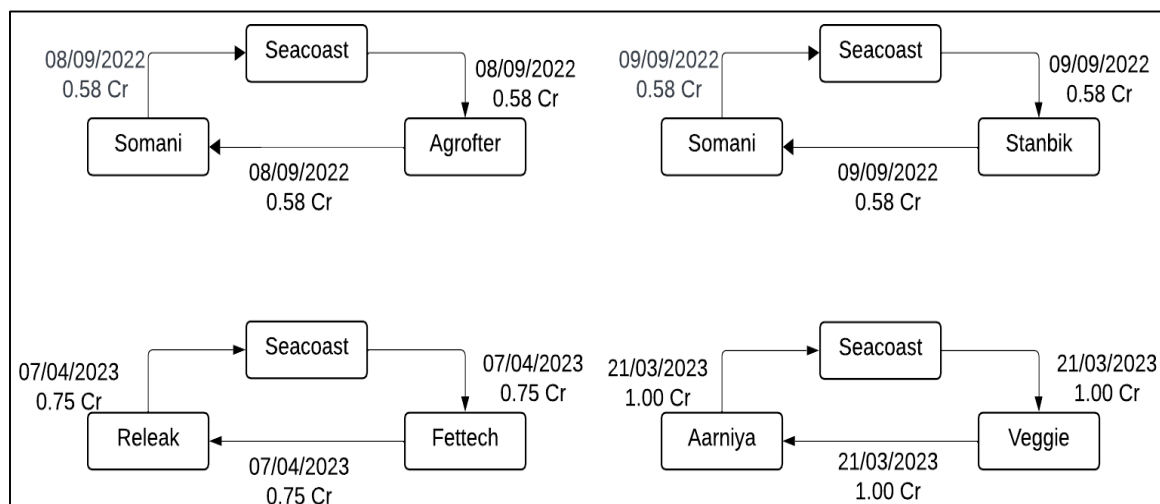
in bank accounts is only a fraction of the amount of sales/purchases claimed in the sale and purchase registers. The same is tabulated below:

Table 25

(Amount in Rs. crore)

Type of entity	Number as per registers	Total amount of transaction as per registers (A)	Number of entities appearing in bank statements of SSSL	Total amount of transaction with such entities as per bank statements (B)	% of amount reflecting in bank accounts (B/A*100)
Agro customers	23	429.58	11	72.35	16.84%
Agro vendors	24	396.32	11	70.70	17.84%

31. Further, it is noted that even the transactions partially reflected in SSSL's Bank account involved circulation of funds amongst these entities by means of multiple transactions. A sample illustration of the circulation of funds is as under:



32. Despite multiple summons and repeated reminders, the Company failed to produce documentary evidences supporting the Agro sales and Agro purchases. Mr. Manish Shah and Mr. Sameer Shah in their depositions dated February 05, 2024 and February 27, 2024 respectively, have admitted that all the Agro sales and Agro purchases made by SSSL were fictitious. In addition, Mr. Manish Shah also admitted that the entire revenue from operations of SSSL for FY 2022-23 was fictitious. Accordingly, it is *prima facie* found that the sales and purchases made by SSSL to and from the entities dealing with Agro products for the FY 2022-23, i.e., 100% sales and purchases of SSSL for FY 2022-23, were fictitious.

Analysis of Balance Sheet for FY 2022-23

33. An extract of Balance sheet of SSSL for FY 2022-23, as disclosed in the Annual Report is reproduced as under:

Table 26

Assets	Amount (in Rs. crore)	%	Liabilities	Amount (in Rs. crore)	%
Property, Plant and Equipment	0.04	0.03%	Equity Share Capital	33.67	22.03%
Loans & Advances	0.00	0.00%	Other Equity	28.33	18.53%
Trade Receivables	150.27	98.31%	Long term loans and liabilities	10.08	6.59%
Cash and Cash Equivalents	0.01	0.01%	Short term borrowing	18.29	11.97%
Short Term Loans & Advances	1.73	1.13%	Trade Payables	47.21	30.88%
Advance to suppliers	0.50	0.33%	Other current liabilities	1.52	0.99%
Inventory	0.00	0.00%	Provisions	13.76	9.00%
Total	152.86	100.00%	Total	152.86	100.00%

Thus, it is noted that the Company had negligible (0.03%) tangible fixed assets of Rs. 0.04 crore and zero inventory. Further, 98.31% of the total assets of Seacoast comprise of trade receivables. In this regard, the breakup of trade receivables is as under:

Table 27

Name of the Debtor	Amount (in Rs. crore)	Remarks
Mahaan Enterprise	63.66	Arising out of fictitious sale as noted at para 32 above
S.K. Enterprise	29.14	Arising out of fictitious sale as noted at para 32 above
Divya Traders	26.56	Arising out of fictitious sale as noted at para 32 above
Chandrima Mercantiles Ltd	8.65	Arising out of fictitious sale as noted at para 32 above
S. Son's	5.36	Arising out of fictitious sale as noted at para 17 above
Releak Agriventures Ltd	4.34	Arising out of fictitious sale as noted at para 32 above

Name of the Debtor	Amount (in Rs. crore)	Remarks
Chintan Agro	4.10	Arising out of fictitious sale as noted at para 32 above
Abdul Foods & Beverage	2.91	Arising out of fictitious sale as noted at para 33 above
City Crops Agro Limited	2.30	Arising out of fictitious sale as noted at para 32 above
Damin Shipping Sea Cargo Services LLC	1.64	Arising out of fictitious sale as noted at para 26 above
Others	1.63	-
Total Debtors	150.27	

34. In view of the above, it is found that the 'Trade Receivables' constituting 98.31% of the total assets of SSSL as on March 31, 2023 were fictitious. Further, as noted at para 20 above, 'advances to creditors' which were more than Rs. 50 crore in FY 2020-21 and FY 2021-22 suddenly become negligible in FY 2022-23 with no explanation whatsoever.

35. Therefore, in light of the analysis in the preceding paragraphs, SSSL had recorded fictitious sale and purchase transactions, with an intent to inflate the turnover and the balance sheet size for FY 2022-23. Considering the non-submission of appropriate documentary evidences for the sales and purchases by the Company, circulation of funds identified between the Company and its customers and vendors, discrepancies in the sale and purchase figures noted among the respective registers, Annual Reports and GST returns, and the deposition of the KMPs, it is prima facie found that the financial statements of Seacoast for the FY 2022-23 were misrepresented.

A.5 Misrepresentation of Financial Statements for the period April 1, 2023 to September 30, 2023

36. The breakup of sales and purchases disclosed by SSSL in its Quarterly results and GST returns for the period April 1, 2023 to September 30, 2023, is tabulated below:

Table 28

Sales (in Rs. crore)		
As per Quarterly results	As per Sales Register	As per GST returns
221.15	NA	221.15
Purchases (in Rs. crore)		

Sales (in Rs. crore)		
As per Quarterly results	As per Sales Register	As per GST returns
As per Quarterly results	As per Purchase Register	As per GST returns
201.68	NA	201.68

37.Despite multiple summons and repeated reminders, Mr. Manish Shah failed to provide the sales and purchase registers of SSSL for the period April 1, 2023 to September 30, 2023. However, the list of top 10 customers and top 10 vendors of the Company for the period April 1, 2023 to September 30, 2023, were provided. The same is tabulated as under:

Table 29 (Amount in Rs. crore)

Sl. No.	Name of the Customer	Sale	Product/ Service details	Name of the Vendor	Purchase	Product/ Service details
1.	Farmistrex Agro	23.17	Agro Sales	Doxtrec Enterprise	26.57	Agro Purchase
2.	Birford Trading	16.13	Agro Sales	Sara Enterprise	20.59	Agro Purchase
3.	Glimmer Trading Co	15.92	Agro Sales	Mahaan Enterprise	16.57	Agro Purchase
4.	Kiran Enterprise	14.77	Agro Sales	Gauttam Enterprise	14.35	Agro Purchase
5.	Infinity Trading	14.62	Agro Sales	S.R.G. Traders	13.80	Agro Purchase
6.	Hiren Enterprise	13.62	Agro Sales	Renu Enterprises	7.52	Agro Purchase
7.	Amba Enterprise	12.52	Agro Sales	Chandrima Mercantiles Ltd	7.42	Agro Purchase
8.	Anmol Trading	12.45	Agro Sales	S.K. Enterprise	7.33	Agro Purchase
9.	Renu Enterprises	9.99	Agro Sales	Janki Enterprise	6.76	Agro Purchase
10.	Paras Enterprise	9.81	Agro Sales	Mahaveer Agro	6.45	Agro Purchase
	Total	143.01		Total	127.37	

38.It is noted that the top 10 sales and top 10 purchases of SSSL for the period April 1, 2023 to September 30, 2023 are Agro sales (constituting 64.67% of the total sales) and Agro purchases (constituting 63.16% of the total purchases). However, on perusal of all the available bank statements of SSSL, no corresponding receipts/ payments in respect of the top 10 customers/ vendors of SSSL for the period April

1, 2023 to September 30, 2023, could be identified except only one payment of Rs. 0.07 crore to one vendor (Sara Enterprise).

39. Further, Mr. Manish Shah and Mr. Sameer Shah in their depositions dated February 05, 2024 and February 27, 2024, respectively, have admitted that all the Agro sales and Agro purchases made by SSSL are fictitious. In addition, Mr. Manish Shah admitted that the entire revenue from operations of SSSL for the period April 1, 2023 to December 31, 2023 was fictitious. Accordingly, in line with the observations in the preceding paragraphs, it is *prima facie* found that the sales and purchases made by SSSL to and from the entities dealing with Agro products for the period April 1, 2023 to September 30, 2023, i.e., 100% sales and purchases of SSSL for the period April 1, 2023 to September 30, 2023 were fictitious.

40. Therefore, SSSL recorded fictitious sale and purchase transactions, with an intent to inflate the turnover and the balance sheet size for the period April 1, 2023 to September 30, 2023. Considering the non-submission of appropriate documentary evidences for the sales and purchases by the Company, and the deposition of the KMPs, it is found that the financial statements of SSSL for the period April 1, 2023 to September 30, 2023, were misrepresented.

A.6 Misrepresentation of Financial Statements for the period October 1, 2023 to December 31, 2023

41. The breakup of sales disclosed by SSSL in its Quarterly results and GST returns for the period October 1, 2023 to December 31, 2023, is tabulated below:

Table 30

Sales (in Rs. crore)		
As per Quarterly results	As per Sales Register	As per GST returns
27.99	NA	0
Purchases (in Rs. crore)		
As per Quarterly results	As per Purchase Register	As per GST returns
27.43	NA	NA *

* Despite multiple summons and repeated reminders, Mr. Manish Shah failed to produce GSTR 2A returns filed by the Company.

42. It is noted that there is discrepancy in the sales disclosed by Seacoast in its Quarterly results for the quarter ending December 2023 (Rs. 27.99 crore) and in the sales disclosed by Seacoast in GST returns for the period October 01, 2023 to

December 31, 2023 (Rs. 0 crore). In addition, Mr. Manish Shah in his deposition dated February 05, 2024, admitted that the entire revenue from operations of Seacoast for the period April 1, 2023 to December 31, 2023 was fictitious. Accordingly, it is *prima facie* found that the sales and purchases made by SSSL to and from the entities dealing with Agro products for the period October 01, 2023 to December 31, 2023, i.e., 100% sales and purchases of SSSL for the period October 01, 2023 to December 31, 2023 were fictitious.

43. Therefore, SSSL had recorded fictitious sale and purchase transactions, with an intent to inflate the turnover and the balance sheet size for the period October 01, 2023 to December 31, 2023. Considering the non-submission of sale and purchase registers and the supporting documents by the Company, the 'Zero' sale disclosed by the Company in its GST returns and the deposition of Mr. Manish Shah, it is found that the financial statements of Seacoast for the period October 01, 2023 to December 31, 2023, were misrepresented.

A.7 Conclusion regarding Misrepresentation of Financial Statements

44. Mr. Manish Shah in his deposition dated February 05, 2024 identified 32 fictitious customers with bogus sales totaling to Rs. 543.71 crore and 31 fictitious vendors with bogus Purchases totaling to Rs. 497.80 crore. Further, Mr. Sameer Shah in his deposition dated February 27, 2024 identified 34 fictitious customers with bogus sales totalling to Rs. 496.61 crore and 29 fictitious vendors with bogus Purchases totalling to Rs. 416.17 crore.

45. However, as per analysis in the preceding paragraphs, the investigation brought out that except for the sales pertaining to Seacoast-HUF in FY 2020-21 and insignificant amount of sales with sundry customers in FY 2021-22 whose genuineness could not be ascertained, all the other sales totaling to Rs. 900.45 crore (out of Rs. 1,049.67 crore i.e., 85.78%) for the period April 1, 2020 to December 31, 2023 were fictitious. The period-wise details of impact of misrepresentation on financial statements of SSSL, are tabulated below:

Table 31: Impact of misrepresentation on statement of Profit and Loss
(Amount in Rs. crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	April 01, 2023 to December 31, 2023	Total
Revenue disclosed by SSSL in its Annual Reports (A)	243.15	127.80	429.58	249.14	1,049.67
Alleged fictitious revenue identified in the Investigation (B)	94.55	127.18	429.58	249.14	900.45
Revenue whose genuineness couldn't be ascertained (A-B)	148.60	0.62	-	-	149.22
% of alleged fictitious Revenue identified (B/A*100)	38.89%	99.52%	100.00%	100.00%	85.78%

Table 32: Impact of misrepresentation on Balance Sheet (Amount in Rs. crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23
Total assets (A)	148.75	247.62	152.86
Alleged fictitious trade receivables (B)	93.31	194.51	150.27
Alleged fictitious advances to creditors (C)	52.70	51.40	-
Alleged fictitious Assets (D = B+C)	146.01	245.91	150.27
% of alleged fictitious Assets (D/A*100)	98.16	99.31	98.31

Further, it is also noted that the equity capital of the company surged during these years without a commensurate rise in its tangible assets as tabulated below:

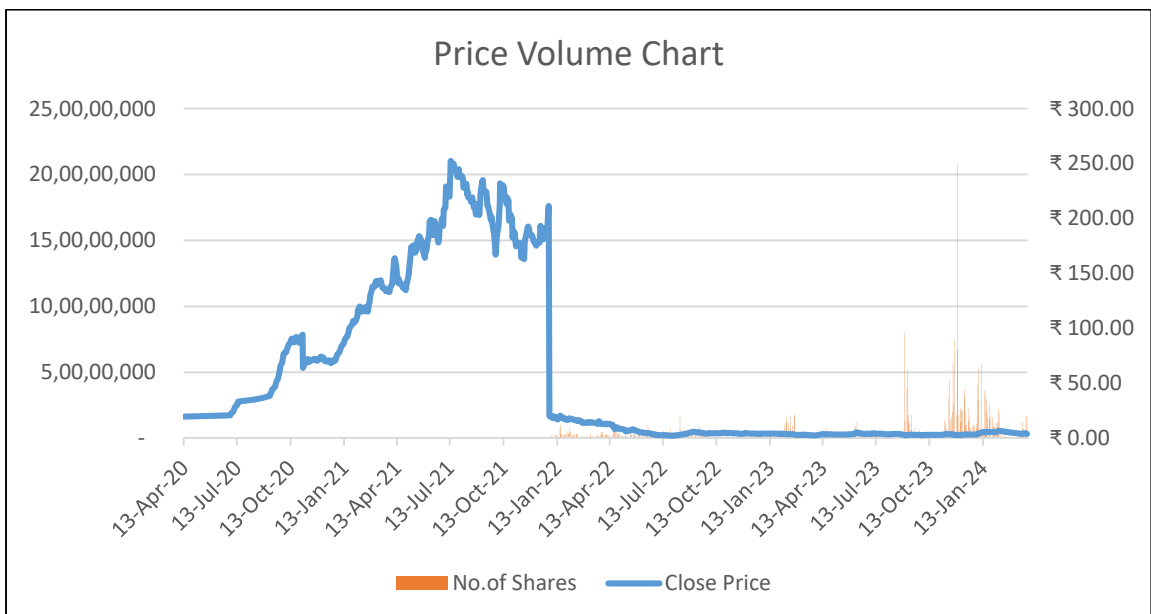
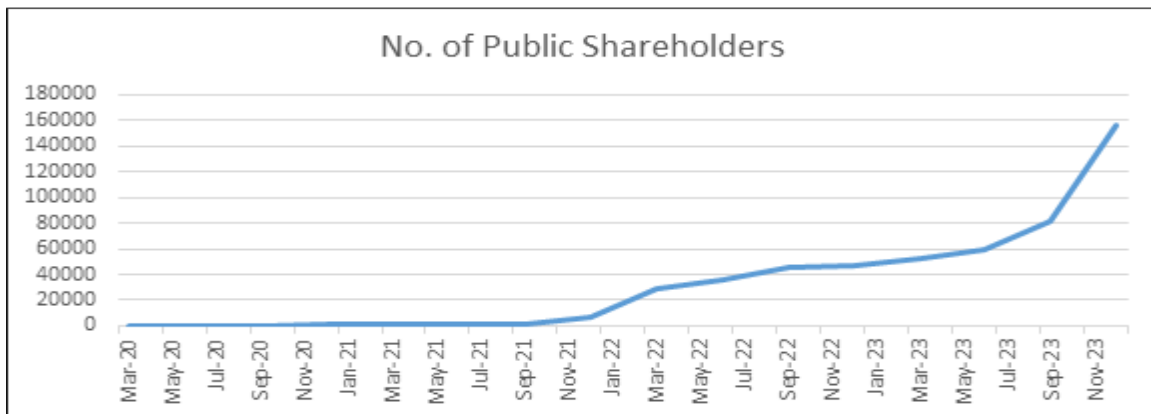
(Amount in Rs. Crore)

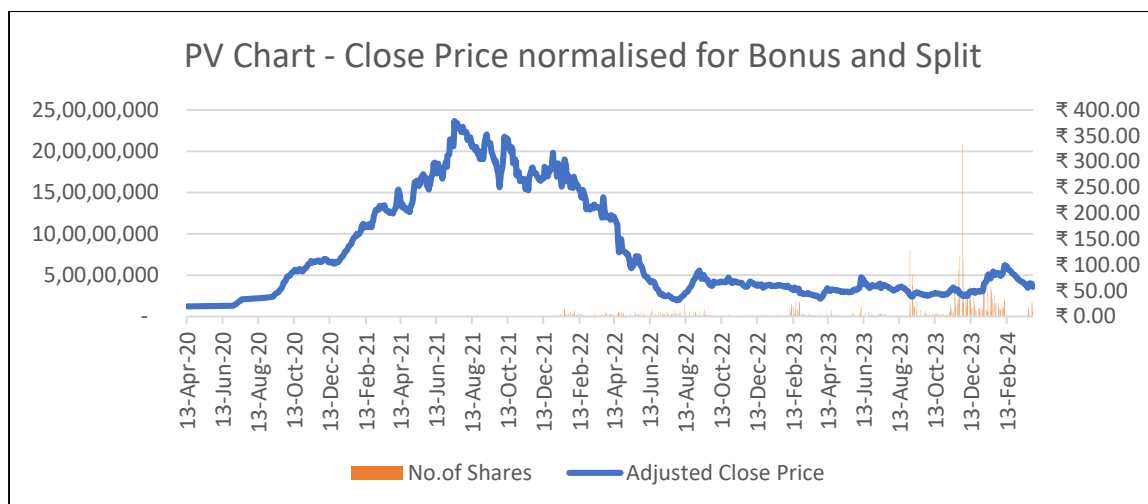
Particulars	March 2020	March 2021	March 2022	March 2023
Equity Capital	2	34	34	34
Fixed assets	0	0	0	0
Total Assets	3.56	148.75	247.62	152.86

46. Therefore, it is found that the act of SSSL in misrepresenting financial statements for FY 2020-21 to FY 2022-23 and for the period April 01, 2023 to December 31, 2023 operated as a device to deceive and defraud investors dealing in the shares of SSSL, thereby violating regulation 3(b), 3(c), 3(d), 4(1), 4(2)(e), 4(2)(f), 4(2)(k)

and 4(2)(r) of the SEBI (PFUTP) Regulations, 2003 read with section 12A(a), 12A(b) and 12A(c) of SEBI Act, 1992.

47. Further, by publishing misrepresented financial results, it was *prima facie* found that SSSL violated regulation 4(1)(c), 4(1)(e), 4(1)(g), 4(1)(h), 4(1)(j), and 4(2)(e)(i) of SEBI (LODR) Regulations, 2015. Additionally, by violating IND AS 1 (Presentation of Financial Statements), IND AS 7 (Statement of Cash Flows) and IND AS 115 (Revenue from Contracts with Customers), SSSL violated regulation 4(1)(a), 4(1)(b), 4(2)(e)(i), 33(1)(a), 33(1)(c), 48 of the SEBI (LODR) Regulations, 2015.
48. It is also noted that publication of such untrue and misleading financial results of the Company during this period allegedly misled the public about the financial health of the company. Publication of manipulated financial figures by SSSL had a significant impact on the number of Public shareholders and on the scrip price which is illustrated as under:





Thus, while the number of shareholders in SSSL increased, as shown above, the share price witnessed rapid rise, touching its highest on July 14, 2021 and subsequently fell sharply during the investigation period, i.e., April 1, 2020 to December 31, 2023.

B. Fraudulent Preferential Allotment and Divestment of Stake by Promoters

Acquisition of stake in SSSL by Promoters

49. Mr. Manish Shah and Mr. Sameer Shah entered into a Share Purchase Agreement dated November 22, 2019 with Safal Constructions (India) Pvt Ltd, the erstwhile Promoter of the Company, for acquisition of equity shares and the change in control and management of SSSL. Due to the said agreement, an open offer was triggered and on April 20, 2020 wherein Mr. Manish Shah and Mr. Sameer Shah acquired 2,30,000 and 42,000 shares of face value Rs. 10/- at a premium of Rs. 5.15/-, respectively. Accordingly, on May 12, 2021, Mr. Manish Shah and Mr. Sameer Shah acquired 11,30,200 and 1,99,500 equity shares of face value Rs.10/- at a premium of Rs. 5.15/- from Safal Constructions (India) Pvt. Ltd., respectively.

B.1 Preferential Allotment of Shares to Promoters

50. SSSL issued 1.50 crore shares (face value Rs. 10/- at a premium of Rs. 5.15/-) to Mr. Manish Shah as a preferential allotment on August 14, 2020 on account of taking over the business of Seacoast-HUF. In this regard, upon examination of relevant documents, it is observed that the business of Seacoast-HUF, valued at Rs. 27.64 crore, was separated from Manish Shah HUF to Mr. Manish Shah in his individual capacity. Later, Mr. Manish Shah transferred the business of Seacoast-

HUF to SSSL and was in turn allotted 1.50 crore equity shares of SSSL worth Rs. 22.73 crore (i.e., 1.5 crore shares at Rs. 15.15 each) on a preferential basis as part consideration and the remaining consideration was supposed to be paid by the Company to Mr. Manish Shah, on or before March 31, 2021. In this regard, Mr. Manish Shah in his deposition dated June 03, 2024, *inter alia*, stated that he had not received any cash consideration.

51. The assets and liabilities of Seacoast-HUF as on March 31, 2020, acquired by SSSL as per the Business takeover agreement, are tabulated as under:

Table 33

Assets	Amount (in Rs. crore)	% of Total Assets	Liabilities	Amount (in Rs. crore)	% of Total Liabilities
Fixed Assets & Deposits	24,97,796	0.40%	Provision for expenses	3,72,253	0.11%
Advances	12,27,00,500	19.53%	Unsecured Loans	8,18,90,870	23.27%
Sundry Debtors	46,35,45,577	73.77%	Duties & Taxes	36,85,473	1.05%
Balance with government	3,95,96,504	6.30%	Sundry Creditors	26,60,12,140	75.58%
Total Assets (A)	62,83,40,577	100.00%	Total Liabilities (B)	35,19,60,736	100.00%
Net Assets (A-B)	27,63,79,841	43.99%			

52. Thus, it is noted that trade receivables (Rs. 46.36 crore) and advances (Rs. 12.27 crore) account for 93.30% of the total assets of Seacoast-HUF. Since SSSL acquired Seacoast-HUF during FY 2020-21, these assets and liabilities of Seacoast-HUF should have been reflected in the financial statements of SSSL for FY 2020-21.

53. On seeking clarifications w.r.t. the same, Mr. Manish Shah, in his deposition dated June 03, 2024 and vide email dated June 11, 2024, stated as under:

“The effect of net assets acquired by the company is appearing in other current assets in the Financial Statements of SSSL for FY 2020-21.”

54. However, on perusal of Balance Sheets of SSSL for FY 2020-21, FY 2021-22 and FY 2022-23, the following was observed:

FY 2020-21: The total amount shown by SSSL in Other Current Assets is Rs. 54.54 crore, out of which Advance to Creditors are Rs. 53.79 crore. Further, in the footnote for Advance to Creditors, the following was stated:

“Advance to Creditors includes receivable from Seacoast Shipping Services HUF Prop. Manish Shah due to business take over adjustment amounting to Rs. 51,04,17,745/-”

FY 2021-22: The total amount shown by SSSL in Other Current Assets is Rs. 52.25 crore, out of which Advance to Creditors are Rs. 52.25 crore.

FY 2022-23: The total amount shown by SSSL in Other Current Assets is Rs. 0.81 crore, out of which Advance to Creditors are Rs. 0.51 crore.

It is noted that the footnote stated in the Balance Sheet of FY 2020-21, wherein SSSL indicated that an amount of Rs. 51.04 crore as receivable from Seacoast-HUF, in fact did not form part of the Balance Sheets of SSSL for FY 2021-22 and FY 2022-23.

Thus, as already discussed at para 20 above, the ‘advances to creditors’ have suddenly become negligible in FY 2022-23 as tabulated below:

Table 34 (Amount in Rs. crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23
Advances to creditors	53.79	52.25	0.50

55. Further, on perusal of Statement of Profit and Loss of SSSL for the years ended March 31, 2021, March 31, 2022 and March 31, 2023, no impairment/ write-off/ provisioning of assets (other than Income Tax Provision) could be identified. Also, Seacoast-HUF did not feature in the purchase registers of SSSL for the FY 2020-21, FY 2021-22 and FY 2022-23. Hence, the possibility of adjustment/ set-off of the amount against any payable to Seacoast-HUF, on account of purchase is ruled out. In addition, on perusal of Cash Flow Statement of SSSL for the years ended March 31, 2021, March 31, 2022 and March 31, 2023, no cash inflow (other than Proceeds from issuance of shares and short-term borrowings) could be identified.

56. In view of the above, it is *prima facie* found that SSSL did not receive any Assets/ Liabilities from Seacoast-HUF. Hence, SSSL fraudulently allotted 1.50 crore equity shares worth Rs. 22.73 crore to Mr. Manish Shah on a preferential basis without acquiring any Net Assets from Mr. Manish Shah’s Seacoast-HUF in return. Further,

by fictitiously accounting for the equity capital to the tune of Rs. 22.73 crore, SSSL's books of account were inflated and thereby misrepresented. In addition, by allotting shares worth Rs. 22.73 crore without acquiring any net assets, SSSL created a liability of Rs. 22.73 crore in its books of account, thus causing a loss of Rs. 22.73 crore to the Company.

B.2 Violations

57. Accordingly, it is *prima facie* found that SSSL violated the provisions of regulation 3(a), 3(b), 3(c), 3(d), 4(1), 4(2)(e), 4(2)(f), 4(2)(k) and 4(2)(r) of the SEBI (PFUTP) Regulations, 2003 read with section 12A(a), 12A(b) and 12A(c) of the SEBI Act, 1992. Further, by publishing misrepresented financial results, SSSL violated regulation 4(1)(c), 4(1)(e), 4(1)(g), 4(1)(h), 4(1)(j), and 4(2)(e)(i) of the SEBI (LODR) Regulations, 2015. Additionally, by violating IND AS 1 (Presentation of Financial Statements) and IND AS 7 (Statement of Cash Flows), SSSL violated regulation 4(1)(a), 4(1)(b), 4(2)(e)(i), 33(1)(a), 33(1)(c) and 48 of the SEBI (LODR) Regulations, 2015.

58. Further, it was found that the effective cost incurred by Mr. Manish Shah in subscribing to 1.50 crore shares of SSSL was 'NIL', as no corresponding assets were transferred from Seacoast-HUF to SSSL. Hence, it is further found that Mr. Manish Shah defrauded SSSL by allotting himself the shares of SSSL, without payment of consideration, thereby violating the regulation 3(a), 3(b), 3(c), 3(d) and 4(1) of the SEBI (PFUTP) Regulations, 2003 read with section 12A(a), 12A(b) and 12A(c) of the SEBI Act, 1992.

B.3 Divestment of stake by Promoters

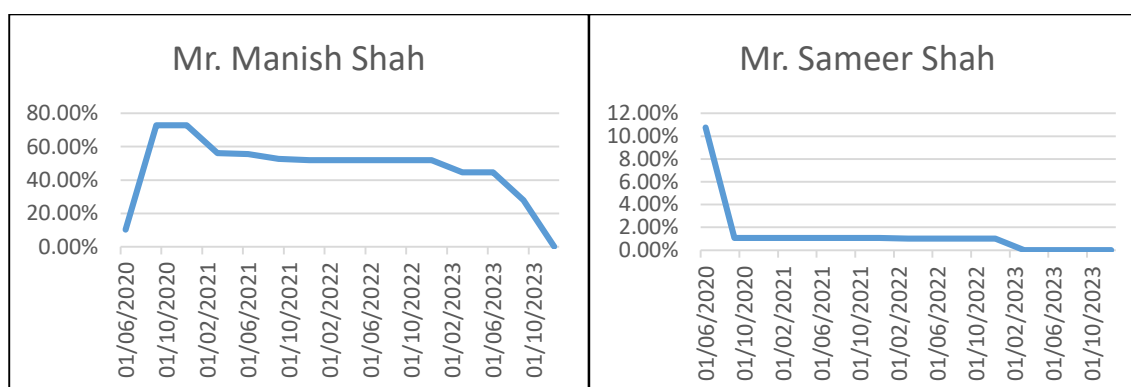
59. The details of Promoters' shareholding, as of quarter end, during the Investigation Period, are as under:

Table 35

Date	Manish Shah (A)		Sameer Shah (B)		Promoters (A+B)	
	No. of Shares	% of shareholding	No. of Shares	% of shareholding	No. of Shares	% of shareholding
30/06/2020	2,30,000	10.24	2,41,500	10.76	4,71,500	21.00
30/09/2020	1,63,60,200	72.89	2,41,500	1.08	1,66,01,700	73.97
31/12/2020	2,45,40,300	72.89	3,62,250	1.08	2,49,02,550	73.97

Date	Manish Shah (A)		Sameer Shah (B)		Promoters (A+B)	
	No. of Shares	% of shareholding	No. of Shares	% of shareholding	No. of Shares	% of shareholding
31/03/2021	1,89,20,300	56.20	3,62,250	1.08	1,92,82,550	57.27
30/06/2021	1,87,20,300	55.60	3,62,250	1.08	1,90,82,550	56.68
30/09/2021	1,77,60,300	52.75	3,62,250	1.08	1,81,22,550	53.83
31/12/2021	1,74,60,300	51.86	3,62,250	1.08	1,78,22,550	52.94
31/03/2022	17,46,03,000	51.86	34,22,500	1.02	17,80,25,500	52.88
30/06/2022	17,46,03,000	51.86	34,22,500	1.02	17,80,25,500	52.88
30/09/2022	17,46,03,000	51.86	34,22,500	1.02	17,80,25,500	52.88
31/12/2022	17,46,03,000	51.86	34,22,500	1.02	17,80,25,500	52.88
31/03/2023	15,00,00,955	44.55	275	0.00	15,00,01,230	44.55
30/06/2023	15,00,00,955	44.55	275	0.00	15,00,01,230	44.55
30/09/2023	15,00,00,955	27.85	275	0.00	15,00,01,230	27.85
31/12/2023	1,90,712	0.04	0	0.00	1,90,712	0.04

The change in Promoter shareholding during this period is plotted as under:



The above graphs indicate that Mr. Manish Shah and Mr. Sameer Shah sold almost their entire shareholding in SSSL by January 2023.

B.4 Indicative gains earned by the Promoters

(I) Manish Shah

60. The details of acquisition and sale of shares by Mr. Manish Shah in the scrip of SSSL is as under:

Table 36

Particulars	No. of Shares
No. of Shares acquired through open offer (A)	2,30,000
No. of Shares allotted on preferential basis against business takeover (in August 2020) (B)	1,50,00,000

Particulars	No. of Shares
Sub-Total (C = A+B)	1,52,30,000
No. of Shares after taking into account bonus shares (issued in November 2020) (D=C*1.5)	2,28,45,000
No. of shares sold off-market post bonus (E)	71,20,000
No. of Shares acquired post bonus (F)	40,000
No. of Shares acquired post bonus from erstwhile Promoter through takeover (G)	11,30,200
Sub-Total (H = D-E+F+G)	1,68,95,200
No. of Shares after taking into account share split (split in December 2021) (I = H*10)	16,89,52,000
No. of Shares acquired post split (J)	56,51,225
No. of Shares Sold - Off Market (K)	-
No. of Shares Sold - On Market (L)	17,44,12,513
No. of Shares as on March 31, 2024 (M = I+J-K-L)	1,90,712

61. Thus, as per the table above, Mr. Manish Shah sold 18,15,32,513 shares (71,20,000 shares via Off-Market Sale and 17,44,12,513 shares via On-market sale). Out of 18,15,32,513 shares sold by Mr. Manish Shah, 16,40,25,000 shares were acquired on account of preferential allotment and the balance shares, i.e., 1,75,07,513 shares were acquired through other than the preferential allotment. The sequence of shares acquired and sold by Mr. Manish Shah is tabulated at **Annexure-H**.

On-Market Sale

62. The on-market sale of 17,44,12,513 shares by Mr. Manish Shah is tabulated as under:

Table 37

Date	Mode	No. of shares	Adjustment	Adjusted No. of shares	Price per share (Rs.)	Amount (Rs.)
06-Feb-23	On Market Sale	19,16,270	-	19,16,270	3.80	72,85,691
08-Feb-23	On Market Sale	21,00,000	-	21,00,000	3.63	76,18,272
09-Feb-23	On Market Sale	30,00,000	-	30,00,000	3.60	1,08,07,258
10-Feb-23	On Market Sale	25,00,000	-	25,00,000	3.50	87,50,000
16-Feb-23	On Market Sale	60,00,000	-	60,00,000	3.40	2,04,00,985
23-Feb-23	On Market Sale	50,00,000	-	50,00,000	3.30	1,65,00,025
24-Feb-23	On Market Sale	40,86,000	-	40,86,000	3.00	1,22,58,055
13-Nov-23	On Market Sale	4,58,982	-	4,58,982	3.73	17,12,003
15-Nov-23	On Market Sale	1,20,93,376	-	1,20,93,376	3.58	4,33,24,399
16-Nov-23	On Market Sale	90,00,000	-	90,00,000	3.38	3,04,38,842
20-Nov-23	On Market Sale	26,90,000	-	26,90,000	3.49	93,88,100

Date	Mode	No. of shares	Adjustment	Adjusted No. of shares	Price per share (Rs.)	Amount (Rs.)
21-Nov-23	On Market Sale	26,90,000	-	26,90,000	3.50	94,15,000
22-Nov-23	On Market Sale	1,00,20,062	-	1,00,20,062	3.24	3,24,65,001
23-Nov-23	On Market Sale	1,00,00,000	-	1,00,00,000	3.11	3,11,00,000
24-Nov-23	On Market Sale	2,38,57,823	-	2,38,57,823	2.96	7,06,19,156
29-Nov-23	On Market Sale \$	7,90,00,000	1,71,62,513	6,18,37,487	2.70	16,69,61,215
Sale Consideration – On Market Sale (B)						47,89,87,587

\$ FIFO method – 1,71,62,513 shares acquired by Mr. Manish Shah (other than through preferential allotment) were sold after the sale of shares received via preferential allotment

Off-Market Sale

63. The 71,20,000 shares sold by Mr. Manish Shah via Off-Market Sale were transferred to 10 entities, out of which 4 entities further transferred the shares to five other entities and accordingly, these shares were redistributed amongst 15 entities. The details of initial transferees and the final recipients are provided at **Annexure-I**. It is observed that by the end of the investigation period, these off-market transferees further sold or pledged the shares of SSSL received by them from Mr. Manish Shah. The quantum of illegal gains made by Mr. Manish Shah by indirectly selling these shares of SSSL via Off-market sale is being separately investigated by SEBI.

Ill-gotten gains by Manish Shah

64. Mr. Manish Shah offloaded his shares at prices that were, *inter alia*, influenced by the misrepresented financials disseminated by the Company. The details of ill-gotten gains earned by Manish Shah, by selling shares of SSSL that were fraudulently allotted to him, are tabulated as under:

Table 38

Particulars	Amount (Rs.)
Sale Consideration - On Market Sale (A)	47,89,87,587
Sale Consideration - Off Market Sale (B)	\$
Cost of Acquisition (C) #	-
Net gains realised by Manish Shah (A+B-C)	47,89,87,587 (excluding gains earned in off-market sale which are being investigated separately)

\$ Being investigated separately

As detailed in the preceding paragraphs, the effective cost incurred by Manish Shah in subscribing to 1.50 crore shares of Seacoast Limited was 'NIL'.

(II) Sameer Shah

65. The details of acquisition and sale of shares by Mr. Sameer Shah in the scrip of Seacoast is as under:

Table 39

Particulars	No. of Shares
No. of Shares acquired through open offer (A)	42,000
No. of Shares after taking into account bonus shares (B = A*1.5)	63,000
No. of Shares acquired post bonus through takeover (C)	1,99,500
Sub-Total (D = B+C)	2,62,500
No. of Shares after taking into account share split (E = D*10)	26,25,000
No. of Shares acquired post-split (F)	9,97,275
No. of Shares Sold - Off Market (G)	2,00,000
No. of Shares Sold - On Market (H)	34,22,275
No. of Shares as on March 31, 2024 (I = E+F-G-H)	-

Thus, Mr. Sameer Shah sold 36,22,275 shares (2,00,000 shares via Off-Market Sale and 34,22,275 shares via On-market sale). All the 36,22,275 shares sold by Mr. Sameer Shah, were acquired through other than the preferential allotment.

66. Mr. Sameer Shah offloaded his shares at the prices that were, *inter alia*, influenced by the misrepresented financials disseminated by SSSL. Mr. Sameer Shah, in his deposition dated February 27, 2024, stated that he sold the shares of SSSL on the instructions of Mr. Manish Shah and transferred the amount he received on sale of shares to Mr. Manish Shah. Further, Mr. Manish Shah, in his deposition dated June 03, 2024 admitted the receipt of the money from Mr. Sameer Shah. On perusal of Mr. Sameer Shah's bank statement, it is observed that Mr. Sameer Shah transferred the amount he received from sale of shares of SSSL, to Mr. Manish Shah and Seacoast-HUF within one day of receipt of funds as illustrated below:

Table 40

Date	Particulars	Dr/ Cr	Amount (Rs.)
31/01/2023	MNM Stockbroking Private Limited	Cr	17,50,000
31/01/2023	Manish Shah (3101001003727 -UCBL)	Dr	17,00,000
08/02/2023	MNM Stockbroking Private Limited	Cr	71,90,228
08/02/2023	Seacoast-HUF (6111101001331 -UCBL)	Dr	71,90,000
02/03/2023	MNM Stockbroking Private Limited	Cr	29,35,477
03/03/2023	Seacoast-HUF (6111101001331 -UCBL)	Dr	29,35,000

Date	Particulars	Dr/ Cr	Amount (Rs.)
20/12/2023	MNM Stockbroking Private Limited	Cr	717

C. Fraudulent Preferential Allotment and Divestment of Stake by Non-Promoters

C.1 Preferential Allotment of Shares to Non-Promoters

67. SSSL issued 0.52 crore shares (face value Rs. 10/- at a premium of Rs. 5.15/-) as preferential allotment for cash consideration to undermentioned allottees (hereinafter referred to as “preferential allottees”) on August 14, 2020:

Table 41

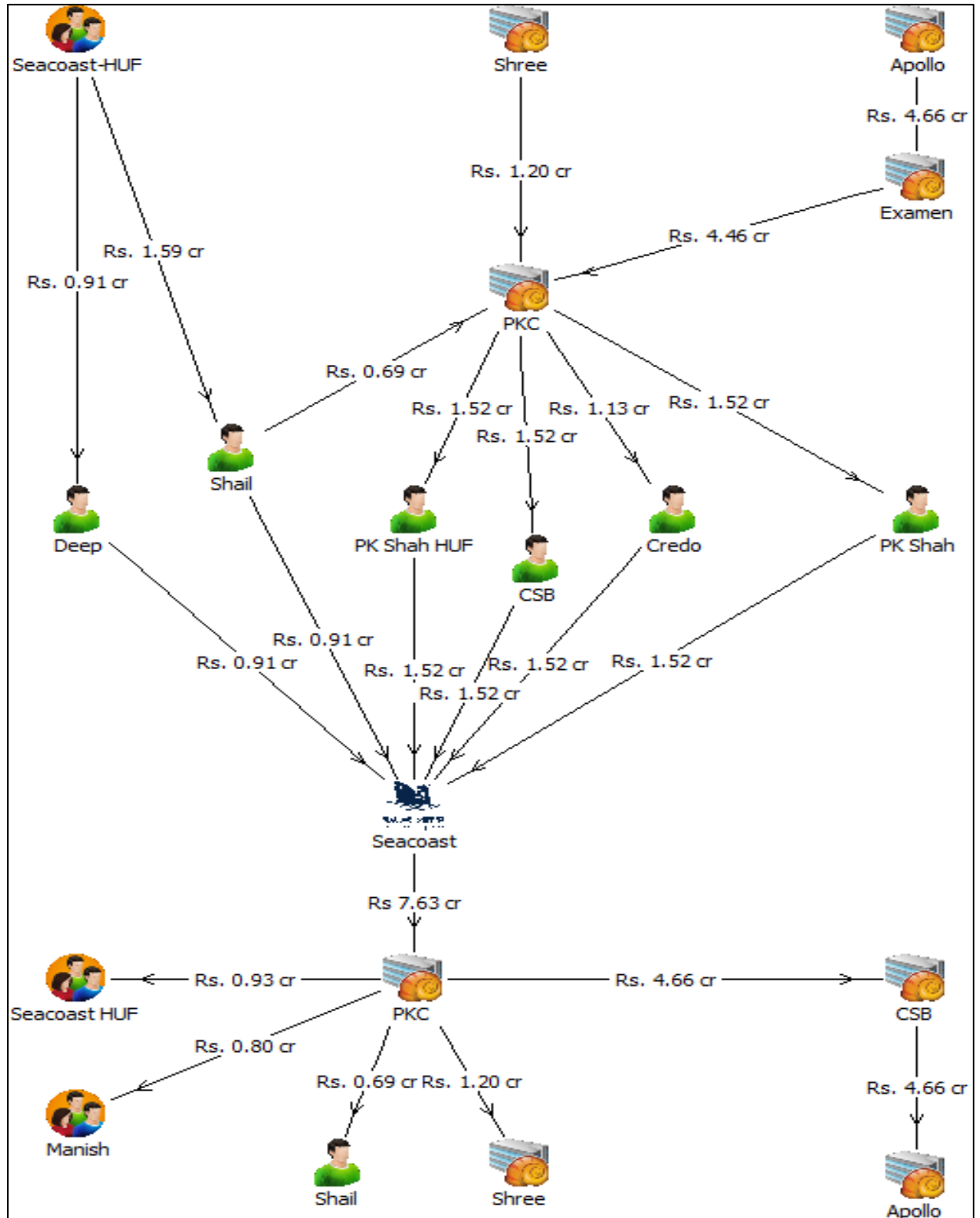
Sl. No.	Name of Allottees	Hereinafter referred to as	Shares allotted	Category
1	Parasmal Kundanmal Shah	PK Shah	10,00,000	Non-promoter
2	Parasmal Kundanmal Shah HUF	PK Shah HUF	10,00,000	Non-promoter
3	CSB Projects Private Limited	CSB Projects	10,00,000	Non-promoter
4	Credo Holding Private Limited	Credo	10,00,000	Non-promoter
5	Shail T. Shah	Shail	6,00,000	Non-promoter
6	Deep T. Shah	Deep	6,00,000	Non-promoter
	Total		52,00,000	

68. Upon a bank statement analysis of SSSL (relevant extract of the Seacoast Share Premium Account placed as **Annexure-J**), the following was observed:

- On August 13, 2020, Apollo Industries and Projects Limited and Shree Shipping Services(Shree) funded PK Shah, PK Shah HUF, CSB Projects and Credo, through PKC Infratrade (OPC) Pvt. Ltd. (“PKC”), to subscribe to the preferential allotment of SSSL;
- On the same day, i.e., on August 13, 2020, Seacoast-HUF allegedly funded Deep Shah and Shail Shah to subscribe to the preferential allotment of SSSL;
- The preferential allottees paid a total amount of Rs. 7.88 crore to SSSL for subscribing to its shares;
- On August 14, 2020, SSSL returned the preferential allotment amounts it received from the preferential allottees to Apollo Industries and Projects Limited, Shree Shipping Services, Seacoast-HUF and Mr. Manish Shah, through PKC.

The source and trail of funds as per bank statements analysis, are tabulated at **Annexure-K.**

69.A pictorial representation of fund trail of preferential allotment is as under:



70. From the above bank statement analysis, it was found that the funds were circulated amongst the entities and there was no real receipt of share application money by Seacoast on account of the shares allotted to the preferential allottees.
71. Further, the Company in its notice to shareholders dated May 18, 2020, stated that the object of the preferential issue was to meet the fund requirements of the Company, for business expansion and for long-term working capital requirements. However, as per bank statement analysis, it is clear that SSSL had returned the entire money it received in the share application account to the original source of funds.
72. On seeking clarification regarding the utilization of cash proceeds received from the preferential allottees, Mr. Manish Shah vide email dated June 11, 2024, stated that these funds have been utilized towards extending short term loans and advance to PKC.
73. In this regard, Mr. PK Shah, the sole Shareholder and Director of PKC, informed that his son, Mr. Rakesh Shah looks after his investment/ financial management. Further, Mr. Rakesh Shah, the shareholder and director of Credo and CSB Projects, during his deposition dated May 22, 2024, stated that he represents Mr. PK Shah and his associated entities. Thus, Mr. Rakesh Shah controlled PKC and the four preferential allottees, i.e., PK Shah, PK Shah HUF, Credo and CSB Projects. These preferential allottees are hereinafter referred to as "RS Preferential Allottees". Hence, Mr. Rakesh Shah through RS Preferential Allottees had subscribed to 0.40 crore equity shares of SSSL.

(I) RS Preferential Allottees

74. Mr. Rakesh Shah, during his deposition dated May 22, 2024, *inter alia*, stated as under:
- "Mr. Manish Shah informed me that he is converting his business to a listed Company. Looking at their performance for the last two years, I found an opportunity and subscribed to the shares of SSSL via preferential issue. I have subscribed the shares via Parasmal Kundanmal Shah, Parasmal Kundanmal Shah HUF, CSB Projects Private Limited and Credo Holding Private Limited."*
75. Further, regarding the transfer of funds by Shree to PKC, Mr. Rakesh Shah stated vide email dated June 5, 2024 that the same was a temporary loan from an existing

vendor and regarding transfer of funds by Examen to PKC, he stated that the same was for the purpose of real estate business payments for land sale/ purchase business.

76. Regarding the alleged transfer of money by SSSL to PKC, Mr. Rakesh Shah stated that SSSL had paid Rs. 7.63 crore as part payment towards acquisition of a part of land. On account of non-fulfilment of the terms of the agreement, the land could not be acquired by SSSL and upon cancellation/ non-completion of land acquisition, PKC refunded the advance that it had received from SSSL during the period November 2020 to March 2021. He further stated that the loan agreement between PKC and Seacoast was not traceable due to a fire accident. The reply of Mr. Rakesh Shah regarding all the transfers in the pictorial representation above are quoted at **Annexure-L**.

77. However, when SEBI sought a copy of the land acquisition agreement between PKC and SSSL from Mr. Manish Shah, he, vide email dated June 11, 2024 stated that SSSL had not entered into any land acquisition agreement with PKC.

78. Mr. Rakesh Shah submitted copies of ledger account, copies of ledger confirmation, copies of bank statement and copies of FIR and media coverage regarding the fire accident. However, it is pertinent to note that he failed to produce any loan agreements between the parties. He also failed to produce the land acquisition agreement entered between PKC and SSSL.

79. Further, upon analysing the bank statements for the purpose of ascertaining the repayment of Rs. 7.63 crore claimed to have been done by PKC to SSSL, it is prima facie found that effectively no repayment has been done by PKC to SSSL and all the transactions were actually circulation of funds (the comprehensive analysis regarding the repayment by PKC to SSSL is placed at **Annexure-M**). Therefore, it is found that the preferential allotment of shares was fictitious and SSSL allocated 0.40 crore equity shares to RS Preferential Allottees without effectively receiving any cash in return.

(II) Other Preferential Allottees (Mr. Deep Shah and Mr. Shail Shah)

80. Mr. Deep Shah and Mr. Shail Shah, during their respective depositions dated May 15, 2024, *inter alia*, stated that they did not make any payment to SSSL for allotment of preferential shares, rather they were allotted shares of SSSL *in lieu* of amounts

payable by Mr. Manish Shah/Seacoast-HUF to them. However, Mr. Deep Shah and Mr. Shail Shah failed to provide any documentary evidences to substantiate their claims. Further, upon a bank statement analysis, it was found that SSSL allotted 6,00,000 equity shares each to Mr. Shail Shah and Mr. Deep Shah, without effectively receiving any cash in return.

81. Mr. Manish Shah, in his deposition dated June 03, 2024, admitted as under:

- (a) Mr. Rakesh Shah indirectly funded the RS Preferential Allottees and immediately after allotment of shares to RS Preferential Allottees, Mr. Rakesh Shah made SSSL transfer the entire preferential allotment funds to PKC.
- (b) Mr. Shail Shah and Mr. Deep Shah used to have business dealing with Mr. Manish Shah's HUF business since 2017. Considering the business relationship, Mr. Manish Shah funded Mr. Shail Shah and Mr. Deep Shah for subscribing to the preferential allotment of shares in SSSL.
- (c) The preferential allotment proceeds received by SSSL went back to the original source of funds. SSSL issued 0.52 crore shares worth Rs. 7.88 crore to the preferential allottees, without effectively receiving any corresponding funds.

82. In view of the above, it is found that SSSL resorted to circulation of funds where the preferential allotment proceeds were transferred back to the originator of funds and thus, SSSL fraudulently allotted shares to the preferential allottees without effectively receiving the share application money. These transactions were book entries as they did not result in net cash flow to SSSL. Further, by accounting for the receipt of the share application money from preferential allottees, the Company's books of account got inflated. In addition, by allotting shares worth Rs. 7.88 crore without receiving any cash inflow, SSSL created a liability of Rs. 7.88 crore in its books of account, thus causing a loss of Rs. 7.88 crore to the Company.

C.2 Violations

83. In view of the above, it has *prima facie* been found that SSSL violated regulation 3(a), 3(b), 3(c), 3(d), 4(1), 4(2)(e), 4(2)(f), 4(2)(k) and 4(2)(r) of the SEBI (PFUTP) Regulations, 2003 read with section 12A(a), 12A(b) and 12A(c) of SEBI Act, 1992. Further, by publishing misrepresented financial results, SSSL violated regulation 4(1)(c), 4(1)(e), 4(1)(g), 4(1)(h), 4(1)(j), and 4(2)(e)(i) of the SEBI (LODR) Regulations, 2015. Additionally, by violating IND AS 1 (Presentation of Financial

Statements) and IND AS 7 (Statement of Cash Flows), SSSL violated regulation 4(1)(a), 4(1)(b), 4(2)(e)(i), 33(1)(a), 33(1)(c), 48 of the SEBI (LODR) Regulations, 2015.

84. As per Clause 6 of Para A of Part C of Schedule II read with Regulation 18(3) of SEBI (LODR) Regulations, 2015, the Audit Committee ("AC") of a Company shall review the statement of uses/ application of funds raised through a preferential issue. However, as per the investigation, it appears that the AC meetings were never held in the Company and the AC was only on paper. Additionally, on perusal of the Annual Report of Seacoast for FY 2020-21, it is noted that Seacoast did not disclose the utilization of funds raised through preferential allotment, as required under regulation 32(7A) of SEBI (LODR) Regulations, 2015. Thus, SSSL *prima facie* violated regulation 32(7A) of SEBI (LODR) Regulations, 2015.

85. Further, Mr. Rakesh Shah along with the preferential allottees, i.e., PK Shah, PK Shah HUF, CSB Projects, Credo, Mr. Deep Shah and Mr. Shail Shah, by participating in the allotment of shares without payment of consideration, fraudulently received shares of SSSL on preferential basis. Thus, they have *prima facie* violated regulation 3(a), 3(b), 3(c), 3(d) and 4(1), 4(2)(e), 4(2)(f), 4(2)(k) and 4(2)(r) of the SEBI (PFUTP) Regulations, 2003 read with section 12A(a), 12A(b) and 12A(c) of the SEBI Act, 1992.

C.3 Divestment of stake by RS Preferential Allottees and the Indicative gains earned by them

86. The detailed calculations pertaining to the ill-gotten gains by the RS Preferential Allottees are reproduced at **Annexure-N** and the same are summarized as under:

Table 42

Name of the preferential allottee	No. of shares allotted on preferential basis	No. of shares pertaining to preferential allotment sold *	Ill-gotten gain (Amount in Rs.)
PK Shah	10,00,000	1,50,00,000	3,46,84,799
PK Shah HUF	10,00,000	1,50,00,000	4,03,03,518
CSB Projects	10,00,000	1,50,00,000	7,43,37,888
Credo	10,00,000	82,12,110	20,16,28,362
Total ill-gotten gains			35,09,54,567

* No. of shares sold would be different from the number of shares allotted to the allottees as the number of shares held at the time of sale would vary due to the bonus and split of shares subsequent to preferential allotment.

C.4 Divestment of stake by other Preferential Allottees and the Indicative gains earned by them

87. The detailed calculations pertaining to the ill-gotten gains by the other Preferential Allottees are reproduced at **Annexure-O** and the same are summarized as under:

Table 43

Name of the preferential allottee	No. of shares allotted on preferential basis	No. of shares pertaining to preferential allotment sold *	Ill-gotten gain (Amount in Rs.)
Deep Shah	6,00,000	4,65,000 #	16,84,577
Shail Shah	6,00,000	19,80,000 \$	1,02,32,308
Total ill-gotten gains made by RS Preferential Allottees	12,00,000	24,45,000 # \$	1,19,16,885 (excluding gains earned in off-market sale which are being investigated separately)

* No. of shares sold would be different from the number of shares allotted to the allottees as the number of shares held at the time of sale would vary due to the bonus and split of shares subsequent to preferential allotment.

Only 4,65,000 shares were sold by Deep Shah on-market, the remaining 85.35 lakh shares were sold off-market and gains earned in off-market sale are being separately investigated by SEBI.

\$ Only 19,80,000 shares were sold by Shail Shah on-market, the remaining 70.20 lakh shares were sold off-market and gains earned in off-market sale are being separately investigated by SEBI.

88. It is noted that 85.35 lakh shares and 70.20 lakh shares were sold by Mr. Deep Shah and Mr. Shail Shah respectively through Off-Market Sale. The quantum of illegal gains made by these persons by indirectly selling these shares of SSSL via Off-market sale is being separately investigated by SEBI.

D. Diversion of Funds

D.1 Rights Issue

89. During August 2023, SSSL came out with a rights issue of 20.25 crore equity shares whereby the Promoters vide a letter to BSE Limited (BSE) had indicated that they would not subscribe to their portion of rights entitlement. Thus, the said shares were subscribed by non-promoter shareholders at an issue price of Rs. 2.40/- in the ratio of 3 equity shares for every 5 equity shares held by them. Thus, an aggregate amount of Rs. 48.48 crore was received by SSSL as part of the said rights issue. As per the Letter of Offer pertaining to the rights issue, SSSL proposed to utilize the proceeds from the issue towards funding Working capital requirement (Rs. 36.75 crore), General Corporate Purpose (Rs. 11.24 crore) and to meet Issue Expenses (Rs. 0.50 crore).

90. On a perusal of SSSL's bank statement, it was observed that the Rights issue funds were transferred to sixteen 1st layer parties and Rs. 5 crore was utilised towards payment of Cash Credit facility of IndusInd Bank. Further, on an analysis of the bank statements of 15 of these 1st layer parties (except one party whose bank statements could not be obtained), it was observed that almost on the same day or within the immediate next one to three days, these 15 parties have onward transferred the funds they received from Seacoast to a further set of more than seventy-five 2nd layer parties. Upon perusal of the names of 2nd layer transferees, it was found that many 2nd layer transferees are common among many 1st layer transferees. The details of transfer of rights issue funds to the 1st layer parties and a few sample instances of onward transfer by these 1st layer parties to the more than seventy-five 2nd layer parties is given as **Annexure-P**.

91. Furthermore, it was observed that in majority of instances, the funds from these more than seventy-five 2nd layer parties have been onward transferred to a set of 3rd layer parties. However, in majority of cases, a one-to-one correlation of fund trail could not be ascertained in respect of these 3rd layer parties.

92. Despite multiple summons and repeated reminders, Mr. Manish Shah failed to produce any documentary evidences, viz., purchase invoices, agreements, purchase register, etc., regarding payments made by Seacoast for utilisation of rights issue funds.

93. However, on seeking clarifications, w.r.t. utilisation of rights issue funds, the Directors of SSSL at the time of Rights Issue, in their respective depositions, stated as under:

Manish Shah: *"The rights issue funds were not utilized by me nor by the Company. The payments were made to various parties against fictitious purchases."*

Sameer Shah: *"The payments were made against fictitious purchase transactions made by SSSL."*

Jaydeep Bakul Shah: *"I'm not aware."*

Shivangi Gajjar: *"I'm not aware of the rights issue."*

Viren Makwana: *"I am aware of this Rights Issue. I have not done any due diligence in this regard during my tenure."*

Cheryl Shah: *"I do remember that the rights issue money did come. However, the funds were taken away from SSSL. My son was kidnapped. Out of threat we gave the funds to Mr. Utsav Patel and Mr. Akshay Patel (Pintu)."*

However, on asking Ms. Cheryl Shah if the matter regarding kidnapping was taken up with the relevant law enforcement agencies, she stated as under:

"No. We were under threat. We did not approach the law enforcement agencies. Instead, we left the city."

94. Considering the non-submission of appropriate documentary evidences for the transfer of rights issue funds to the sixteen 1st layer parties and the deposition of the KMPs, it was found that SSSL, by transferring amounts to the tune of Rs. 43.42 crore to these 16 parties, had diverted Rs. 43.42 crore from the Company. Further, it was found that SSSL utilised Rs. 5.00 crore from the Rights Issue funds towards part repayment of the Cash Credit availed from IndusInd Bank.

D.2 Cash Credit Facility

95. In November 2020, SSSL availed a Cash Credit facility of Rs. 20 crore from IndusInd Bank. However, as observed in the preceding paragraphs, SSSL utilised this Cash Credit facility and made fictitious payments to Global Pet Chem (Rs. 6.86 crore) and Starchart (Rs. 3.97 crore), thereby diverting Rs. 10.83 crore from the Company.

D.3 Violations

96. As per regulation 18(3) read with clause 6 of Para A of Part C of Schedule II of SEBI (LODR) Regulations, 2015, the Audit Committee of the Company should monitor

the utilization of the proceeds of the Rights Issue. Additionally, pursuant to regulation 32 of SEBI (LODR) Regulations, 2015, the Company shall, on a quarterly basis, place before the Audit Committee the uses and applications of the Issue Proceeds and furnish to stock exchange, a statement on material deviations, if any, in the utilization of the proceeds of the Issue from the objects of the issue.

97. However, as observed at para 85 above, SSSL failed to convene Audit Committee meetings and the Audit Committee was only on paper. In addition, the Company did not submit any 'Statement of Deviation' regarding the Rights Issue to the Stock Exchange.

98. Further, by making payments towards fictitious purchases, SSSL diverted an amount of Rs. 43.42 crore from the Rights Issue funds and an amount of Rs. 10.83 crore from the Cash Credit facility availed from IndusInd Bank. These acts of diversion of funds from the Company were in the nature of manipulative, fraudulent and unfair trade practice in securities market in terms of SEBI (PFUTP) Regulations, 2003. Thus, SSSL *prima facie* violated regulation 3(b), 3(c), 3(d), 4(1), 4(2)(e), 4(2)(f), 4(2)(k) and 4(2)(r) of the SEBI (PFUTP) Regulations, 2003 read with Section 12A(a), 12A(b) and 12A(c) of SEBI Act, 1992.

E. Corporate Governance Failures

E.1 Incomplete Annual Reports

99. It is noted that the disclosures regarding Related Party Transactions were not part of SSSL's Annual Report for FY2022-23 although the Company provided a document to SEBI titled 'Accounting Policy' wherein such disclosures were made. However, by submitting an incomplete Annual Report to BSE due to absence of such disclosures in the Annual Report, SSSL violated regulation 34(3) read with Para A of Schedule V of SEBI (LODR) Regulations, 2015.

100. Additionally, despite the Statutory Auditor qualifying the financial statements for FY 2021-22 and FY 2022-23, SSSL failed to include the Statements on Impact of Audit Qualifications. Instead, the Company made the following disclosure in the Director's Report:

"....There are no audit qualifications, reservations or adverse remarks from the Statutory Auditors during the year under review."

101. In view of the above, by not including the Statement on Impact of Audit Qualifications and misleading the shareholders that there were no audit qualifications, SSSL *prima facie* violated regulation 4(2)(f), 4(2)(k) and 4(2)(r) of the SEBI (PFUTP) Regulations, 2003 and regulation 4(1)(c), 33(3)(d) and 34(2)(a) of SEBI (LODR) Regulations, 2015.

E.2 Incorrect disclosures regarding the business being carried out

102. On perusal of the Annual Report for FY 2022-23, it is noted that SSSL, with the approval of shareholders in its Extra-ordinary General Meeting held on December 12, 2022, made an addition in the object clause regarding carrying on the business of agro products. Further, from the Sale and Purchase registers submitted by the Company, it is noted that, SSSL was only involved in Agro business for FY 2022-23. In this regard, Mr. Manish Shah in his deposition dated February 05, 2024, *inter alia*, stated as under:

“By the end of FY 2021-22, the shipping business of SSSL was in the process of winding up. SSSL was not generating any revenue through shipping business. To make SSSL survive and to take care of the interest of public shareholders, I thought of somehow show that the company was generating revenues. Agro commodities do not attract any GST. Therefore, I thought of showing fictitious revenue by way of trading in agro commodities.”

103. However, in all its quarterly results for the period April 2020 to December 2023 (except June 2023 quarter), SSSL disclosed that the Company had only one reportable business segment of ship hiring and operating. On seeking clarifications, Mr. Manish Shah in his deposition dated June 03, 2024 admitted that it was an oversight and should have been amended.

104. In view of the above, by making false and misleading disclosures regarding the business being carried out, SSSL misled the investors and violated regulation 4(2)(f), 4(2)(k) and 4(2)(r) of the SEBI (PFUTP) Regulations, 2003 and regulation 4(1)(c) of SEBI (LODR) Regulations, 2015.

E.3 Misleading announcement regarding Starchart

105. SSSL, in its disclosure dated December 15, 2021 to BSE stated that it had decided to take over Starchart and hoped to achieve a further turnover of Rs. 500

crore to Rs. 600 crore from Starchart in FY 2021-22. Mr. Manish Shah in his deposition dated February 05, 2024 stated that Starchart was incorporated by him along with Mr. Sameer Shah in February 2020 and later it was sold to Mr. Akshay Patel and Mr. Apurv Patel, for an amount of Rs. 0.01 crore.

106. In response to BSE's queries, SSSL vide email dated June 06, 2023 stated that Starchart subsequently demanded high valuation for their shares and thus, SSSL passed a Board Resolution dated December 20, 2021 to cancel the said takeover and the disclosure for the same was not made by the company to the stock exchange. However, it is pertinent to note that, as per the Annual Report of Seacoast for FY 2021-22, no Board Meeting of SSSL was conducted on December 20, 2021.

107. Further, upon being asked to provide the basis for tall claims to BSE regarding the turnover of Starchart, Mr. Manish Shah, during his deposition dated June 3, 2024, *inter alia*, admitted that there was no basis of making such claims in the corporate announcement in respect of Starchart.

108. In view of the above, by making false and misleading disclosures regarding investment in Starchart, SSSL misled investors and thus *prima facie* violated regulation 4(2)(f), 4(2)(k) and 4(2)(r) of the SEBI (PFUTP) Regulations, 2003 and regulation 4(1)(c) of SEBI (LODR) Regulations, 2015.

E.4 Wrong disclosures in respect of Related Party Transactions

109. For the FY 2020-21, SSSL disclosed a sale of Rs. 149.24 crore and a purchase of Rs. 134.31 crore as Related Party Transaction with Seacoast-HUF. However, on perusal of the sale and purchase registers of SSSL and Seacoast-HUF, no transaction between them was found. On perusal of sale and purchase registers of SSSL and Seacoast-HUF, the business takeover agreement and the deposition of Mr. Manish Shah, it is noted that SSSL did not incorporate the sales and purchases made by Seacoast-HUF in its books of account, pursuant to the takeover agreement.

110. Thus, SSSL incorrectly disclosed the sales and purchases made by Seacoast-HUF as Related Party Transaction made by SSSL with Seacoast-HUF. Accordingly, by wrongly disclosing the related party transaction in respect of Seacoast-HUF, SSSL violated the provisions of Para 18 of IND AS 24 (Related Party Disclosures) and thereby violated regulation 34(3) read with Clause 1 of Para A of Schedule V

to the SEBI (LODR) Regulations, 2015. Additionally, by violating IND AS 24 (Related Party Disclosures), SSSL violated regulation 4(1)(a), 4(1)(b), 4(2)(e)(i), and 48 of the SEBI (LODR) Regulations, 2015.

E.5 Improper constitution of Audit Committee

111. Mr. Sushil Sanjot was a common link between SSSL and some of its vendors/customers as follows:

Table 44

Sl. No.	Name of the Party	Nature of Relation brought out during investigation
1	S. Sons	Mr. Sushil Kumar Sanjot, a director of Seacoast is the sole proprietor of S. Sons
2	Real Tex Shipping and Marine Services Pte Ltd	Mr. Sushil Kumar Sanjot is a common director
3	Safe Cargo Shipping Services Pte Ltd	Mr. Sushil Kumar Sanjot and Mr. Sameer Shah are common directors

112. The transactions of SSSL with these parties are reiterated as under:

Table 45

Name of the Party	Nature of transaction	FY	Amount of sale/ purchase (in Rs. crore)	Total sale/ purchase by Seacoast in the FY (in Rs. crore)	% of sale/ purchase
S. Sons	Sale	2020-21	8.76	243.15	3.60%
S. Sons	Purchase	2020-21	4.14	224.79	1.84%
Real Tex Pte	Sale	2021-22	60.56	127.80	47.39%
Safe cargo	Purchase	2021-22	94.06	116.81	80.52%

113. Thus, Mr. Sushil Sanjot, the Independent Director of SSSL, was a material Customer/Vendor of SSSL through S. Sons, Real Tex Pte and Safe Cargo and as per regulation 16(1)(b) of SEBI (LODR) Regulations, 2015 was ineligible to be appointed as an 'Independent Director' of SSSL.

114. Further, as per regulation 18(1)(d) of SEBI (LODR) Regulations, 2015, the chairperson of the Audit Committee shall be an Independent Director. However, Mr. Sushil Sanjot who was not qualified to be an Independent Director, was appointed as the Chairperson of Audit Committee. Hence, SSSL failed to constitute the Audit Committee properly, in violation of regulation 18(1)(d) read with 16(1)(b) of SEBI (LODR) Regulations, 2015.

115. Further, by making false and misleading disclosures w.r.t. the independence of Mr. Sushil Sanjot and the constitution of Audit Committee, SSSL misled the investors and thus, violated regulation 4(2)(f), 4(2)(k) and 4(2)(r) of the SEBI (PFUTP) Regulations, 2003 and Regulation 4(1)(c) of SEBI (LODR) Regulations, 2015.

E.6 Failure to convene Audit Committee ('AC') meetings

116. As per the disclosures in the Annual Reports for FY 2020-21, FY 2021-22 and FY 2022-23, SSSL claimed to have convened 20 Audit Committee meetings in these three years. However, the members of Audit Committee, viz., Mr. Manish Shah, Mr Vipul Momaya, Mr. Apurv Patel, Mr. Jaydeep Shah and Ms. Cheryl Shah, in their respective depositions stated either that the Audit Committee meetings were never held or that they did not know that they were part of the Audit Committee or they never attended any Audit Committee meeting. Further, it is pertinent to note that despite three summons and repeated reminders, the Company failed to produce the certified copies of minutes of AC meetings.

117. Considering the depositions of Audit Committee members and the non-submission of minutes of Audit Committee meetings, it appears that the Audit Committee meetings were never held in the Company and the Audit Committee was only on paper.

118. In view of the above, by not convening Audit Committee meetings, SSSL violated regulation 18(2) of SEBI (LODR) Regulations, 2015. It is further *prima facie* found that by making false and misleading disclosures regarding the Audit Committee meetings being held in the Company, Seacoast misled the investors and violated Regulation 4(2)(f), 4(2)(k) and 4(2)(r) of the SEBI (PFUTP) Regulations, 2003 and Regulation 4(1)(c) of SEBI (LODR) Regulations, 2015.

119. Further, as per Regulation 23(2) of SEBI (LODR), 2015, all the related party transactions require Audit Committee approval. However, in the instant matter, it appears that the Audit Committee meetings were never held. This indicates that no prior approval of the Audit Committee was obtained for all the related party transactions entered by the Company. Therefore, SSSL also violated of regulation 23(2) of the SEBI (LODR) Regulations, 2015.

E.7 Violations of the Company in respect of Compliance Officers

120. As per regulation 6(1) of SEBI (LODR) Regulations, 2015, a listed entity shall appoint a qualified Company Secretary as the Compliance Officer. However, during the last quarter of FY 2020-21, Mr. Manish Shah, who is not a Company Secretary, was appointed as the Compliance Officer of SSSL.
121. Further, as per regulation 6(1A) of SEBI (LODR) Regulations, 2015, any vacancy in the office of the Compliance Officer shall be filled by the listed entity within three months from the date of such vacancy. However, after the resignation of Mr. Vinay Kumar Jain on September 1, 2023, SSSL did not fill the vacancy of Compliance Officer until March 23, 2024. Thus, SSSL *prima facie* violated regulation 6(1) and regulation 6(1A) of SEBI (LODR) Regulations, 2015.

F. Role of the entities

(I) Role of Board of Directors

(i) Role of Mr. Manish Shah, Promoter, Chairman, Managing Director (MD), Chief Financial Officer (CFO), Compliance Officer and AC member:

122. Mr. Manish Shah was disclosed as the 'Chairman cum MD' during FY 2020-21 to FY 2021-22 and as 'MD cum CFO' during FY 2022-23 in the Annual Reports. He was also appointed as an interim Compliance Officer on January 12, 2021 until the appointment of Mr. Parth Patel as Company Secretary and Compliance Officer on March 11, 2021. Further, he was also a member of the Audit Committee for FY 2020-21 and FY 2021-22.
123. As observed in the above paragraphs, despite knowing that financial statements for FY 2020-21 to 2022-23 were misrepresented, Mr. Manish Shah furnished Compliance Certificates under regulation 17(8) read with Part B of Schedule II of SEBI (LODR) Regulations, 2015, to the Board of Directors, *inter alia*, stating that the financial statements do not contain any materially untrue statement. Thus, Mr. Manish Shah *prima facie* violated regulation 17(8) of SEBI (LODR) Regulations 2015.
124. Further, as per regulation 27(2)(a) of SEBI (LODR) Regulations, 2015, every listed company shall submit a quarterly compliance report on corporate governance, signed either by the compliance officer or the chief executive officer,

to the stock exchange. In the instant matter, Mr. Manish Shah was signing and filing the quarterly compliance reports on corporate governance in SSSL with BSE, since the quarter ending December 2020. However, in view of the Corporate Governance issues pointed out in the preceding paragraphs, Mr. Manish Shah had deliberately hidden the fact of the non-compliance of the corporate governance requirements by SSSL.

125. In view of the above, he failed to perform his duties and obligations as a Director under regulations 4(2)(f)(i)(2), 4(2)(f)(ii)(2), 4(2)(f)(ii)(6), 4(2)(f)(ii)(7), 4(2)(f)(iii)(6), and 4(2)(f)(iii)(7) of SEBI (LODR) Regulations, 2015. Further, as a member of the Audit Committee, he failed to perform his duties and obligations required to be performed under regulation 18(3) read with Para A of Part C of Schedule II of SEBI (LODR) Regulations, 2015.

126. Further, in terms of section 27 of SEBI Act 1992, Mr. Manish Shah, being the Managing Director of the Company, is also responsible for the contraventions committed by SSSL. Hence, it is prima facie found that Mr. Manish Shah violated regulations 3(a), 3(b), 3(c), 3(d), 4(1), 4(2)(e), 4(2)(f), 4(2)(k) and 4(2)(r) of SEBI (PFUTP) Regulations, 2003 read with section 12A(a), 12A(b), and 12A(c) of SEBI Act, 1992; regulations 4(1)(a), 4(1)(b), 4(1)(c), 4(1)(e), 4(1)(g), 4(1)(h), 4(1)(j), 4(2)(e)(i), 6(1), 6(1A), 18(2), 23(2), 27(2)(a), 32, 33(1)(a), 33(1)(c), 33(3)(d), 34(2)(a) and 48 of the SEBI (LODR) Regulations, 2015; regulation 18(1)(d) read with regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015; and regulation 34(3) read with Clause 1 of Para A of Schedule V to the SEBI (LODR) Regulations, 2015.

(ii) Role of Mr. Sameer Shah, Promoter and Executive Director:

127. Mr. Sameer Shah was disclosed as an Executive Director in the Annual Reports for FY 2020-21 to FY 2022-23. He was appointed on May 04, 2020, and ceased to be the Director with effect from December 26, 2023.

128. During his deposition, it was gathered that he acted on the instructions given to him by Mr. Manish Shah to aid and abet the entire scheme of diversion of funds, fictitious allotment of shares on a preferential basis as well as the subsequent misrepresentation of the financial statements. The various transactions undertaken by SSSL that were detrimental to the interest of shareholders and in violation of various regulatory requirements could not have taken place without the approval or knowledge of the Executive Director.

129. In view of the above, it is *prima facie* found that he failed to perform his duties and obligations as a Director under regulations 4(2)(f)(i)(2), 4(2)(f)(ii)(2), 4(2)(f)(ii)(6), 4(2)(f)(ii)(7), 4(2)(f)(iii)(6), and 4(2)(f)(iii)(7) of SEBI (LODR) Regulations, 2015.

130. Further, in terms of Section 27 of SEBI Act 1992, Mr. Sameer Shah, being the Executive Director of the Company, is also *prima facie* responsible for the contraventions committed by SSSL. Hence, it is *prima facie* found that Mr. Sameer Shah is also in violation of regulations 3(a), 3(b), 3(c), 3(d), 4(1), 4(2)(e), 4(2)(f), 4(2)(k) and 4(2)(r) of SEBI (PFUTP) Regulations, 2003 read with Section 12A(a), 12A(b), and 12A(c) of SEBI Act, 1992; regulations 4(1)(a), 4(1)(b), 4(1)(c), 4(1)(e), 4(1)(g), 4(1)(h), 4(1)(j), 4(2)(e)(i), 6(1), 6(1A), 18(2), 23(2), 27(2)(a), 32, 33(1)(a), 33(1)(c), 33(3)(d), 34(2)(a) and 48 of the SEBI (LODR) Regulations, 2015; regulation 18(1)(d) read with regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015; and regulation 34(3) read with Clause 1 of Para A of Schedule V to the SEBI (LODR) Regulations, 2015.

(iii) Role of Ms. Ankita Soni, Independent Director

131. Ms. Ankita Soni was disclosed as an Independent Director in the Annual Report for FY 2020-21. She was appointed on November 12, 2019, and ceased to be the Independent Director with effect from May 10, 2021.

132. The various transactions that were detrimental to the interest of shareholders and are in violation of various regulatory requirements were undertaken by SSSL during the tenure when Ms. Ankita Soni was the Independent Director. As part of the Board of Directors, was grossly negligent and disregarded the provisions of Corporate Governance.

133. Thus, Ms. Ankita Soni *prima facie* failed to discharge her basic duties as an Independent Director in terms of SEBI (LODR) Regulations, 2015. Considering the widespread misrepresentations in the financial statements, diversion of funds, and the lapses in corporate governance, during her tenure, it is *prima facie* found that she failed to perform her duties and obligations required to be performed under regulation 4(2)(f)(i)(2), 4(2)(f)(ii)(2), 4(2)(f)(ii)(6), 4(2)(f)(ii)(7) and 4(2)(f)(ii)(8) of SEBI (LODR) Regulations, 2015.

(II) Roles of the Board of Directors who were part of the Audit Committee

134. In any listed company, the Audit Committee (“AC”) is expected to play a vital role as far as ensuring compliance with existing accounting standards, true and fair presentation of the financial statements, approving related party transactions, monitoring the financial health of the company, ensuring compliances with applicable laws and regulations, etc., are concerned.

135. The details of various directors who were part of the AC of SSSL during the investigation period are as under:

Table 46

Name of the Director	Details of roles in the company	No. of AC Meetings attended as per Annual Report of SSSL
Ms. Cheryl Shah	Disclosed as Non-Executive Non-Independent Director in the Annual Reports for FY 2020-21 to FY 2022-23. Member of the AC for FY 2021-22	2 (out of 5) AC meetings held in FY 2021-22
Mr. Sushil Sanjot	Disclosed as an Independent Director in the Annual Reports for FY 2020-21 to FY 2022-23. Member of the AC for FY 2020-21 to FY 2022-23, first as an AC member until August 23, 2021, and then as the AC Chairman until April 14, 2023	20 (out of 20) AC meetings for the period FY 2020-21 to FY 2022-23
Mr. Vipul Momaya	Disclosed as an Independent Director of SSSL in the Annual Reports for FY 2020-21 to FY 2021-22. Member of the AC for FY 2020-21 to FY 2021-22, and as AC Chairperson until August 23, 2021.	11 (out of 13) AC meetings for the period FY 2020-21 to FY 2021-22
Mr. Jaydeep Shah	Disclosed as an Independent Director of Seacoast in the Annual Reports for FY 2022-23. Member of the AC for FY 2022-23	6 (out of 7) AC meetings for FY 2022-23
Mr. Apurv Kumar Patel	Disclosed as an Independent Director of Seacoast in the Annual Reports for FY 2022-23. Member of the AC for FY 2022-23	6 (out of 7) AC meetings for FY 2022-23
Mr. Viren Makwana	Disclosed as an Independent Director and a member of the AC of Seacoast in the quarterly compliance reports on corporate governance for the quarters ending June 2023 and September 2023, submitted by SSSL to BSE	NA (appointed on April 04, 2023 and ceased to be the Independent Director with effect from September 21, 2023)
Ms. Shivangi Gajjar	Disclosed as an Independent Director and a member of the AC of SSSL in the quarterly compliance reports on corporate governance for the quarters ending June 2023 and September 2023, submitted by Seacoast to BSE	NA (appointed on April 14, 2023 and ceased to be the Independent Director with effect from September 21, 2023)

136. On perusal of the depositions of the aforesaid members of AC and the findings in the preceding paragraphs, it is noted that the various transactions that were

detrimental to the interest of shareholders and are in violation of various regulatory requirements were undertaken by SSSL during the tenure when these Directors were members of the AC. Being part of the Board of Directors and the AC, they have shown gross negligence and disregard to the provisions of Corporate Governance. Further, they also failed to raise concerns regarding the non-convening of AC meetings.

137. Thus, considering the widespread misrepresentations in the financial statements, diversion of funds and the lapses in corporate governance, these Directors *prima facie* failed to discharge their basic duties as Director and member of AC in terms of SEBI (LODR) Regulations, 2015. Therefore, they have violated regulation 4(2)(f)(i)(2), 4(2)(f)(ii)(2), 4(2)(f)(ii)(6), 4(2)(f)(ii)(7), 4(2)(f)(ii)(8) and 18(3) read with Para A of Part C of Schedule II of SEBI (LODR) Regulations, 2015.

(III) Roles of Compliance Officers

138. As per the regulations 6(2)(a) and 6(2)(c) of SEBI (LODR) Regulations, 2015, the compliance officer of a listed entity shall be responsible for ensuring conformity with the applicable regulatory provisions and ensuring that the correct procedures have been followed that would result in the correctness, authenticity and comprehensiveness of the information, statements and reports filed by the listed entity. In this regard, it is relevant to note that the Company failed to provide copies of minutes of AC meetings of SSIL.

139. The details of various Compliance Officers of SSSL during the investigation period are as under:

Table 47

Name of the Compliance Officer	Duration of role as Compliance Officer	Findings of the investigation in respect of the entity
Mr. Parin Shah	October 01, 2017 to January 12, 2021	He admitted that no AC meetings have taken place in the Company. However, he signed and filed the quarterly compliance report with BSE on corporate governance in SSSL for the quarter ending September 2020 and affirmed the compliance with respect to composition and meetings of the AC. However, the AC meetings were never held in the Company and the AC was only on paper.
Mr. Parth Patel	March 11, 2021 to October 20, 2021. Signed	He deposed that he attended some meetings of the AC. However, he failed to provide any documentary evidence that

Name of the Compliance Officer	Duration of role as Compliance Officer	Findings of the investigation in respect of the entity
	the financials of the company for FY 2020-21	he facilitated the convening of AC meetings. Members of the AC in their respective depositions have admitted that the AC meetings did not take place.
Mr. Pawansut Swami	March 22, 2022 to May 01, 2023. Signed the financials of the company for FY 2021-22.	He admitted that he did not facilitate the convening of any Board/ AC meetings, did not attend any Board/ AC meetings and did not maintain any minutes of Board/ AC meetings. He also admitted that the Chairman of AC used to record the minutes of AC meetings. However, members of the AC in their respective depositions have admitted that the AC meetings did not take place.
Mr. Vinay Kumar Jain	May 02, 2023 to September 01, 2023.	He admitted that the Company asked him to be a Company Secretary on paper in order to comply with the regulatory requirements. He also admitted that he had no role in respect of Board and AC meetings. He did not facilitate the convening of any Board/ AC meetings, did not attend any Board/ AC meetings and did not maintain any minutes of Board/ AC meetings. The AC members in their respective depositions have admitted that the AC meetings have not taken place.

140. In view of the above, it is prima facie found that all the aforesaid Compliance Officers of SSSL failed in performing their duties and obligations as are required to be performed under regulation 6(2)(a) and 6(2)(c) of SEBI (LODR) Regulations, 2015 by a Company Secretary and Compliance Officer.

(IV) Role of Statutory Auditors

141. The following were the Statutory Auditors of SSSL during the Investigation Period:

Table 48

Period	Name of the Firm	Firm Registration Number	Role in the company	Name of the Signing Partner	ICAI Membership Number
2020-21	Pankaj R. Shah & Associates	107361W	Audited the financial statements for FY 2020-21 and conducted limited	Mr. Nilesh Shah	107414

Period	Name of the Firm	Firm Registration Number	Role in the company	Name of the Signing Partner	ICAI Membership Number
			review for the quarters ending June 2020 to June 2021		
2021-22	Gopal C Shah & Co	103296W	Audited the financial statements for FY 2021-22 and the quarters ending September 2021 to June 2022	Mr. Gopal C Shah	034967
2022-23 and Quarters ending June 2023, September 2023 and December 2023	V S S B & Associates	121356W	Audited the financial statements for FY 2022-23 and conducted limited review for the quarters ending September 2022 to December 2023	Mr. Vishves Shah	109944

(i) Role of Pankaj R. Shah & Associates

142. On perusal of the Audit Report for FY 2020-21 and the Limited Review Reports for the quarters ending June 2020 to June 2021, signed by Mr. Nilesh Shah, the Signing Partner of Pankaj R. Shah & Associates, it is noted that concerns were raised only over the following matters in the respective reports, by highlighting in Key Audit Matter/ Emphasis of Matter paragraphs:

Table 49

Type	Quarter ending Dec-20	Quarter ending Mar-21	Quarter ending Jun-21
Emphasis of Matter/ Key Audit Matter	<i>During the period under review the company has taken working capital facilities from IndusInd bank amounting to Rs. 20 crore. Out of the above fund Rs. 16 crore amount paid to Advance to Sundry Creditors and the same is subject to confirmation</i>	<i>During the period under review the company has taken working capital facilities from IndusInd bank amounting to Rs. 20 crore. Out of the above fund Rs. 19 crore amount paid to Advance to Sundry</i>	<i>The Statutory Auditors of the Company have carried out a "Limited Review Report" of the above results as per Regulation 33 of SEBI (LODR) Regulations, 2015. However the Company management will</i>

Type	Quarter ending Dec-20	Quarter ending Mar-21	Quarter ending Jun-21
		<i>Creditors and the same is subject to confirmation</i>	<i>provide details for verification to the auditor in first week of Sep-21 along with details of statutory compliances.</i>
Emphasis of Matter/ Key Audit Matter	<i>Outstanding balances of Sundry Debtors and Loans Advances are subject to confirmations.</i>	<i>Outstanding balances of Sundry Debtors and Loans Advances are subject to confirmations.</i>	

143. The Sections 143(1)(b) and 143(1)(f) of the Companies Act, 2013 which empower the Statutory Auditor of a company to inquire into certain matters are reproduced as under:

“143(1)(b): whether transactions of the company which are represented by book entries are prejudicial to the interests of the company;

...

143(1)(f): where it is stated in the books and documents of the company that any shares have been allotted for cash, whether cash has actually been received in respect of such allotment, and if no cash has actually been so received, whether the position as stated in the account books and the balance sheet is correct, regular and not misleading;”

144. As alleged in the preceding paragraphs, the investigation revealed that SSSL resorted to circulation of funds where the preferential allotment proceeds were transferred back to the source of funds and such transactions were book entries, not resulting in net cash flow to SSSL.

145. The following lapses are alleged to have been found against Mr. Nilesh Shah and M/s Pankaj R. Shah & Associates:

(a) Regarding fraudulent preferential allotment of shares by the Company - Mr. Nilesh Shah, in his certificate to BSE (based on which the shares allotted pursuant to the preferential issue were listed on stock exchange), misrepresented that the Company had realized the Allotment Money from the allottee(s) against the allotment of equity shares and there was no circulation of funds or mere passing of book entries.

He also failed to report that SSSL resorted to circulation of funds where the preferential allotment proceeds were transferred back to the source of funds and such transactions were book entries, not resulting in net cash flow to SSSL.

Further, he failed to report that cash was not received against the allotment of shares and therefore the position of Equity Share Capital and the securities premium represented in the Balance Sheet of Seacoast Limited for the FY 2020-21 was incorrect, irregular and misleading.

- (b) Mr. Nilesh Shah gave an unmodified report for FY 2020-21 as well for the quarters ending June 2020 to June 2021. However, as observed in the preceding paragraphs, SSSL recorded fictitious sales and purchases for FY 2020-21 and for the quarters ending June 2020 to June 2021, when M/s Pankaj R Shah & Associates was the statutory auditor. Further, the diversion of funds from the Cash Credit facility availed by the Company from IndusInd Bank and the lapses in corporate governance were also observed in SSSL during the tenure in which M/s Pankaj R Shah & Associates was the statutory auditor.
- (c) Mr. Nilesh Shah did not raise appropriate concerns regarding misrepresentation of financial statements or fraudulent preferential allotment or diversion of funds or corporate governance lapses by the Company in his audit reports. He never highlighted the fact that the AC meetings never actually took place in the company.

(ii) Gopal C. Shah & Co.

146. Mr. Gopal Shah, the Signing Partner, raised general concerns and made non-specific qualification in his report for FY 2021-22. As observed in the preceding paragraphs, SSSL recorded fictitious sales and purchases for FY 2021-22 and the quarters ending September 2021 to June 2022, when M/s Gopal C. Shah & Co was the statutory auditor. Further, the lapses in corporate governance were also observed in SSSL during the tenure in which Gopal C. Shah & Co was the statutory auditor. He did not raise appropriate concerns regarding misrepresentation of financial statements or diversion of funds or corporate governance lapses by the Company in his audit reports. He did not highlight the fact that the AC meetings never actually took place in the company. However, it is noted that Mr. Gopal Shah, the proprietor of M/s Gopal C. Shah & Co is deceased.

(iii) V S S B & Associates

147. On perusal of the Audit Report for FY 2022-23 and the Limited review reports for the quarters ending September 2022 to December 2023, signed by Mr. Vishves

Shah, the Signing Partner, it is noted that concerns were raised over the following matters by Qualifying the Audit Report and highlighting in Emphasis of Matter paragraphs:

Table 50

Type	FY 2022-23	Quarter ending Dec-23
Qualification	<i>Refer to standalone financial statements, all the value with regards to financial assets and financial liabilities in the financial statements has been stated at historical cost only irrespective of the fair value of the same which is departure from requirement of Ind AS 113 (Fair Value Measurement) and Ind AS 109 (Financial Instruments)</i>	
Emphasis of Matter	<i>Refer to Notes forming part of statement which includes the balance of Sundry Debtors, Sundry Creditors, Loans including deposits and advances are subject to confirmation from and reconciliation with the relevant parties as on the date of balance sheet date. We are not in position to verify the amounts at which such balances are receivable and payable.</i>	<i>Balance of Trade Receivables, Trade Payables, Loans including deposits and advances are subject to confirmation from and reconciliation with the relevant parties. We are not able to verify the amounts at which such balances are receivable and payable.</i>
Emphasis of Matter		<i>Balance of Trade Receivables and Trade Payables are long outstanding as on date of the Result.</i>
Emphasis of Matter		<i>Turnover for the Quarter ending as on 31st December 2023 as per GST Return does not match with the Books of Account of the Company.</i>

148. Thus, Mr. Vishves Shah had made a general and non-specific qualification in his report for FY 2022-23. As observed in the preceding paragraphs, SSSL recorded fictitious sales and purchases for FY 2022-23 and the quarters ending September 2022 to December 2023, when M/s V S S B & Associates was the statutory auditor. Further, diversion of rights issue funds to the tune of Rs. 43.42 crore, and the lapses in corporate governance were also observed in SSSL during the tenure in which M/s V S S B & Associates was the statutory auditor.

149. Mr. Vishves Shah did not raise appropriate concerns regarding misrepresentation of financial statements or diversion of funds or corporate governance lapses by the Company in his audit reports. He did not highlight the fact that the AC meetings never actually took place in the company. \

150. The relevant extracts of the legal provisions allegedly violated by the Noticees are reproduced hereunder for easy reference:

SEBI Act, 1992

Sec 12A. No person shall directly or indirectly—

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

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

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

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 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.

Penalty for contravention where no separate penalty has been provided.

15HB. Whoever fails to comply with any provision of this Act, the rules or the regulations made or directions issued by the Board thereunder for which no separate penalty has been provided, shall be liable to a penalty which shall not be less than one lakh rupees but which may extend to one crore rupees.

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;

(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 manipulative, fraudulent or an unfair trade practice in securities markets.

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

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

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

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

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

LODR Regulations, 2015

Principles governing disclosures and obligations.

4. (1) *The listed entity which has listed securities shall make disclosures and abide by its obligations under these regulations, in accordance with the following principles:*

- (a) Information shall be prepared and disclosed in accordance with applicable standards of accounting and financial disclosure*
- (b) The listed entity shall implement the prescribed accounting standards in letter and spirit in the preparation of financial statements taking into consideration the interest of all stakeholders and shall also ensure that the annual audit is conducted by an independent, competent and qualified auditor*
- (c) The listed entity shall refrain from misrepresentation and ensure that the information provided to recognised stock exchange(s) and investors is not misleading.*
- (e) The listed entity shall ensure that disseminations made under provisions of these regulations and circulars made thereunder, are adequate, accurate, explicit, timely and presented in a simple language*
- (g) The listed entity shall abide by all the provisions of the applicable laws including the securities laws and also such other guidelines as may be issued from time to time by the Board and the recognised stock exchange(s) in this regard and as may be applicable*
- (h) The listed entity shall make the specified disclosures and follow its obligations in letter and spirit taking into consideration the interest of all stakeholders*
- (j) Periodic filings, reports, statements, documents and information reports shall contain information that shall enable investors to track the performance of a listed entity over regular intervals of time and shall provide sufficient information to enable investors to assess the current status of a listed entity*

(2) The listed entity which has listed its specified securities shall comply with the corporate governance provisions as specified in chapter IV which shall be implemented in a manner so as to achieve the objectives of the principles as mentioned below.

*(e) **Disclosure and transparency:** The listed entity shall ensure timely and accurate disclosure on all material matters including the financial situation, performance, ownership, and governance of the listed entity, in the following manner:*

- (i) Information shall be prepared and disclosed in accordance with the prescribed standards of accounting, financial and non-financial disclosure.*

(f) Responsibilities of the board of directors: The board of directors of the listed entity shall have the following responsibilities:

(i) Disclosure of information:

(2) The board of directors and senior management shall conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture of good decision-making.

(ii) Key functions of the board of directors –

(2) Monitoring the effectiveness of the listed entity's governance practices and making changes as needed.

(6) Monitoring and managing potential conflicts of interest of management, members of the board of directors and shareholders, including misuse of corporate assets and abuse in related party transactions

(7) Monitoring and managing potential conflicts of interest of management, members of the board of directors and shareholders, including misuse of corporate assets and abuse in related party transactions.

(iii) Other responsibilities:

(6) The board of directors shall maintain high ethical standards and shall take into account the interests of stakeholders.

(7) The board of directors shall exercise objective independent judgement on corporate affairs.

Board of Directors.

17(8). The chief executive officer and the chief financial officer shall provide the compliance certificate to the board of directors as specified in Part B of Schedule II.

Audit Committee.

18.(1)(d) The chairperson of the audit committee shall be an independent director and he /she shall be present at Annual general meeting to answer shareholder queries

18(3). The role of the audit committee and the information to be reviewed by the audit committee shall be as specified in Part C of Schedule II.

Related party transactions

23(2). All related party transactions and subsequent material modifications shall require prior approval of the audit committee of the listed entity

Statement of deviation(s) or variation(s).

32(7A) Where an entity has raised funds through preferential allotment or qualified institutions placement, the listed entity shall disclose every year, the utilization of such funds during that year in its Annual Report until such funds are fully utilized.

Financial results.

33. (1) While preparing financial results, the listed entity shall comply with the following:

(a) The financial results shall be prepared on the basis of accrual accounting policy and shall be in accordance with uniform accounting practices adopted for all the periods.

(c) The standalone financial results and consolidated financial results shall be prepared as per Generally Accepted Accounting Principles in India:

Provided that in addition to the above, the listed entity may also submit the financial results, as per the International Financial Reporting Standards notified by the International Accounting Standards Board.

(3) The listed entity shall submit the financial results in the following manner:

(d) The listed entity shall submit annual audited standalone financial results for the financial year, within sixty days from the end of the financial year along with the audit report and Statement on Impact of Audit Qualifications (applicable only for audit report with modified opinion):

Provided that if the listed entity has subsidiaries, it shall, while submitting annual audited standalone financial results also submit annual audited consolidated financial results along with the audit report and Statement on Impact of Audit Qualifications (applicable only for audit report with modified opinion):

Provided further that, in case of audit reports with unmodified opinion(s), the listed entity shall furnish a declaration to that effect to the Stock Exchange(s) while publishing the annual audited financial results.

Annual Report.

34(2) The annual report shall contain the following:

(a) audited financial statements i.e. balance sheets, profit and loss accounts etc., and Statement on Impact of Audit Qualifications as stipulated in regulation 33(3)(d), if applicable;

Need for interim directions

151. The *prima facie* findings recorded in this Order show the impunity with which the Company and the other Noticees resorted to multiple regulatory violations. The misrepresentation of financials, fraudulent preferential allotments to the Promoter and non-promoter entities and subsequent divestment of stake by such entities exhibit a plan to deceive investors. This is a classic case of Promoters going all out in order to defraud investors. The fact that many of these practices are still ongoing and there is a possibility of the Company and its KMPs deploying novel artifices to undertake market manipulation calls for urgent regulatory intervention.

152. Further, this case is unique for many reasons. Compared to cases of similar nature where Promoters resort to one or two methods to defraud gullible investors, promoters of SSSL used many tricks to achieve the same within a span of three years starting from the triggering of open offer in April 2020. The purpose to mislead investors and sell their own stakes by the Promoters is shocking. This motive was acknowledged when they admitted that all financial statements were fictitious as sales/purchases were mere book entries. There actually appears to be no business related to shipping. The plan all along appeared to suggest that investors could be conned to purchase SSSL shares. No wonder that the number of shareholders went up to more than 1.56 lakh at the end of the investigation period from a mere 513 at the start of the investigation period. The actions of the Noticees included:

- (a) increasing the outstanding shares from 22.45 lakh to 53.87 crore through preferential issue, bonus and split and rights issue (one more rights issue in pipeline;
- (b) sham takeover of the business of an HUF by Promoter;
- (c) inflating the revenues by hundreds of crores of rupees through fictitious sales and purchases;
- (d) covering up Related Party Transactions for years;
- (e) disseminating positive news flow leading to increasing the number of shareholders from 513 to 1,56,885 by the end of investigation period;
- (f) diverting funds belonging to the Company to related entities;
- (g) reducing the Promoters' holding at the cost of the gullible investors to bring it down to 0.04% as on date from 73.97% as on September 30, 2020;

(h) misrepresenting the financial statements since the takeover of the Company.

153. Additionally, the Audit Committee of the Company which is responsible for monitoring the utilization of the issue proceeds existed only on paper and it never convened since the entry of the new Promoters in the Company. Despite such large capital raising where number of equity shares rose almost 240 times in a short duration, there was nothing to show by way of the company's assets. Thus, it is obvious that funds raised were conveniently siphoned away to related entities. The interest of investors did not matter. And yet, the company has once again sought permission to raise Rs. 49 crore through another Rights Issue.

154. At its peak, the market capitalisation of the company was Rs. 892 crore. One of the Promoters who was also the Chairman cum Managing Director, Mr. Manish Shah helped himself by selling more than 18.15 crore shares and making gains of more than Rs. 47 crore through On-market sale alone. The other Promoter also sold his shares at inflated prices on the instructions of Mr. Manish Shah and transferred the sale proceeds amount to Mr. Manish Shah. Thus, the shareholding of Promoters in the company fell from a high of 73.97% to the current holding of 0.04%. No Promoter would have any interest in running a company with such a low holding except to try his luck once again through a rights issue!

155. The whole gamut of these murky affairs in the Company does not leave much scope to think of any coincidence but conclude that this was a pre-planned and efficiently executed fraud on the securities market by the Company and its Promoters. The scheme was designed by the KMPs to derive benefit at the expense of investors and involved a complete abdication of responsibility by the KMPs, the statutory auditors and the compliance officers. The same is corroborated by bank statements, annual reports, shareholding patterns and statements of KMPs which are nothing short of confessions. To spice it up, there is a shocking revelation by one of the directors that her son was kidnapped to coerce her to part with the rights issue proceeds, thereby bringing in a glimpse of the world of crime lurking somewhere behind the scenes.

156. The *prima facie* findings which compel me to arrive at the conclusion that this is a fit case for issuance of interim directions are summarized below:

- (a) The Company has been reporting almost negligible fixed assets and inventory every year during the Investigation Period although the sales figures reported by the Company appear to be substantial. Considering the fact that the investigation has revealed that more than 85% of the sales recorded by the Company and more than 98% of the assets held by the Company during the last three years appear fictitious, there is a possibility of the Company continuing its practice of misreporting financials in future too. This possibility seems even more likely given the fact that since FY 2021-22, the company is showing its total revenue from the business of agro products which are exempt from the applicability of GST which makes it difficult to establish the genuineness of transactions.
- (b) As a result of the misrepresented financials of the Company, there has been a considerable spike in the retail investor interest in the shares of the Company and the number of public shareholders as on date is 2,49,756. On the other hand, the Promoters have divested almost their entire stake in the company and the Promoter shareholding in the Company has reduced from 73.97% at its peak to only 0.04% as on date.
- (c) The Board of Directors of SSSL during their meeting dated June 13, 2024, approved the Draft Letter of Offer for raising of funds through issuance and allotment of fully paid-up equity shares of Re. 1/- each to the eligible equity shareholders of the Company on a Rights basis, for an amount upto Rs.49 crore, subject to receipt of in-principle approval of BSE. In this regard, it is noted that the Promoters did not participate in the previous rights issue of the Company which indicates their lack of confidence in the fundamentals of the Company. Further, given the track record of the Company, viz., alleged diversion of the proceeds of the previous rights issue, it is evident that this is another opportunity for the Promoters to issue more shares to unsuspecting investors and again divert the issue proceeds received from such investors.
- (d) The investigation has *prima facie* revealed that the preferential allottees including the Promoters have made unlawful gains as a result of divesting their stake in the Company acquired through fraudulent preferential allotment. Thus, there is a pressing need to issue directions against the Noticees to impound the unlawful gains.

Order:

157. Keeping in view the foregoing, 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 cum show cause notice, the following directions, which shall be in force until further orders:

- (a) Noticee No. 1 is restrained from raising money from the public, until further orders.
- (b) Noticee Nos. 2 to 10 are restrained from buying, selling or dealing in securities, or accessing capital market either directly or indirectly, in any manner whatsoever until further orders. If the said 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 3 months from the date of order or at the expiry of such contracts, whichever is earlier. The said 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.
- (c) Noticee Nos. 2, 3 and 11 to 22 are restrained from associating themselves with any intermediaries registered with SEBI, any listed public company or any company that intends to raise money from the public, until further orders.
- (d) The alleged unlawful gains earned from the alleged fraudulent activities carried out by the Noticee Nos. 2 and 4 to 10 are impounded. The individual liabilities of the respective Noticees are as under:

Noticee	Amount to be impounded (in Rs.)
Manish Shah	47,89,87,587
PK Shah	3,46,84,799
PK Shah HUF	4,03,03,518
CSB Projects	7,43,37,888
Credo	20,16,28,362
Deep Shah	16,84,577
Shail Shah	1,02,32,308

- (e) Noticee Nos. 2 and 4 to 10 are directed to credit/deposit the amount of alleged unlawful gains as mentioned in the Table above to an interest bearing Escrow Account created specifically for the purpose in a Nationalized Bank within 15

days from the date of service of this order. The above Noticees shall create this Escrow Account(s) with a Lien in favour of SEBI and the amount kept therein shall not be released without permission from SEBI.

- (f) Noticee No. 1 is directed to bring back the money pertaining to the Rights issue proceeds and the Cash Credit facility which was allegedly diverted from the Company.
- (g) Banks where the Noticee Nos. 2 and 4 to 10 are holding bank accounts, including joint accounts, are directed that no debits shall be made without permission of SEBI except for the purposes of transfer of funds to the Escrow Account. Further, the Depositories are also directed that no debit shall be made, without permission of SEBI, in respect of the demat accounts held by the aforesaid persons. However, credits, if any, into the accounts maybe allowed. Banks and the Depositories are directed to ensure that all the aforesaid directions are strictly enforced. Further, debits in the bank accounts may be allowed for amounts available in the account in excess of the amount to be impounded. Banks are allowed to debit the accounts for the purpose of complying with this Order.
- (h) The Registrar and Transfer Agents are also directed to ensure that till further directions, the securities/mutual funds units held in the name of the Noticee Nos. 2 to 10, individually or jointly, are not transferred/redeemed.
- (i) Noticee Nos. 2 and 4 to 10 are directed not to dispose of or alienate any of their assets/properties/securities, till such time the amount of unlawful gains is credited to an Escrow Account except with the prior permission of SEBI.
- (j) Noticee Nos. 2 and 4 to 10 are further directed to provide a full inventory of all their assets whether movable or immovable, or any interest or investment or charge in any of such assets, including property, details of all their bank accounts, demat accounts, holdings of shares/securities if held in physical form and mutual fund investments and details of companies in which they hold substantial or controlling interest immediately but not later than 15 working days from the date of service of this order.
- (k) Noticee No. 1 is directed to constitute a new Audit Committee and place the copy of the SEBI order/findings before it. The new Audit Committee is directed

to have enhanced oversight of financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible. Further, the new Audit Committee is directed to ensure that the company is complying with the requirements of SEBI (LODR) Regulations, 2015.

158. BSE is directed to not approve any rights issue application filed by SSSL till further orders.

159. The foregoing *prima facie* observations contained in this Order, are made on the basis of the material available on record. The said prima facie findings shall also be considered as a show cause notice and the Noticee Nos. 1 to 22 are directed to show cause as to why suitable directions/prohibitions under Section 11(1), 11(4), 11(4A), 11B(1) and 11B(2) read with section 15HA and 15HB of SEBI Act, 1992, including the directions of restraining them from accessing the securities market including buying, selling or otherwise dealing in securities in any manner whatsoever, directly or indirectly, for a specified period and further restraining them from associating with any listed company and any registered intermediary or imposition of penalty or any other directions as deemed fit by SEBI, should not be issued against them.

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

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

DATE: SEPTEMBER 30, 2024

PLACE: MUMBAI

ASHWANI BHATIA

WHOLE TIME MEMBER

SECURITIES AND EXCHANGE BOARD OF INDIA

Annexure A

The below-mentioned list of bank accounts of Seacoast Limited and Seacoast-HUF were identified during investigation.

List of bank accounts of Seacoast Limited

Sl. No.	Bank Account Number	Name of the Bank	Remarks
1	20100XXX8340	IndusInd Bank	-
2	25101XXX2539	IndusInd Bank	Rights Allotment Account
3	65001XXX9442	IndusInd Bank	Cash Credit Account
4	502000XXX54820	HDFC Bank	-
5	5923990XXX4444	HDFC Bank	-
6	00311110XXX1685	The United Co-Op. Bank	-
7	5020004XXX2187	HDFC Bank	Share Premium Account

List of bank accounts of Seacoast-HUF

Sl. No.	Bank Account Number	Name of the Bank
1	201002XXX751	IndusInd Bank
2	137105XXX584	ICICI Bank
3	30370XXX000892	Bank of Baroda
4	29510XXX000632	Bank of Baroda
5	30370XXX000941	Bank of Baroda
6	00611XXX1001331	The United Co-Op. Bank

Annexure B

Details of all vendors and customers of SSSL during FY 2020-21 are as under:

Customers

Sl. No.	Name of the Customer	Sale (in Rs. crore)	Product/ Service details
1	Bimstar Holdings Pte Ltd	81.35	Ocean Freight Service
2	S. Sons	8.76	Ocean Freight Service
3	Cogo Freight Private Limited	4.43	Ocean Freight Service
Total		94.55	

Vendors

Sl. No.	Name of the Vendor	Purchase (in Rs. crore)	Product/ Service details
1	Allianz Bulk Carriers DMCC	73.31	Freight Purchase Import
2	Global Pet Chem	8.33	Advance Freight Salt
3	S. Sons	4.14	Custom Charges Purchase Container
4	Starchart Shipping and Marine Services Private Limited	4.03	Ocean Freight
5	Sharaf Shipping Agency LLC	0.97	Port Charges USD
6	Vojas Overseas	0.31	Freight Purchase Container
7	Ravin Marine Private Limited	0.04	Brokerage Commission
Total		91.13	

Annexure C

The Bank account details of significant vendors during FY 2020-21 as per the sale/purchase invoices are as under:

(1) Allianz Bulk Carriers DMCC

Beneficiary	Allianz Bulk Carriers DMCC
Bank	Emirates Islamic Bank
IBAN	AE15 0XXX0037 0743 6340 902

(2) Vojas Overseas (Account number: 10060860449 maintained with IDFC Bank)

(3) Cogo Freight Private Limited (Account numbers: 409000876343 & 609000715480 maintained with RBL Bank)

(4) S. Sons

Beneficiary	S.Sons
Bank	Axis Bank
Account Number	9190XXX22684041

(5) Global Pet Chem

Beneficiary	Global Pet Chem
Bank	State bank of India
Account Number	3841XXX0638

(6) Starchart Shipping and Marine Services Private Limited

Beneficiary	Starchart Shipping and Marine Services Pvt Ltd
--------------------	--

Bank	HDFC bank
Account Number	59229904XXX444

Annexure D

Details of Bimstar Holdings Pte Ltd are as under:

Date of Incorporation	June 06, 2014
Paid up capital	1 SGD
Current Status	Struck Off
No of officers	2
Industry	Management Consultancy Services
Annual Return	Last filed on December 28, 2017 for FY ending May 31, 2017
Date of Last AGM	November 30, 2017

Annexure E

An extract of Cash Flow Statement of Seacoast for FY 2020-21, as disclosed in the annual report, is reproduced as under:

(Amount in Rs. crore)		
Particulars	Amount	Amount
Cash & Cash equivalents at the beginning of the year		0.04
Operating profit before Working Capital changes	15.75	
Adjustments for Working Capital	(65.82)	
Income Tax	(0.02)	
Net Cash Flow from Operating Activities		(50.08)
Purchase of Fixed Asset	0.06	
Increase in Long Term Loans and Advances	0.05	
Net Cash Flow from Investing Activities		(0.12)
Proceeds from share issued including premium	30.60	
Interest Expenses & Finance Cost	(0.92)	
Proceeds of short term borrowings	19.99	
Long term Borrowings	0.56	
Net Cash Flow from Financing Activities		50.23
Cash & Cash equivalents at the beginning of the year		0.07

Annexure F

Customers during FY 2021-22:

Sl. No.	Name of the Customer	Sale (in Rs. crore)	Product/ Service details
1	Real Tex Shipping and Marine Services Pte Ltd	60.56	Ocean Freight Service
2	Damin Shipping Sea Cargo Services L.L.C	45.59	Ocean Freight Service
3	Navdeep Ttradex	0.42	Ocean Freight Service
4	Arihant Logistics and Shipping Services	0.13	Ocean Freight Service
5	Pentagon Waterlines Pvt Ltd	0.07	Ocean Freight Service
6	Shree Traders	6.85	Agro Sales
7	Best Trading	4.36	Agro Sales
8	Arihant Enterprise	2.76	Agro Sales
9	Nikhil Enterprise	2.01	Agro Sales
10	K D Enterprise	1.63	Agro Sales
11	Heena Traders	1.39	Agro Sales
12	Shreenath Traders	1.11	Agro Sales
13	Paras Enterprise	0.54	Agro Sales
14	Torextron Ventures Pvt Ltd	0.25	Agro Sales
15	Hiren Enterprise	0.17	Agro Sales
Total		127.83	

Vendors during FY 2021-22:

Sl. No.	Name of the Vendor	Purchase (in Rs. crore)	Product/ Service details
1	Safe Cargo Shipping Services Pte Ltd	94.06	Ocean Freight
2	Kas Logistics Pte Ltd	1.68	Ocean Freight
3	Dhanani Metal Corp	0.71	Ocean Freight
4	Maersk Line India Pvt Ltd	0.63	Ocean Freight
5	Shalin Enterprise	6.86	Agro Purchase
6	Sadhana Trading Co	4.04	Agro Purchase
7	Agrofter Ventures Pvt Ltd	2.67	Agro Purchase
8	Pionex Agricom Pvt Ltd	2.66	Agro Purchase
9	Newyolk Farms Pvt Ltd.	1.76	Agro Purchase
10	Birmixten Agriserv Pvt Ltd	0.90	Agro Purchase
11	Maxxters Trading Pvt Ltd	0.90	Agro Purchase
12	Best Trading	0.05	Agro Purchase
Total		116.92	

(Amount in Rs. crore)

Agro Customers	Amount as per Sales Register	Receipts in Bank Statement	Agro Vendors	Amount as per Purchase Register	Payments in Bank Statement
Shree Traders	6.85	6.85	Shalin Enterprise	6.86	6.86
Best Trading	4.36	4.36	Sadhana Trading Co	4.04	4.04
Arihant Enterprise	2.76	2.76	Agrofter Ventures Pvt Ltd	2.67	2.67
Nikhil Enterprise	2.01	2.01	Pionex Agricom Pvt Ltd	2.66	2.66
K D Enterprise	1.63	1.63	Newyolk Farms Pvt Ltd.	1.76	1.76
Heena Traders	1.39	1.39	Birmixten Agriserv Pvt Ltd	0.90	0.90
Shreenath Traders	1.11	1.11	Maxxters Trading Pvt Ltd	0.90	0.90
Paras Enterprise	0.54	0.54	Best Trading	0.05	0.05
Torextron Ventures Pvt Ltd	0.25	0.25			
Hiren Enterprise	0.17	0.17			
Total	21.07	21.07	Total	19.84	19.84

Annexure G

Customers

Sl. No.	Name of the Customer	Sale (in Rs. crore)	Product/ Service details
1	Somani Multibiz Private Limited	185.61	Agro Sales
2	Mahaan Enterprise	63.72	Agro Sales
3	S.K. Enterprise	29.17	Agro Sales
4	Divya Traders	26.58	Agro Sales
5	Relief Agro Products	16.59	Agro Sales
6	Gauttam Enterprise	14.33	Agro Sales
7	Sara Enterprise	13.98	Agro Sales
8	S.R.G. Traders	13.71	Agro Sales
9	Chandrima Mercantiles Ltd	12.39	Agro Sales
10	City Crops Agro Limited	9.42	Agro Sales
11	Aarniya Import and Export Pvt Ltd	9.19	Agro Sales
12	Releak Agriventures Ltd	8.22	Agro Sales
13	Hiren Enterprise	5.79	Agro Sales
14	Chintan Agro	4.10	Agro Sales
15	Amba Enterprise	4.06	Agro Sales
16	Abdul Foods & Beverages	2.91	Agro Sales
17	Infinity Trading	2.32	Agro Sales
18	Vishal Enterprise	2.08	Agro Sales
19	Seashell Aqua Logistics Pvt Ltd	1.51	Agro Sales
20	NeoPolitan Pizza Limited	1.49	Agro Sales
21	Anmol Trading	1.00	Agro Sales

Sl. No.	Name of the Customer	Sale (in Rs. crore)	Product/ Service details
22	Kiran Enterprise	0.76	Agro Sales
23	Niraj Trading Co.	0.61	Agro Sales
Total		429.58	

Vendors

Sl. No.	Name of the Vendor	Purchase (in Rs. crore)	Product/ Service details
1	Somani Multibiz Private Limited	56.51	Agro Purchase
2	Maxsters Trading Pvt Ltd	44.04	Agro Purchase
3	Foodanics Multibiz Pvt Ltd	43.68	Agro Purchase
4	Titan Trades	30.04	Agro Purchase
5	Agrofter Ventures Pvt Ltd	24.02	Agro Purchase
6	Fatima Agro Ventures	23.19	Agro Purchase
7	Relief Agro Products	18.53	Agro Purchase
8	Spextra Multibiz Pvt Ltd	18.53	Agro Purchase
9	Binstrex Multibiz Pvt Ltd	17.04	Agro Purchase
10	Veggie Fest Foods Private Limited	16.76	Agro Purchase
11	Bजारंग Enterprise	16.14	Agro Purchase
12	Glimmer Trading Co.	15.92	Agro Purchase
13	Stanbik Commercial Pvt Ltd	14.07	Agro Purchase
14	Renu Enterprises	9.99	Agro Purchase
15	Fettech Commercial Enterprises Pvt Ltd	8.92	Agro Purchase
16	J. M. Traders	7.99	Agro Purchase
17	Amba Enterprise	7.89	Agro Purchase
18	Naviya Biz Trading	7.30	Agro Purchase
19	Shyam Enterprise	4.59	Agro Purchase
20	Hiren Enterprise	3.91	Agro Purchase
21	Pionex Agricom Pvt Ltd	2.55	Agro Purchase
22	Vimal Agro Products	2.24	Agro Purchase
23	Euronex Trade Private Limited	2.22	Agro Purchase
24	Paras Enterprise	0.25	Agro Purchase
Total		396.32	

Annexure H

Particulars	No. of shares acquired	Bonus (1:2)	Off Market Sale	No. of shares acquired	Balance	Split (10:1)	No. of shares acquired	On Market Sale	Balance
	A	B (A*1.5)	C	D	E (B-C+D)	F (E*10)	G	H	I (F+G-H)
Open offer	2,30,000	3,45,000	3,45,000	-	-	-	-	-	-
Preferential allotment	1,50,00,000	2,25,00,000	67,75,000	-	1,57,25,000	15,72,50,000	-	15,72,50,000	-
Other than preferential				40,000	40,000	4,00,000	-	4,00,000	-

Particulars	No. of shares acquired	Bonus (1:2)	Off Market Sale	No. of shares acquired	Balance	Split (10:1)	No. of shares acquired	On Market Sale	Balance
	A	B (A*1.5)	C	D	E (B-C+D)	F (E*10)	G	H	I (F+G-H)
Initial allotment									
Takeover				11,30,200	11,30,200	1,13,02,000	-	1,13,02,000	-
Other than preferential allotment							56,51,225	54,60,513	1,90,712
Total			71,20,000					17,44,12,513	

Annexure I

Initial transferees

Sl. No.	Date	Off-Market Transferee	No. of shares
1	15-Feb-21	Rozzal Buzz Enterprise LLP	13,45,000
2	15-Feb-21	Kalaiyaranan Rajangam Mudaliar	27,50,000
3	26-Feb-21	Kuntal Jitendra Trivedi	25,000
4	26-Feb-21	Binary Infratrade Pvt Ltd	10,00,000
5	01-Mar-21	Bhavesh Jayantilal Daxini	5,00,000
6	30-Jun-21	Clear Water Commodities Pvt Ltd	2,00,000
7	26-Aug-21	Nilesh Kumar Ramanlal Prajapati	10,00,000
8	01-Oct-21	Qmin Pharma Pvt Ltd	1,00,000
9	01-Oct-21	Pareshkumar Vasantry Seth	1,00,000
10	01-Oct-21	Mithilesh M Agarwal	1,00,000
		Total	71,20,000

Final transferees

Sl. No.	Name of the entity	Effective no. of shares received from Manish Shah via off-market
1	Rozzal Buzz Enterprise LLP	5,60,000
2	Kalaiyaranan	26,34,000
3	Kuntal Jitendra Trivedi	25,000
4	Binary Infratrade Private Ltd	1,85,000
5	Bhavesh Jayantilal Daxini	5,00,000
6	Clear Water Commodities Pvt. Ltd.	1,60,000
7	Nilesh Kumar Ramanlal Prajapati	-
8	Qmin Pharma Pvt Ltd	1,00,000
9	Pareshkumar Vasantry Seth	1,00,000
10	Mithilesh M Agarwal	1,00,000
11	Nayan Thakkar	9,85,000

Sl. No.	Name of the entity	Effective no. of shares received from Manish Shah via off-market
12	Rathod Punjiben Babubhai	8,48,500
13	Manjulaben Parmar	47,500
14	Neetha	20,000
15	Babubhai Somabhai Rathod	8,15,000
	Total	70,80,000

Annexure J

Summary of Share Premium Account

Date	Particulars	Dr/ Cr	Amount (Rs.)
13/08/2020	Parasmal Kundanmal Shah	Cr	1,51,50,000
13/08/2020	Parasmal Kundanmal Shah HUF	Cr	1,51,50,000
13/08/2020	CSB Projects Private Limited	Cr	1,51,50,000
13/08/2020	Credo Holding Private Limited	Cr	1,51,50,000
13/08/2020	Shail T. Shah	Cr	90,90,000
13/08/2020	Deep T. Shah	Cr	90,90,000
14/08/2020	Seacoast (50200011754820 - HDFC) *	Dr	7,87,80,000

* Proceeds transferred to another account of Seacoast

Annexure K

The source and further trail of funds, as per bank statements analysis, are tabulated below:

Source of funds

Source of Funds									
Source	Date	Amount (Rs.)	Source	Date	Amount (Rs.)	Source	Date	Amount (Rs.)	Pref. Allottee
			Shree Shipping Services	13/08/2020	1,20,00,000	PKC Infracore (OPC) Pvt Ltd	13/08/2020	1,13,00,000	Credo
Apollo Industries And Projects Limited	13/08/2020	4,66,00,000	Examen Infra Entertainment Limited	13/08/2020	4,46,00,000		13/08/2020	1,52,00,000	PK Shah
							13/08/2020	1,52,00,000	PK Shah HUF
							13/08/2020	1,52,00,000	CSB Projects
						Seacoast HUF	13/08/2020	90,90,000	Shail
							13/08/2020	90,90,000	Deep

Trail of funds

Name	Date	Amount (Rs.)	Target 1	Date	Amount (Rs.)	Target 2	Date	Amount (Rs.)	Target 3
Seacoast	14/08/2020	7,63,00,000	PKC Infratrade (OPC) Pvt Ltd	14/08/2020	1,20,00,000	Shree Shipping Services			
				14/08/2020	4,66,00,000	CSB Projects Pvt Ltd	14/08/2020	4,66,00,000	Apollo Industries And Projects Limited
				14/08/2020	93,00,000	Seacoast Shipping And Marine Services			
				14/08/2020	80,00,000	Manish Shah			

Annexure L

Vide email dated June 05, 2024, Mr. Rakesh Shah, *inter-alia*, stated the following regarding the transfers:

- (a) Fund transfer from Apollo to Examen: *"I am unable to offer any comments on third party transactions"*
- (b) Fund transfer from Examen to PKC: *"The transfer of funds were for the purpose of real estate business payments for land sale/ purchase business for various business transactions as per agreement. However, the copy of agreement for purchase has been destroyed on account of the fire accident where my office was totally gutted on 25.06.2022."*
- (c) Fund transfer from Shree to PKC: *"The transfer of funds was a temporary loan from existing vendor of group company and the same has been received back."*
- (d) Fund transfers from PKC to Credo, CSB Projects, PK Shah and PK Shah HUF: *"The transfer of funds was between family owned entities in the form of corporate advances without interest as and when required and repaid accordingly."*
- (e) Fund transfer from Seacoast to PKC: *"Seacoast had paid Rs. 7.63 crore as part payment (from a total cost of Rs. 8.00 crore) towards acquisition of a part of land. On account of non-fulfilment of the terms of the agreement, the land could not be acquired by Seacoast and upon cancellation/ non-completion of land acquisition before 31.10.2020 being the last date of performance, PKC refunded the advance that it had received to Seacoast during the period from November 2020 to March 2021. Agreement between PKC and Seacoast is not traceable due to fire accident."*
- (f) Fund transfer from PKC to Shree: *"Repayment of temporary loan received from existing vendor of group company as on 13-08-2020."*

- (g) Fund transfer from PKC to Seacoast-HUF: “Refund of amount towards cancellation of land acquisition as per agreement dated 15-05-2020 paid in favour of Seacoast-HUF on behalf of Seacoast Limited as per request received from Mr, Manish Shah.”
- (h) Fund transfer from PKC to Mr. Manish Shah: “Short term advances to Manish Shah without interest and received fully back during the same FY.”
- (i) Fund transfer from PKC to CSB: “The transfer of funds was between family owned entities, in the form of corporate advances without interest as and when required and repaid accordingly.”
- (j) Fund transfer from CSB to Apollo: “CSB had taken unsecured loan from Apollo before 4 years for its business purpose and CSB is making payment of interest and deducting TDS every year. CSB has since then repaid the full amount of unsecured loan and has repaid Rs. 4,65,87,313/- with interest (after TDS deduction)”.
- (k) Fund transfer between PKC and Mr. Shail Shah: “PKC had loaned Rs. 0.69 crore to Shail Shah for his temporary requirement and received back immediately next day.”

Annexure M

The analysis w.r.t. repayment of Rs. 7.63 crore by PKC to Seacoast Limited, is as under:

1.1.1.1.1. On perusal of the bank statement (50200024759962 -HDFC) of PKC, it is noted that PKC has repaid Rs. 7.63 crore to Seacoast in 14 tranches between November 11, 2020 to March 10, 2021. The same is tabulated below:

Tranche No.	Date	Particulars	Dr/ Cr	Amount (Rs.)
0	14/08/2020	Seacoast Shipping Services Limited	Cr	7,63,00,000
1	11/11/2020	Seacoast Shipping Services Limited	Dr	9,00,000
2	02/01/2021	Seacoast Shipping Services Limited	Dr	25,000
3	20/01/2021	Seacoast Shipping Services Limited	Dr	45,00,000
4	20/01/2021	Seacoast Shipping Services Limited	Dr	45,00,000
5	02/02/2021	Seacoast Shipping Services Limited	Dr	29,75,000
6	08/02/2021	Seacoast Shipping Services Limited	Dr	1,00,000
7	17/02/2021	Seacoast Shipping Services Limited	Dr	1,30,00,000
8	17/02/2021	Seacoast Shipping Services Limited	Dr	34,50,000
9	18/02/2021	Seacoast Shipping Services Limited	Dr	76,00,000
10	19/02/2021	Seacoast Shipping Services Limited	Dr	82,00,000
11	20/02/2021	Seacoast Shipping Services Limited	Dr	60,00,000
12	22/02/2021	Seacoast Shipping Services Limited	Dr	50,00,000
13	08/03/2021	Seacoast Shipping Services Limited	Dr	95,00,000
14	10/03/2021	Seacoast Shipping Services Limited	Dr	1,05,50,000

1.1.1.1.2. On detailed analysis of the source and trail of these funds, the following is observed

(a) Tranche 1: On perusal of the bank statements of PKC (50200024759962 -HDFC), Seacoast (50200011754820 - HDFC), Manish Shah (10022243581 – IDFC), Nirav Corporation (409000478017 - RBL), Fiducia Infrastructure Pvt Ltd (409000294567 - RBL) and Examen Infra (2405023897 - ICICI), the following circular movement of funds is noted:

(in Rs. crore)

Remarks	Party	Date	Amount	Party	Date	Amount	Party	Date	Amount	Party	Date	Amount	Party
	Fiducia	10/11/20	0.27	Examen Infra	10/11/20	0.74	PKC	11/11/20	0.09	Seacoast	11/11/20	0.09	Manish
Continuation	Manish	11/11/20	0.09	Nirav Corporation	12/11/20	0.09	Fiducia						

The amount originated and reached Fiducia Infrastructure Pvt Ltd. In view of the above, it is concluded that PKC has not effectively made any repayment to Seacoast Limited via Tranche 1.

(b) Tranche 2: The source and trail of Rs. 25,000/- could not be ascertained.

(c) Tranches 3 and 4: On perusal of the bank statements of PKC (50200024759962 -HDFC), Credo Real Estate Pvt Ltd (002405022597 - ICICI), Seacoast (650014129442 – IndusInd), Seacoast-HUF (201002552751 - IndusInd), and Manish Shah (158488094444 – IndusInd), the following circular movement of funds is noted:

(in Rs. crore)

Remarks	Party	Date	Amount	Party	Date	Amount	Party	Date	Amount	Party	Date	Amount	Party
	Credo Real Estate	20/01/21	0.45	PKC	20/01/21	0.45	Seacoast	20/01/21	0.45	Manish	20/01/21	0.45	Seacoast-HUF
Continuation	Seacoast-HUF	20/01/21	0.45	PKC	20/01/21	0.45	Seacoast	21/01/21	0.45	Manish	21/01/21	0.45	Seacoast-HUF
Continuation	Seacoast-HUF	21/01/21	0.40	PKC	25/01/21	0.40	Credo Real Estate						

From the above table it is observed that the payment of Rs. 0.90 crore in 2 tranches i.e., tranches 3 and 4, made by PKC to Seacoast involved circulation of funds, which is illustrated below.

Tranche	Party	Date	Amount	Party	Date	Amount	Party	Date	Amount	Party
13	Credo Real Estate Pvt Ltd	08/03/21	0.95	PKC	08/03/21	0.95	Seacoast	08/03/21	0.95	Seacoast-HUF

From the above table it is observed that the payment made by PKC to Seacoast has in turn paid by Seacoast to Mr. Manish Shah/ Seacoast-HUF.

Further, on perusal of the bank statements of PKC (50200024759962 - HDFC), Credo Real Estate Pvt Ltd (002405022597 - ICICI), Examen Infra (2405023897 - ICICI) and Kalaiyarasan Rajangam Mudaliar (006401510094 - ICICI), it is noted that Mr. Manish Shah has indirectly refunded the funds to PKC (which in turn was utilised by PKC to repay Credo Real Estate), the same is depicted below:

(in Rs. crore)

Party	Date	Amount	Party	Date	Amount	Part y	Date	Amount	Party
Kalaiyarasan Rajangam Mudaliar	24/02/21	1.20	Examen	24/02/21	1.20	PKC	24/02/21	0.47	Credo Real Estate Pvt Ltd
Kalaiyarasan Rajangam Mudaliar	03/03/21	1.40	Examen	03/03/21	1.40	PKC	03/03/21	1.40	Credo Real Estate Pvt Ltd
Kalaiyarasan Rajangam Mudaliar	04/03/21	1.80	Examen	04/03/21	1.80	PKC	04/03/21	1.80	Credo Real Estate Pvt Ltd
		4.40			4.40		Total	3.67	

- As detailed at Para 30.1.4, Mr. Kalaiyarasan Rajangam Mudaliar is one of the transferees to whom Mr. Manish Shah has transferred shares via Off-Market at a price substantially lower than the market price. The proceeds from the sale of such shares have been used by Mr. Kalaiyarasan Rajangam Mudaliar to make payments to PKC, which PKC has utilised to repay to Credo Real Estate Pvt Ltd.
- On a combined reading of Table 85 and Table 86, it is noted that the funds utilised by PKC to repay Seacoast, have been funded by Mr. Manish Shah.
- In view of the above, it is concluded that PKC has not effectively made any repayment to Seacoast Limited via Tranches 7, 8 and 13.

(f) Tranche 9: On perusal of the bank statements of PKC (50200024759962 -HDFC), CSB Projects (002405028298 - ICICI), Seacoast (201004088340 – IndusInd) and Manish Shah (158488094444 – IndusInd), the following source and trail of funds is noted:

(in Rs. crore)

Tranche	Party	Date	Amount	Party	Date	Amount	Party	Date	Amount	Party
9	CSB Projects	18/02/21	0.76	PKC	18/02/21	0.76	Seacoast	18/02/21	0.76	Manish Shah

- From the above table it is observed that the payment made by PKC to Seacoast has in turn paid by Seacoast to Mr. Manish Shah.
- Further, on perusal of the bank statements of PKC (50200024759962 - HDFC), CSB Projects (002405028298 - ICICI), Examen Infra (2405023897 - ICICI) and Kalaiyarasan Rajangam Mudaliar (006401510094 - ICICI), it is noted that Mr. Manish Shah has indirectly refunded the funds to PKC (which in turn was utilised by PKC to repay CSB Projects), the same is depicted below:

(in Rs. crore)

Party	Date	Amount	Party	Date	Amount	Party	Date	Amount	Party
Kalaiyarasan Rajangam Mudaliar	24/02/21	1.20	Examen	24/02/21	1.20	PKC	24/02/21	0.73	CSB Projects

- As detailed at Para 30.1.4, Mr. Kalaiyarasan Rajangam Mudaliar is one of the transferees to whom Mr. Manish Shah has transferred shares via Off-Market at a price substantially lower than the market price. The proceeds from the sale of such shares have been used by Mr. Kalaiyarasan Rajangam Mudaliar to make payments to PKC, which PKC has utilised to repay to CSB Projects.
- On a combined reading of Table 87 and Table 88, it is noted that the funds utilised by PKC to repay Seacoast, have been funded by Mr. Manish Shah.
- In view of the above, it is concluded that PKC has not effectively made any repayment to Seacoast Limited via Tranche 9.

(g) Tranches 10, 11, and 12: On perusal of the bank statements of PKC (50200024759962 -HDFC), Examen Infra (2405023897 - ICICI), Mr. Kalaiyarasan Rajangam Mudaliar (006401510094 - ICICI), Seacoast (201004088340 – IndusInd), Manish Shah (158488094444 – IndusInd), Starchart (59229904884444 - HDFC), Seacoast-HUF (201002552751 – IndusInd), Arihant Logistics and Shipping Services (059663300000872 - Yes) and Manish Shah (10022243581 – IDFC) the following is noted:

(in Rs. crore)

Tranche	Party	Date	Amount	Party	Date	Amount	Party	Date	Amount	Party	Date	Amount	Party	Date	Amount	Party
10	Kalaiyaran Raja	18/02/21	1.97	Examen Infra	18/02/21	1.95	PKC	19/02/21	0.82	Seacoast	19/02/21	0.82	Manish Shah	19/02/21	0.82	Seacoast-HUF

Tranche	Party	Date	Amount	Party	Date	Amount	Party	Date	Amount	Party	Date	Amount	Party	Date	Amount	Party
11	ngam Mudaliar						PKC	20/02/21	0.60	Seacoast	20/02/21	0.60	Star chart	20/02/21	0.60	Seacoast-HUF
12							PKC	22/02/21	0.50	Seacoast	22/02/21	0.50	Arihant Logistics and Shipping	22/02/21	0.50	Manish

- As detailed at Para 30.1.4, Mr. Kalaiyaran Rajangam Mudaliar is one of the transferees to whom Mr. Manish Shah has transferred shares via Off-Market at a price substantially lower than the market price. The proceeds from the sale of such shares have been used by Mr. Kalaiyaran Rajangam Mudaliar to make payments to PKC, which PKC has utilised to repay to Seacoast.
- In view of the above, it is concluded that PKC has not effectively made any repayment to Seacoast Limited via Tranches 10, 11 and 12.

(h) Tranche 14: On perusal of the bank statements of PKC (50200024759962 -HDFC), Mr. Kalaiyaran Rajangam Mudaliar (006401510094 - ICICI), Seacoast (50200011754820 - HDFC), Manish Shah (158488094444 - IndusInd), Star chart (59229904884444 - HDFC), Seacoast-HUF (29510200000632 - BOB) Seacoast-HUF (201002552751 - IndusInd), the following is noted:

(in Rs. crore)

Party	Date	Amount	Party	Date	Amount	Party	Date	Amount	Party	Date	Amount	Party	Date	Amount	Party	Date	Amount	Party
KRM	10/03/21	1.19	Manish	10/03/21	0.90				PKC	10/03/21	1.06	Seacoast	10/03/21	1.06	Star chart	10/03/21	1.06	Seacoast-HUF
				10/03/21	0.29	Seacoast-HUF	10/03/21	0.29										

- As detailed at Para 30.1.4, Mr. Kalaiyaran Rajangam Mudaliar is one of the transferees to whom Mr. Manish Shah has transferred shares via Off-Market at a price substantially lower than the market price. The proceeds from the sale of such shares have been used by Mr. Kalaiyaran Rajangam Mudaliar to make payments to PKC, which PKC has utilised to repay to Seacoast.
- In view of the above, it is concluded that PKC has not effectively made any repayment to Seacoast Limited via Tranche 14.

Annexure N

(A) PK Shah

The details of acquisition and sale of shares by PK Shah in the scrip of Seacoast is as under:

Particulars	No. of shares
No. of Shares held pre-allotment (A)	-
No. of Shares allotted on preferential basis (B)	10,00,000
Sub-Total (C = A+B)	10,00,000
No. of Shares after taking into account bonus shares (D = C*1.5)	15,00,000
No. of Shares acquired post-bonus & pre-split (E)	-
No. of shares sold post-bonus & pre-split (F)	-
Sub Total (G = D+E-F)	15,00,000
No. of Shares after taking into account share split (H = G*10)	1,50,00,000
No. of Shares acquired post-split (I)	-
No. of Shares Sold - Off Market (J)	-
No. of Shares Sold - On Market (K)	1,50,00,000
No. of Shares as on March 31, 2024 (L = H+I-J-K)	-

Mr. PK Shah sold the entire 1.50 crore shares via On-Market Sale. The details of ill-gotten gains earned by PK Shah, by selling shares of Seacoast that were fraudulently allotted to him, are tabulated as under:

Date	Mode	No. of shares	Price per share (Rs.)	Amount (Rs.)
14-Jul-22	On-Market Sale	10,00,000	2.75	27,50,780
15-Jul-22	On-Market Sale	10,00,000	2.64	26,41,084
18-Jul-22	On-Market Sale	10,00,000	2.52	25,20,270
20-Jul-22	On-Market Sale	10,00,000	2.40	24,00,768
21-Jul-22	On-Market Sale	10,00,000	2.28	22,80,000
22-Jul-22	On-Market Sale	3,88,613	2.25	8,74,379
25-Jul-22	On-Market Sale	20,00,000	2.25	45,00,005
26-Jul-22	On-Market Sale	12,00,000	2.23	26,76,000
27-Jul-22	On-Market Sale	10,00,000	2.22	22,20,000
28-Jul-22	On-Market Sale	3,00,000	2.14	6,42,000
29-Jul-22	On-Market Sale	14,50,000	2.11	30,62,597
01-Aug-22	On-Market Sale	15,00,000	2.20	33,00,000
02-Aug-22	On-Market Sale	10,00,000	2.16	21,57,339
03-Aug-22	On-Market Sale	11,61,387	2.29	26,59,576
<u>Sale Consideration - On Market Sale (A)</u>				3,46,84,799
<u>Cost of Acquisition (B) #</u>				0
<u>Net gains realised by PK Shah (A-B)</u>				3,46,84,799

As detailed in the preceding paragraphs, the effective cost incurred by Mr. PK Shah in subscribing to 0.10 crore shares of Seacoast Limited is 'Zero'

(B) PK Shah HUF

The details of acquisition and sale of shares by PK Shah HUF in the scrip of Seacoast is as under:

Particulars	No. of shares
No. of Shares held pre-allotment (A)	-
No. of Shares allotted on preferential basis (B)	10,00,000
Sub-Total (C = A+B)	10,00,000
No. of Shares after taking into account bonus shares (D = C*1.5)	15,00,000
No. of Shares acquired post-bonus & pre-split (E)	-
No. of shares sold post-bonus & pre-split (F)	-
Sub Total (G = D+E-F)	15,00,000
No. of Shares after taking into account share split (H = G*10)	1,50,00,000
No. of Shares acquired post-split (I)	-
No. of Shares Sold - Off Market (J)	-
No. of Shares Sold - On Market (K)	1,50,00,000
No. of Shares as on March 31, 2024 (L = H+I-J-K)	-

PK Shah HUF sold the entire 1.50 crore shares via On-Market Sale. The details of ill-gotten gains earned by PK Shah HUF, by selling shares of Seacoast that were fraudulently allotted to it, are tabulated as under:

Date	Mode	No. of shares	Price per share (Rs.)	Amount (Rs.)
22-Nov-23	On-Market Sale	5,00,000	3.51	17,57,058
23-Nov-23	On-Market Sale	5,00,000	3.27	16,32,541
24-Nov-23	On-Market Sale	5,00,000	2.97	14,87,352
28-Nov-23	On-Market Sale	3,46,701	2.84	9,83,101
29-Nov-23	On-Market Sale	6,53,299	2.86	18,68,736
30-Nov-23	On-Market Sale	37,00,000	2.59	95,90,698
07-Dec-23	On-Market Sale	88,00,000	2.61	2,29,84,031
<u>Sale Consideration - On Market Sale (A)</u>				<u>4,03,03,518</u>
<u>Cost of Acquisition (B) #</u>				<u>0</u>
<u>Net gains realised by PK Shah HUF (A-B)</u>				<u>4,03,03,518</u>

As detailed in the preceding paragraphs, the effective cost incurred by PK Shah HUF in subscribing to 0.10 crore shares of Seacoast Limited is 'Zero'

(C) CSB Projects

The details of acquisition and sale of shares by CSB Projects in the scrip of Seacoast is as under:

Particulars	No. of shares
No. of Shares held pre-allotment (A)	-
No. of Shares allotted on preferential basis (B)	10,00,000
Sub-Total (C = A+B)	10,00,000
No. of Shares after taking into account bonus shares (D = C*1.5)	15,00,000

Particulars	No. of shares
No. of Shares acquired post-bonus & pre-split (E)	7,632
No. of shares sold post-bonus & pre-split (F)	-
Sub Total (G = D+E-F)	15,07,632
No. of Shares after taking into account share split (H = G*10)	1,50,76,320
No. of Shares acquired post-split (I)	-
No. of Shares Sold - Off Market (J)	-
No. of Shares Sold - On Market (K)	1,50,76,320
No. of Shares as on March 31, 2024 (L = H+I-J-K)	-

CSB Projects sold the entire 1,50,76,320 shares via On-Market Sale. Out of the total 1,50,76,320 shares sold by CSB Projects, 1,50,00,000 shares were acquired on account of preferential allotment and the balance shares i.e., 76,320 shares were acquired through other than the preferential allotment. The details of ill-gotten gains earned by CSB Projects, by selling shares of Seacoast that were fraudulently allotted to it, are tabulated as under:

Date	Mode	No. of shares	Adjust ment	Adjusted No. of shares	Price per share (Rs.)	Amount (Rs.)
27-May-22	On-Market Sale	25,00,000	-	25,00,000	6.75	1,68,75,477
30-May-22	On-Market Sale	2,50,000	-	2,50,000	6.53	16,32,500
02-Jun-22	On-Market Sale	5,00,122	-	5,00,122	5.80	29,00,708
03-Jun-22	On-Market Sale	12,00,000	-	12,00,000	5.32	63,86,366
06-Jun-22	On-Market Sale	8,00,000	-	8,00,000	5.08	40,65,030
13-Jun-22	On-Market Sale	5,38,388	-	5,38,388	4.54	24,44,282
15-Jun-22	On-Market Sale	34,79,067	-	34,79,067	4.54	1,57,92,868
17-Jun-22	On-Market Sale	50,00,000	-	50,00,000	4.27	2,13,27,355
21-Jun-22	On-Market Sale	5,14,219	-	5,14,219	4.21	21,64,862
27-Jun-22	On-Market Sale #	2,94,524	76,320	2,18,204	3.43	7,48,440
<u>Sale Consideration - On Market Sale (A)</u>						<u>7,43,37,888</u>
<u>Cost of Acquisition (B) ##</u>						<u>-</u>
<u>Net gains realised by CSB Projects (A-B)</u>						<u>7,43,37,888</u>

FIFO method – 76,320¹ shares acquired by CSB Projects after preferential allotment of shares, were sold last on June 27, 2022, i.e., after the sale of shares allotted on preferential basis. Hence, the number of shares sold on June 27, 2022, are adjusted suitably.

As detailed in the preceding paragraphs, the effective cost incurred by CSB Projects in subscribing to 0.10 crore shares of Seacoast Limited is 'Zero'

(D) Credo

The details of acquisition and sale of shares by Credo in the scrip of Seacoast is as under:

¹ considering the stock split of 10:1

Particulars	No. of shares
No. of Shares held pre-allotment (A)	150
No. of Shares allotted on preferential basis (B)	10,00,000
Sub-Total (C = A+B)	10,00,150
No. of Shares after taking into account bonus shares (D = C*1.5)	15,00,225
No. of Shares acquired post-bonus & pre-split (E)	-
No. of shares sold post-bonus & pre-split (F)	7,54,435
Sub Total (G = D+E-F)	7,45,790
No. of Shares after taking into account share split (H = G*10)	74,57,900
No. of Shares acquired post-split (I)	20,000
No. of Shares Sold - Off Market (J)	-
No. of Shares Sold - On Market (K)	74,59,196
No. of Shares as on March 31, 2024 (L = H+I-J-K) #	18,704

FIFO method – Out of the 20,000 shares acquired by Credo after preferential allotment of shares, 18,704 were lying in the closing balance as on March 31, 2024 and the balance 1,296 shares were sold last i.e., after the sale of shares allotted on preferential basis

Credo sold 82,13,631 shares (7,54,435 shares post-bonus & pre-split and 74,59,196 shares post-bonus & post-split) via On-Market Sale. Out of the 82,13,631 shares sold by Credo, 82,12,110 shares were acquired on account of preferential allotment and the balance shares i.e., 1,521 (225+1,296) shares were acquired through other than preferential allotment.

The details of ill-gotten gains earned by Credo, by selling shares of Seacoast that were fraudulently allotted to it, are tabulated as under:

Date	Mode	No. of shares	Adjust ment	Adjusted No. of shares	Price per share (Rs.)	Amount (Rs.)
02-Nov-21	On-Market Sale #	1,38,000	225	1,37,775	181.03	2,49,41,216
03-Nov-21	On-Market Sale	40,000	-	40,000	170.13	68,05,176
09-Nov-21	On-Market Sale	1,42,000	-	1,42,000	173.36	2,46,17,193
10-Nov-21	On-Market Sale	2,450	-	2,450	180.75	4,42,838
11-Nov-21	On-Market Sale	10,689	--	10,689	179.92	19,23,215
12-Nov-21	On-Market Sale	1,60,177	-	1,60,177	168.40	2,69,73,533
17-Nov-21	On-Market Sale	62,000	-	62,000	161.97	1,00,42,443
18-Nov-21	On-Market Sale	12,119	-	12,119	179.30	21,72,979
22-Nov-21	On-Market Sale	16,900	-	16,900	187.00	31,60,270
10-Dec-21	On-Market Sale	28,100	-	28,100	178.90	50,27,000
16-Dec-21	On-Market Sale	26,000	-	26,000	190.50	49,52,924
17-Dec-21	On-Market Sale	11,000	-	11,000	187.81	20,65,922
20-Dec-21	On-Market Sale	27,500	-	27,500	180.10	49,52,750
22-Dec-21	On-Market Sale	11,500	-	11,500	191.40	22,01,084
23-Dec-21	On-Market Sale	25,500	-	25,500	192.00	48,96,055
27-Dec-21	On-Market Sale	13,000	-	13,000	192.00	24,96,025
28-Dec-21	On-Market Sale	27,500	-	27,500	202.00	55,55,000
10-Jan-22	On-Market Sale	3,20,000	-	3,20,000	19.10	61,12,000

Date	Mode	No. of shares	Adjust ment	Adjusted No. of shares	Price per share (Rs.)	Amount (Rs.)
12-Jan-22	On-Market Sale	7,20,000	-	7,20,000	18.43	1,32,66,884
14-Jan-22	On-Market Sale	1,16,350	-	1,16,350	17.25	20,07,038
24-Jan-22	On-Market Sale	1,04,500	-	1,04,500	17.36	18,14,287
24-Mar-22	On-Market Sale	20,000	-	20,000	14.20	2,83,972
17-May-22	On-Market Sale	2,00,000	-	2,00,000	6.98	13,96,000
18-May-22	On-Market Sale	21,34,108	-	21,34,108	6.81	1,45,32,228
19-May-22	On-Market Sale	10,00,000	-	10,00,000	7.35	73,50,547
20-May-22	On-Market Sale	10,00,000	-	10,00,000	7.73	77,27,558
23-May-22	On-Market Sale	10,00,000	-	10,00,000	7.41	74,10,000
24-May-22	On-Market Sale	7,44,238	-	7,44,238	7.75	57,67,868
25-May-22	On-Market Sale ##	1,00,000	1,296	98,704	7.44	7,34,358
Sale Consideration - On Market Sale (A)						20,16,28,362
Cost of Acquisition (B) ###						-
Net gains realised by Credo (A-B)						20,16,28,362

FIFO method – 225² shares acquired by Credo before preferential allotment of shares, were sold first on November 02, 2021, i.e., before the sale of shares allotted on preferential basis. Hence, the number of shares sold on November 02, 2021, are adjusted suitably.

FIFO method – Out of the 20,000 shares acquired by Credo after preferential allotment of shares, 18,704 were lying in the closing balance as on March 31, 2024, and the balance 1,296 shares were sold last on May 25, 2022, i.e., after the sale of shares allotted on preferential basis. Hence, the number of shares sold on May 25, 2022, are adjusted suitably.

As detailed in the preceding paragraphs, the effective cost incurred by Credo in subscribing to 0.10 crore shares of Seacoast Limited is 'Zero'

Total

Thus, total ill-gotten gains made by RS Preferential Allottees are as under:

Name of the preferential allottee	Ill-gotten gain (Amount in Rs.)
PK Shah	3,46,84,799
PK Shah HUF	4,03,03,518
CSB Projects	7,43,37,888
Credo	20,16,28,362
Total ill-gotten gains	35,09,54,567

² considering the bonus of 1:2

Annexure O

(A) Deep Shah

The details of acquisition and sale of shares by Deep Shah in the scrip of Seacoast is as under:

Particulars	No. of shares
No. of Shares held pre-allotment (A)	2,31,000
No. of Shares allotted on preferential basis (B)	6,00,000
Sub-Total (C = A+B)	8,31,000
No. of Shares after taking into account bonus shares (D = C*1.5)	12,46,500
No. of Shares acquired post-bonus & pre-split (E)	-
No. of shares sold post-bonus & pre-split (F)	-
Sub Total (G = D+E-F)	12,46,500
No. of Shares after taking into account share split (H = G*10)	1,24,65,000
No. of Shares acquired post-split (I)	-
No. of Shares Sold - Off Market (J)	1,20,00,000
No. of Shares Sold - On Market (K)	4,65,000
No. of Shares as on March 31, 2024 (L = H+I-J-K)	-

Deep Shah sold the entire 1,24,65,000 shares (1,20,00,000 shares via Off-Market Sale and 4,65,000 shares via On-market sale). Out of the total 1,24,65,000 shares sold by Deep Shah, 90,00,000 shares were acquired on account of preferential allotment and the balance shares i.e., 34,65,000 shares were acquired through other than the preferential allotment.

On-Market Sale

Mr. Deep Shah sold 4,65,000 shares via On-market sale. The same is tabulated as under:

Date	Mode	No. of shares	Price per share (Rs.)	Amount (Rs.)
08-Feb-23	On-Market Sale	14,173	3.75	53,149
10-Feb-23	On-Market Sale	2,48,500	3.66	9,08,930
13-Feb-23	On-Market Sale	35,983	3.71	1,33,318
14-Feb-23	On-Market Sale	21,307	3.45	73,509
16-Feb-23	On-Market Sale	1,00,247	3.62	3,63,056
17-Feb-23	On-Market Sale	44,790	3.41	1,52,614
Sale Consideration - On Market Sale (B)				16,84,577

Off-Market Sale

Mr. Deep Shah transferred 1.20 crore shares via Off-market sale to Mr. Kuntal Jitendra Trivedi. The illegal gains made by Mr. Deep Shah by indirectly selling these shares of Seacoast via Off-market is being separately investigated.

Annexure P

1st layer parties

Sl. No.	Particulars	Amount (Rs.)	%
1	Rajni Enterprise	8,55,50,000	17.65%
2	Vinit Enterprise	8,10,45,000	16.72%
3	Vasupujya Trading Co	6,32,24,000	13.04%
4	Green Agro Enterprises	4,60,00,000	9.49%
5	Kiren Enterprise	4,35,25,000	8.98%
6	Hiren Enterprise	4,01,00,000	8.27%
7	Advanto Agro	1,50,00,000	3.09%
8	A1 Shippers	1,25,00,000	2.58%
9	Tencent Trading	1,00,00,000	2.06%
10	Dreamland Enterprises	1,00,00,000	2.06%
11	Vidhika Enterprise	70,00,000	1.44%
12	Lotus Enterprises	50,00,000	1.03%
13	Mithlesh Consultancy LLP	50,00,000	1.03%
14	Aditya Infrsolutions Private Limited	50,00,000	1.03%
15	Fedex Enterprises	40,00,000	0.83%
16	Harshil Agrotech Limited	12,50,000	0.26%
	Sub-Total	43,41,94,000	89.56%
	Repayment of Cash Credit	5,00,00,000	10.31%
	Rights Issue Charges	5,90,000	0.12%
	Fund trail couldn't be ascertained	28,000	0.01%
	Total	48,48,12,000	100.00%

2nd layer transfers

Name of the Party	Amount (Rs.)	Name of the Party	Amount (Rs.)	Name of the Party	Amount (Rs.)
Rajni Enterprise	8,55,50,000	Vinit Enterprise	8,10,45,000	Vasupujya Trading Co	6,45,96,222
Onward payments		Onward payments		Onward payments	
Green Agro Enterprises	2,06,00,000	Mehta Ritu Rahul	1,02,50,000	Dhwani Enterprise	90,30,000
Advanta Agro	1,00,00,000	Tyrant Trading	1,00,00,000	Fedex Enterprises	75,00,000
Unknown	74,04,210	Infinity Trading Co	93,43,000	Mahakali Enterprise	61,00,000
Mahakali Enterprise	62,52,500	Fedex Enterprises	65,00,000	Shiny Impex	50,00,000
Mehta Rahul	57,50,000	Dhwani Enterprise	61,40,000	Unknown	50,00,000
Mehta Ritu Rahul	40,00,000	Adventure India	55,40,000	Archita Sales	48,00,000
Tarunkumar Makwana	30,70,990	Genesys International	50,00,000	Pionex Agricom Pvt Ltd	30,40,000
Kamlesh Kanojiya	30,42,500	Mahakali Enterprise	50,00,000	Baljeetkaur Bramin	30,13,175

Name of the Party	Amount (Rs.)	Name of the Party	Amount (Rs.)	Name of the Party	Amount (Rs.)
Koshti Naynaben	30,00,000	Real Infratrade Consultancy	50,00,000	Mahednra Zala	30,13,175
Mahendrabhai D Koshti	30,00,000	Vasundhara Developers	30,00,000	Mahesh Transport Co	26,00,000
Shivani Enterprises	30,00,000	Talent Infoway Limited	25,00,000	Rekha J Thakor	20,00,000
Vishwanath Ramanlal Patel	30,00,000	Koshti Naynaben	20,00,000	Tulsiben D Sapkale	20,00,000
Jeshing M Thakor	25,00,000	Mahendrabhai D Koshti	20,00,000	Jeshing M Thakor	20,00,000
JK Motors	25,00,000	Rekha J Thakor	20,00,000	Kosti Naynaben	20,00,000
Tulsiben D Sapkale	25,00,000	Aditya Enterprise	10,00,000	Adventure India	18,00,000
Manishkumar Anjanikumar Dhanuka	15,00,000	Manishkumar Anjanikumar	10,00,000	Ankit Infrabuid LLP	11,00,000
Mr. Ramachandiran K	10,00,000	Harbhajan Kaur Sethi	6,00,000	New Ocean Energy Holding	10,00,000
Raja Digital Marketing	7,29,800	Indus Infinity Trading Co	6,00,000	Pritibala Apandey	10,00,000
Indus Adventure India	5,50,000	National Way Bridge	5,00,000	Rimjhim Gaur	10,00,000
Ankita Agarwal Kaushank Agarwal	5,00,000	Rani Kaur Sethi	5,00,000	Ramsohavan So Jageshwar	6,80,000
Kushank B Agarwal HUF	5,00,000	Sethi Devendra Singh	5,00,000	Ibis Smart Marble Pvt Ltd	4,78,945
Mr. Brij Vallabh Das A	5,00,000	Vipulbhai Kanubhai Shah	5,00,000	Pearl Quartz Stone Pvt Ltd	3,17,015
Mr. Suman Agrawal	5,00,000	Kanak Enterprises	3,60,223	Ultratech Impex LLP	1,23,912
Vaghela Yogita	1,00,000	Pinawali Enterprises	3,55,981		
Mr. Umesh Dhirendrakum	50,000	Unknown	3,48,136		
		Dhanraj Elliot Medora	3,00,000		
		Banshika Sharma	1,35,150		
		Abhijeet Patankar HUF	52,510		
		HCG Medi Surge Hospitas Private Ltd	20,000		
Total	8,55,50,000	Total	8,10,45,000	Total	6,45,96,222