



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

Adjudicating Officer
Enquiries and Adjudication Department (EAD) – EAD 3
ead-3@sebi.gov.in

SEBI/EAD-3/OW/FFSL /JS/SP/P/2018/ 35460 /1

January 01, 2019

By SPAD/HD

Noticees:

1. Shri Jagannath T Poonja 5, CD, Mona Apartments, 46F, Bhulabhai Desai Road, Mumbai-400026	2. Jagannath T Poonja (HUF) 5, CD, Mona Apartments, 46F, Bhulabhai Desai Road, Mumbai-400026
3. Ms. Sangeeta Poonja, 5, CD, Mona Apartments, 46F, Bhulabhai Desai Road, Mumbai-400026	4. Shri Abhinay Poonja, 5, CD, Mona Apartments, 46F, Bhulabhai Desai Road, Mumbai-400026
5. Ms. Aparna Poonja 5, CD, Mona Apartments, 46F, Bhulabhai Desai Road, Mumbai-400026	6. Ms. Nirmala Mehra, 5, CD, Mona Apartments, 46F, Bhulabhai Desai Road, Mumbai-400026
7. Shri Nimish C Shah, 13-A, New Woodland CHS, Pedder Road, Mumbai - 400026	8. Shri Nimish C Shah (HUF), 13-A, New Woodland CHS, Pedder Road, Mumbai – 400026
9. Ms. Jalpa Nimish Shah, 13-A, New Woodland CHS, Pedder Road, Mumbai - 400026	10. Shri Chandulal D Shah, 13-A, New Woodland CHS, Pedder Road, Mumbai – 400026
11. Chandulal D Shah (HUF), 13-A, New Woodland CHS, Pedder Road, Mumbai – 400026	12. Ms. Indumati C Shah, 704, Pleasant Park, 65, Pedder road, Mumbai – 400 026
13. Shri Shirish Desai, Sovika Chemicals P Ltd., B/2, Pareksh Mahel, VN Road, Mumbai- 400 020	14. Ms. Usha S Desai, V S Road, Prabhadevi, Kirti College Chowk, Mumbai- 400 028
15. Ms. Tara Gajaria, Qirtas & Gajria, P.O. 387, Safat Kuwait	16. C H Gajaria, Qirtas & Gajria, P.O. 387, Safat Kuwait
17. Ms. Chandralata Gajaria, 3, Sonawala Road, 67, Marine Drive, Mumbai- 400 020	18. Ms. Chandrika Gajaria, 3, Sonawala Road, 67, Marine Drive, Mumbai- 400 020
19. Ms. Kusum Gajaria, 3, Sonawala Road, 67, Marine Drive, Mumbai- 400 020	20. L H Gajaria, Tokyo Technical Corporation, Myogadani Heights, no. 3-5-4, Ohtsuka, Bunkyo Ku, Tokyo 112, Japan
21. Shri Sohan C Mehta Flat No. 1307, 13 th Floor, Grande Tower, 2 Senapati Bapat Marg, Lower Parel. Mumbai- 400 013	22. Shri Sohan C Mehta HUF, Flat No. 1307, 13 th Floor, Grande Tower, 2 Senapati Bapat Marg, Lower Parel. Mumbai- 400 013
23. Ms Sudha Mehta, Flat No.23, 7 th Floor, Blue Gardenia, Peddar Road, Mumbai- 400 026	24. Shri Sahil Mehta, Flat No.23, 7 th Floor, Blue Gardenia, Peddar Road, Mumbai- 400 026

सेबी भवन, प्लॉट सं. सी 4-ए, "जी" ब्लॉक, बांद्रा कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई - 400 051.

दूरभाष : 2644 9950 / 4045 9950 (आई.वी.आर. एस.), 2644 9000 / 4045 9000 फैक्स : 2644 9019 से 2644 9022 वेब : www.sebi.gov.in



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25. Ms. Mansi Mehta, Flat No.23, 7 th Floor, Blue Gardenia, Peddar Road, Mumbai- 400 026	26. Ms Hiraben Mehta, Flat No.23, 7 th Floor, Blue Gardenia, Peddar Road, Mumbai- 400 026
27. Shri Ketan Dalal, 9A, Residences, 9 th Floor, Bomajee Petit Road, Mumbai- 400 026	28. Shri Arvind Dalal, 9A, Residences, 9 th Floor, Bomajee Petit Road, Mumbai- 400 026
29. Umrigar Investment P Ltd., KK Chambers, Second Floor, Sir P T Marg, Fort, Mumbai- 400 026	30. Carmona Investment & finance P Ltd., KK Chambers, Second Floor, Sir P T Marg, Fort, Mumbai- 400 026
31. Jamish Investment P Ltd., KK Chambers, Second Floor, Sir P T Marg, Fort, Mumbai- 400 026	32. Ms. Vidhi N Shah, 13-A, New Woodland CHS, 67, Peddar Road, Mumbai- 400 026

Show Cause Notice under Rule 4 of SEBI (Procedure for Holding Inquiry and imposing Penalties by Adjudicating Officer) Rules, 1995 read with Section 15-I of the SEBI Act, 1992 in the matter of Fortune Financial Services (India) Ltd. (now known as The Investment Trust of India Ltd.)

1. An Adjudication Officer was appointed vide order dated April 25, 2016 read with Section 19 read with Section 15-I of the Securities and Exchange Board of India Act, 1992 ('SEBI Act') and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rule, 1995 ('SEBI Rules') to inquire into and adjudge against various entities in the scrip of Fortune Financial Services (India) Ltd. ('FFSL/Target Company') (now known as 'The Investment Trust of India Ltd.'). listed at the Bombay Stock Exchange ('BSE'), under Section 15H(ii) and Section 15A(b) of SEBI Act for the alleged violations of provisions of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 ('SAST Regulations, 1997') and SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ('SAST Regulations, 2011'). The nature of findings along with the alleged contraventions of regulations and penal provisions for such contraventions by various entities, are as under:

Sr. No	Noticee Name	Nature of Violation	Alleged Violation of provisions
1	Nimish C Shah ('Nimish')	Not made open offer	Regulations 11(1) and 11(2) of SAST Regulations, 1997 and Regulation 30(2) read with Regulation
2	J T Poonja ('Poonja')		
3	Sangeeta Poonja ('Sangeeta')		
4	Abhinay Poonja ('Abhinay')		
5	Aparna Poonja ('Aparna')		
6	Umrigar Investment Pvt. Ltd. ('Umrigar')		





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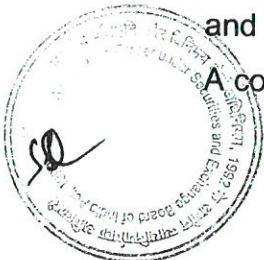
7	Jalpa Nimish Shah ('Jalpa')	Delayed disclosure by 7 days	30(3) of SAST Regulations, 2011
8	Indumati C Shah ('Indumati')		
9	Nimish C Shah HUF ('Nimish (HUF)')		
10	Sohan C Mehta ('Sohan')		
11	Sohan C Mehta HUF ('Sohan(HUF)')		
12	J T Poonja (HUF) ('Poonja(HUF)')		
13	Sudha Mehta ('Sudha')		
14	Sahil Mehta ('Sahil')	Not made open offer	have violated the provisions of Regulations 11(1) and 11(2) of SAST Regulations, 1997
15	Nirmala Mehra('Nirmala')		
16	Chandulal D Shah ('Chandulal')		
17	Chandulal D Shah (HUF) ('Chandulal(HUF)')		
18	Shirish Desai ('Shirish')		
19	Usha S Desai ('Usha')		
20	Tara Gajaria ('Tara')		
21	C H Gajaria ('Gajaria')		
22	Chandralata Gajaria ('Chandralata')		
23	Chandrika Gajaria ('Chandrika')		
24	Kusum Gajaria ('Kusum')		
25	L H Gajaria		
26	Mansi Mehta ('Mansi')		
27	Hiraben Mehta ('Hiraben')		
28	Ketan Dalal ('Ketan')		
29	Arvind Dalal ('Arvind')		
30	Carmona Investments & finance P Ltd. ('Carmona')		
31	Jamish Investment P Ltd. ('Jamish')	Delayed disclosure by 7 days	Regulation 30(2) read with Regulation 30(3) of SAST Regulations, 2011
32	Vidhi N Shah ('Vidhi')		

The entities at above sr. no. 1-32 are referred as 'Noticees'.

A copy of the communication order dated July 10, 2018 are enclosed as **Annexure -1.**

- Subsequently, vide order dated July 10, 2018, the matter was transferred to undersigned to inquire and adjudge in the matter.
- SEBI, received a Letter of Offer(s), filed by Sharyans Resources Ltd., Aditya Infotech P Ltd., Fine Estates P Ltd and Neostar Developers LLP along with Persons Acting in Concert ('PAC') namely Sudhir V Valia, Raksha S Valia, Vijay M Parekh and Paresh M Parekh to acquire 26% of the voting share capital of FFSL in 2013.

A copy of letter of Offer is at **Annexure 2.**





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4. SEBI, while examining the letter of offer document, has observed that Nimish Shah, the promoters of FFSL and the noticee had acquired 8.098% of the share capital of the Company, due to which the total holdings of the promoters of FFSL had increased to 70.208% of the share capital of FFSL from 62.12% of the share capital of FFSL. Usha Desai, another promoter of FFSL and the noticee had acquired 8.248% of the share capital of FFSL on January 14, 2000, which resulted in increase in promoter's holdings in FFSL to 76.37% from the holding of 68.13% of the share capital of FFSL.
5. Further, on June 30, 2006, Nimish C Shah (HUF), acquired 9.874% shares of FFSL, which resulted in increase in promoter's holdings of FFSL to 77.88% of the share capital of FFSL. On August 21, 2007 and July 31, 2008, Carmona Investment, promoter of FFSL had acquired 0.40% and 0.520% of the share capital of FFSL, which resulted in increase in the holdings of the promoters of FFSL from 59.03% to 59.95% of the share capital of FFSL.
6. Further, Sohan Mehta, Promoter of FFSL and noticee, on August 31, 2007 had acquired 0.94% of the share capital of FFSL, which resulted in increase in the holdings of the promoters of FFSL to 60.89% of the share capital of FFSL. The list of promoters of FFSL for the period / quarters ended September 20, 1999, January 14, 2000, June 30, 2006, August 21, 2007 and August 30, 2007 as provided by FFSL vide email dated August 24, 2017, as enclosed as **Annexure 3**.
7. Thus, the promoters of FFSL, namely the noticees at Sr. No. 1-30 alleged to have violated of provisions of SAST Regulations, 1997 and SAST Regulations, 2011 respectively for not making open offer for the transactions on September 20, 1999, January 14, 2000, June 30, 2006, August 21, 2007, and August 30, 2007. Accordingly, it is alleged that the promoters of FFSL at Sr. No. 1-30 have alleged to have violated Regulation 11(1) and Regulation 11(2) of SAST Regulations, 1997.
8. Also, while examining the letter of Offer document filed, it is observed that the promoters of FFSL, noticees at Sr. No. 1-14 and 31-32 have failed to disclose their aggregate shareholding and voting rights in FFSL within the stipulated time of





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days from the end of each financial year to the stock exchange and the Company. Thus, the promoters at Sr. no. 1-14, 31-32 have alleged to have violated Regulation 30(2) read with Regulation 30(3) of SAST Regulations, 2011. A copy of email of BSE dated July 14, 2015 detailing the date on which the disclosure were filed by promoters of FFSL to BSE is enclosed as **Annexure 4**.

9. The text of the relevant provisions of SAST Regulations, 1997 are reproduced hereunder:

SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997
Consolidation of holdings.

11. (1)

No acquirer who, together with persons acting in concert with him, has acquired, in accordance with the provisions of law, ¹15 per cent or more but less than 2[fifty five per cent (55%)] of the shares or voting rights in a company, shall acquire, either by himself or through or with persons acting in concert with him, additional shares or voting rights entitling him to exercise more than 3[5% of the voting rights], 4[with post acquisition shareholding or voting rights not exceeding fifty five per cent.,] 5[in any financial year ending on 31st March] unless such acquirer makes a public announcement to acquire shares in accordance with the regulations.

6[(2) No acquirer, who together with persons acting in concert with him holds, fifty-five per cent (55%) or more but less than seventy-five per cent (75%) of the shares or voting rights in a target company, shall acquire either by himself or through 7[or with] persons acting in concert with him any additional shares 8[entitling him to exercise voting rights] or voting rights therein, unless he makes a public announcement to acquire shares in accordance with these Regulations:

Provided that in a case where the target company had obtained listing of its shares by making an offer of at least ten per cent (10%) of issue size to the public in terms of clause (b) of sub-rule (2) of rule 19 of the Securities Contracts (Regulation) Rules, 1957, or in terms of any relaxation granted from strict enforcement of the said rule, this sub-regulation shall apply as if for the words and figures seventy-five per cent (75%), the words and figures ninety per cent (90%) were substituted.]

9[Provided further that such acquirer may, 10[notwithstanding the acquisition made under regulation 10 or sub-regulation (1) of regulation 11,] without making a public announcement under these Regulations, acquire, either by himself or through or with persons acting in concert with him, additional shares or voting rights entitling him upto five per cent. (5%) voting rights in the target company subject to the following:-

- (i) the acquisition is made through open market purchase in normal segment on the stock exchange but not through bulk deal /block deal/ negotiated deal/ preferential allotment; or the increase in the shareholding or voting rights of the acquirer is pursuant to a buy back of shares by the target company;
- (ii) (ii) the post acquisition shareholding of the acquirer together with persons acting in concert with him shall not increase beyond seventy five per cent.(75%).]

¹ Substituted for "not less than 10% but not more than 51%" by the SEBI (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 1998, w.e.f. 28-10-98.

² Substituted for —75% by the SEBI (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2005, w.e.f. 3-1-2005.

³ Substituted for —10% of the voting rights by the SEBI (Substantial Acquisition of Shares and Takeovers) (Second Amendment) Regulations, 2002, w.e.f. 1-10-2002. Earlier it was substituted for —5% of the voting rights by the SEBI (Substantial Acquisition of Shares and Takeovers) (Third Amendment) Regulations, 2001, w.e.f. 24-10-2001.

⁴ Inserted by the SEBI (Substantial Acquisition of Shares and Takeovers) (Third Amendment) Regulations, 2009, w.e.f. 6-11-2009.

⁵ Substituted for the words —in any period of 12 months by the SEBI (Substantial Acquisition of Shares and Takeovers) (Second Amendment) Regulations, 2002, w.e.f. 9-9-2002.

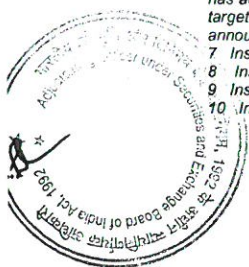
⁶ Substituted by the SEBI (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2006, w.e.f. 26-5-2006. Prior to its substitution, sub-regulation (2), as amended by the SEBI (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2005, w.e.f. 3-1-2005 and SEBI (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 1998, w.e.f. 28-10-1998, read as under: —(2) An acquirer, who together with persons acting in concert with him has acquired, in accordance with the provisions of law, fifty five per cent (55%) or more but less than seventy five per cent (75%) of the shares or voting rights in a target company, may acquire either by himself or through persons acting in concert with him any additional share or voting right, only if he makes a public announcement to acquire shares or voting rights in accordance with these regulations.

⁷ Inserted by the SEBI (Substantial Acquisition of Shares and Takeovers) (Third Amendment) Regulations, 2009, w.e.f. 6-11-2009.

⁸ Inserted by the SEBI (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2008, w.e.f. 31-10-2008.

⁹ Inserted by the SEBI (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2008, w.e.f. 31-10-2008.

¹⁰ Inserted by the SEBI (Substantial Acquisition of Shares and Takeovers) (Third Amendment) Regulations, 2009, w.e.f. 6-11-2009.





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SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011
Continual disclosures.

30(2) The promoter of every target company shall together with persons acting in concert with him, disclose their aggregate shareholding and voting rights as of the thirty-first day of March, in such target company in such form as may be specified.

(3) The disclosures required under sub-regulation (1) and sub-regulation (2) shall be made within seven working days from the end of each financial year to,—

- (a) every stock exchange where the shares of the target company are listed; and
- (b) the target company at its registered office.

10. The aforesaid alleged violations/ non-compliance, if established, make you liable for monetary penalty under Section 15A(b) and Section 15H(ii) of SEBI Act, 1992 which reads as follows:

Section 15A(b) of SEBI Act, 1992

15A. Penalty for failure to furnish information, return, etc.- If any person, who is required under this Act or any rules or regulations made thereunder,—

(b) to file any return or furnish any information, books or other documents within the time specified therefor in the regulations, fails to file return or furnish the same within the time specified therefor in the regulations, he shall be liable to [a penalty of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less];

Section 15H(ii) of SEBI Act, 1992

Penalty for non-disclosure of acquisition of shares and takeovers.

15H. If any person, who is required under this Act or any rules or regulations made thereunder, fails to,—

- (i)---; or
- (ii) make a public announcement to acquire shares at a minimum price; or

11. You are, therefore, called upon to show cause as to why an inquiry should not be held against you in terms of Rule 4 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 and penalty be not imposed under Section 15A(b) and Section 15H(ii) of the SEBI Act for the alleged contravention of the SAST Regulations, 1997 and SAST Regulations, 2011.

12. Your reply, if any, should reach the undersigned, at the address given below, as well as through email at "ead-3@sebi.gov.in", within 14 days from the date of receipt of this notice, failing which it shall be presumed that you have no reply to submit and the matter would be further proceeded with on the basis of the evidence available on record in terms of sub-rule (7) of rule (4) of SEBI (Procedure For Holding Inquiry and imposing penalties by Adjudicating Officer) Rules, 1995.

You may also indicate whether you desire a personal hearing in the matter, to the following address:





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Securities and Exchange Board of India

SEBI Bhavan, C4-A, 'G' Block
Bandra Kurla Complex, Bandra (East)
Mumbai- 400 051

14. You are also advised to submit a copy of your PAN card for our records. As the proceedings as informed above are in progress, you are advised to keep the undersigned informed about the change in your correspondence address, if any, till the proceedings are completed.
15. For all correspondence in these proceedings, please quote the subject of your letter as mentioned in this notice and reference of this letter be mentioned in your correspondence. Your correspondence should invariably be addressed to **Enquiry and Adjudication Department-3, SEBI**. This Office shall not be responsible for any late receipt of your correspondence if not addressed to this office specifically".


Jeevan Sonparote
Adjudicating Officer

Encl: a/a



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TO

ANNEXURES TO S/N
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