WTM/ASB/CFID/CFID-SEC4/30859/2024-25

SECURITIES AND EXCHANGE BOARD OF INDIA

INTERIM ORDER

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

In respect of:

SL. No.	NOTICEE(S)	PAN
1	**Cressanda Railway Solutions Limited (Previously known as Cressanda Solutions Ltd.)**	**AAACC1553F**
2	**Smart infraproperties Private Limited**	**AAQCS6937F**
3	**Milind Madhukar Palav**	**BOLPP8040R**
4	**Manohar Iyer Sadahalli Nagaraj**	**ADKPN1944R**
5	**Rajkumar Dinesh Masalia**	**AKNPM0248H**
6	**Sanskruti Commotrade LLP**	**ACQFS7054L**
7	**Kamla Multitrade LLP**	**AAOFK4617K**
8	**Kittu Commosales LLP**	**AAOFK5636L**
9	**Intex Commosales LLP**	**AAFFI2676H**
10	**Litex Traders LLP**	**AAFFL8157J**

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

Background:

1. Securities and Exchange Board of India ("**SEBI**") initiated investigation in the matter of Cressanda Railway Solutions Limited (previously known as Cressanda Solutions Limited) ("**Cressanda**" **/** "**CRSL**" **/** "**the Company**") as it was observed that the Company had changed its registered office address three times during the period February 2022 to May 2022 and its revenue spiked sharply to Rs.75.13 Crore in FY23 from Rs.0.18 Crore in FY22. Further, its KMPs and statutory auditors had resigned during the period November 2021

to February 2022. The *prima facie* findings of investigation are mentioned in subsequent paragraphs.

2. Cressanda is listed on BSE since 1986. As per information available on the Company's website, CRSL is in the business of providing software services, digital media services and information technology (IT) enabled services. CRSL is listed on BSE Limited (BSE) since 1986. Its market capitalization was about Rs.530 Crore at the end of September 2024 while trading at Rs.12.70 per share. The promoter of CRSL is Smart Infraproperties Pvt. Ltd. ("**SIPL**") having 0.08% shareholding in CRSL.

3. It was observed that during the period between November 2021 to February 2022 many of the directors and KMPs of the Company had resigned on the reported grounds of pre-occupancy and personal reasons. The Company in its reply to SEBI dated November 6, 2023 submitted that the resignations were due to internal reorganization of its management team and post-Covid economic difficulties.

4. It was observed that the Company during the period from February 2022 to May 2022 had changed its registered office address three times. In its reply to BSE, the Company cited the reason for the frequent changes as shortage of office space.

Sudden increase in revenue of the Company after June 2022:

5. The standalone financial performance of the Company from FY12 onwards, as available on the website www.screener.in, is provided in the table below:

	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23
Sales	0.00	0.00	0.00	0.00	0.00	0.00	0.09	0.18	75.13
Expenses	0.29	0.19	5.15	0.12	0.09	0.09	0.09	0.23	73.54
Operating Profit	**-0.29**	**-0.19**	**-5.15**	**-0.12**	**-0.09**	**-0.09**	**0.00**	**-0.05**	**1.59**
OPM %							0.00	-0.28	0.02
Other Income	0.17	0.03	0.22	0.11	0.00	0.00	0.00	0.33	5.56
Interest	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.01
Depreciation	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Profit before tax	**-0.15**	**-0.17**	**-4.93**	**-0.01**	**-0.09**	**-0.09**	**0.00**	**0.27**	**7.14**
Tax %	0.00	-1.47	0.00	0.00	0.00	0.00		0.00	0.25
Net Profit	**-0.15**	**-0.42**	**-4.94**	**-0.01**	**-0.09**	**-0.09**	**0.00**	**0.27**	**5.36**

6. It was observed that the Company had NIL revenue from operations between FY15 to FY20. Its Other Income during the period was also either NIL or negligible. The expenses reported by the Company over the said period were also in close proximity to the reported income except during FY17 when the Company reported large expenses (approximately Rs.5 Crore was debited to profit and loss account as provisions for doubtful debts) without reporting revenue in that FY. A part of the said provision for doubtful debt created in FY17 was later written back in FY22 and FY23 to increase the profitability of the Company.

7. It was observed that revenue of the Company in FY22 was merely Rs.18.48 Lakh which exponentially increased to Rs.75.13 Crore next year, i.e. FY23. In response to a specific query in this regard, the Company in its reply dated March 10, 2023 submitted a very generic explanation stating that "*due to internal reorganization of the management and operational team and effort of the management, the company was able to post excellent result"*.

Shareholding Pattern:

8. It was observed that the promoters' shareholding in the Company decreased from 30.12% as at the end of September 2021 to 8.42% at the end of December 2021 which further reduced to just 0.10% at the end of March 2022. The decrease in promoter shareholding coincided with corresponding increase in the public shareholding. A summary of the quarter-wise shareholding from June 2021 to March 2024 is tabulated below.

Category	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
Promoters (%)	30.12	30.12	8.42	0.10	0.08	0.08	0.08	0.08	0.08	0.07	0.07	0.07
FIIs (%)	0.00	0.00	0.00	0.00	0.00	0.30	0.08	0.10	1.32	0.36	0.60	1.17
DIIs (%)	0.03	0.03	0.03	0.03	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
Public (%)	69.85	69.85	91.55	99.87	99.90	99.60	99.81	99.79	98.58	99.55	99.31	98.74
No. of Shareholders	2,700	5,842	25,170	35,511	50,076	39,664	40,305	37,364	36,542	38,185	39,473	56,556

9. It was observed that in a span of three years, the number of shareholders of the Company went up over 20 times from 2700 to 56,556.

Purchase and sale of rice by Cressanda

10. It was observed that Cressanda on its website in the "*Our Story*" section stated "*Our offerings include cutting-edge conventional and digital media services, and tech-enabled solutions tailored to large institutional clients*" which meant that its core business was media / technology services and related activities. Further, Cressanda's nature of activity / industry, as reported on BSE website, was IT enabled Services. However, the Company vide letter dated November 6, 2023 confirmed that during FY23 it had entered into sale and purchase of rice, in addition to the sale and purchase of some technology related services. It was observed from Company's reply dated May 27, 2024 that the value of rice purchased and sold was Rs.53.91 Crore and Rs.56.74 Crore respectively for FY23. The abovementioned purchase and sale accounted for approximately 75% of the purchase and sales of the Company for FY23. The remaining 25% came from the data transfer and social media and IT Consulting by the Company.

11. The counter parties to Cressanda's purchase and sale transactions for FY23 are mentioned in the Table below.

Nature of Business	**Buy/Sell**	**Name of Counter parties**	**Amount (Rs. Crores)**
Rice	Buy	Devanshi Agro Foods, Jaisleen/Jasleen Agro Industry, Siddhi Agrotek and Shree Balaji and Co.	53.91
	Sell	Jagjivan Multitrade LLP and Zahera Traders LLP	56.74
IT enabled services (data transfer and media management and IT consulting charges	Buy	Varanium Cloud Limited	21.07
	Sell	Avance Technologies Limited	21.70

12. It was observed that Cressanda had purchased rice from Devanshi Agro Foods (Devanshi), Jaisleen/Jasleen Agro Industry (Jaisleen), Siddhi Agrotek (Siddi) and Shree Balaji and Co.(Balaji) for Rs.23.45 Crore, Rs.23.97 Crore, Rs.0.90 Crore and Rs.5.60 Crore respectively. The Company sold rice to Jagjivan Multitrade LLP (Jagjivan) and Zahera Traders LLP (Zahera) for Rs.28.49 Crore and Rs.28.24 Crore respectively.

13. Examination of the ledger of the abovementioned entities in the books of Cressanda revealed that Cressanda's purchases of rice from Devanshi and sale to Jagjivan happened simultaneously. To illustrate, Cressanda entered into three purchase transactions with Devanshi for similar amounts (Rs.6.42 Lakh, Rs.6.44 Lakh and Rs.6.53 Lakh) on July 1, 2022. Simultaneously, Cressanda entered into three sales transactions with Jagjivan on the same day, i.e. July 1, 2022 for similar amounts (Rs.6.61 Lakh, Rs.6.63 Lakh and Rs.6.72 Lakh) by adding certain markup to the purchase amounts. Similar pattern was observed in all purchase and sales transactions between Cressanda, Devanshi and Jagjivan. Cressanda purchased rice from Devanshi and sold to Jagjivan during July 2022 to September 2022 (all days) and from January 2023 to March 2023 (few days).

14. It was observed that the Company used the same modus operandi as above in its dealings with Jaisleen (buying) and Zahera (selling), with whom it entered into purchase and sale transactions during October 2022 to December 2022 (all days) and from January 2023 to March 2023 (few days).

15. Cressanda vide its letter dated May 27, 2024 provided copies of purchases and sales invoices. A random scrutiny of purchase and sales invoices dated July 19, 2022 and July 18, 2022 showed that the vehicles purportedly used for transporting the purchased and sold goods were same. It was observed that on the same day, same vehicles were shown to have been used for transporting goods from Devanshi Agro Foods to Cressanda and from Cressanda to Jagjivan Multitrade LLP. It was also noted that in many instances, the same vehicle registration numbers were mentioned in the purchase invoices as well as sales invoices. A search of the vehicle registration numbers provided in the invoices on a sample basis (5 invoices) on the Vahan Portal showed that while the registration numbers of two vehicles were non-existent, one registration number pertained to a two wheeler and the remaining two registration numbers pertained to heavy vehicles. Further, the shipping address of Cressanda on the invoices was from Mumbai whereas the shipping address of Jagjivan was that from Nagpur.

16. It was observed that Cressanda, Devanshi and Jagjivan had executed sale / purchase transactions in a circular fashion, wherein Cressanda first purchased rice from Devanshi and then sold the said rice to Jagjivan, which in turn purportedly sold the said rice to Devanshi. A summary of the trail of the related bank transactions observed in the bank accounts of Cressanda (Yes Bank Account No. 45963300001294), Devanshi (AU Bank Account No. 2302236846772140) and Jagjivan (Yes Bank Account No. 016263400005291) is as follows.

Date	Name of Transferor	Transferor Bank /account	Name Recipient	Recipient Bank /account	Amount (Rs.)
08/03/2023	Cressanda	Yes/045963300001294	Devanshi	AUB/2302236846772140	99,60,400
08/03/2023	Jagjivan Multitrade	Yes/016263400005291	Cressanda	Yes/045963300001294	99,24,000
08/03/2023	Devanshi	AUB/2302236846772140	Jagjivan Multitrade	Yes/016263400005291	99,38,800
09/03/2023	Cressanda	Yes/045963300001294	Devanshi	AUB/2302236846772140	2,48,81,780
09/03/2023	Jagjivan Multitrade	Yes/016263400005291	Cressanda	Yes/045963300001294	2,48,05,000
09/03/2023	Devanshi	AUB/2302236846772140	Jagjivan Multitrade	Yes/016263400005291	2,48,10,400
10/03/2023	Cressanda	Yes/045963300001294	Devanshi	AUB/2302236846772140	49,48,400
10/03/2023	Jagjivan Multitrade	Yes/016263400005291	Cressanda	Yes/045963300001294	50,00,000
10/03/2023	Devanshi	AUB/2302236846772140	Jagjivan Multitrade	Yes/016263400005291	49,79,400
11/03/2023	Cressanda	Yes/045963300001294	Devanshi	AUB/2302236846772140	49,50,600
11/03/2023	Jagjivan Multitrade	Yes/016263400005291	Cressanda	Yes/045963300001294	49,85,000
11/03/2023	Devanshi	AUB/2302236846772140	Jagjivan Multitrade	Yes/016263400005291	49,49,200
13/03/2023	Cressanda	Yes/045963300001294	Devanshi	AUB/2302236846772140	4,19,33,600
13/03/2023	Jagjivan Multitrade	Yes/016263400005291	Cressanda	Yes/045963300001294	3,53,53,400
13/03/2023	Devanshi	AUB/2302236846772140	Jagjivan Multitrade	Yes/016263400005291	4,19,13,300
14/03/2023	Cressanda	Yes/045963300001294	Devanshi	AUB/2302236846772140	4,49,54,600
14/03/2023	Jagjivan Multitrade	Yes/016263400005291	Cressanda	Yes/045963300001294	4,50,03,500
14/03/2023	Devanshi	AUB/2302236846772140	Jagjivan Multitrade	Yes/016263400005291	4,99,89,300
15/03/2023	Cressanda	Yes/045963300001294	Devanshi	AUB/2302236846772140	4,40,02,800
15/03/2023	Jagjivan Multitrade	Yes/016263400005291	Cressanda	Yes/045963300001294	4,46,00,000
15/03/2023	Devanshi	AUB/2302236846772140	Jagjivan Multitrade	Yes/016263400005291	4,40,02,400
16/03/2023	Cressanda	Yes/045963300001294	Devanshi	AUB/2302236846772140	45,67,800
16/03/2023	Jagjivan Multitrade	Yes/016263400005291	Cressanda	Yes/045963300001294	80,00,000
16/03/2023	Devanshi	AUB/2302236846772140	Jagjivan Multitrade	Yes/016263400005291	45,61,900
17/03/2023	Jagjivan Multitrade	Yes/016263400005291	Cressanda	Yes/045963300001294	1,50,00,000
20/03/2023	Cressanda	Yes/045963300001294	Devanshi	AUB/2302236846772140	49,86,500

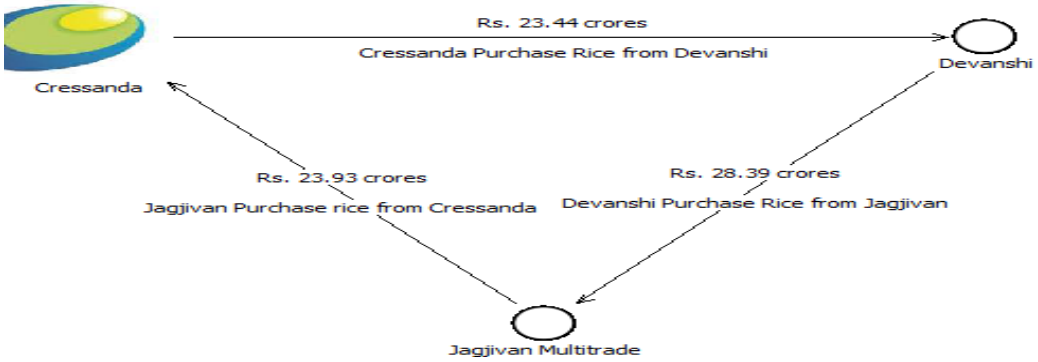
20/03/2023	Jagjivan Multitrade	Yes/016263400005291	Cressanda	Yes/045963300001294	49,90,000
20/03/2023	Devanshi	AUB/2302236846772140	Jagjivan Multitrade	Yes/016263400005291	49,78,400
21/03/2023	Cressanda	Yes/045963300001294	Devanshi	AUB/2302236846772140	94,86,700
21/03/2023	Jagjivan Multitrade	Yes/016263400005291	Cressanda	Yes/045963300001294	74,00,000
21/03/2023	Devanshi	AUB/2302236846772140	Jagjivan Multitrade	Yes/016263400005291	94,80,800
25/03/2023	Cressanda	Yes/045963300001294	Devanshi	AUB/2302236846772140	49,83,300
25/03/2023	Jagjivan Multitrade	Yes/016263400005291	Cressanda	Yes/045963300001294	1,24,24,640
25/03/2023	Devanshi	AUB/2302236846772140	Jagjivan Multitrade	Yes/016263400005291	49,78,640
28/03/2023	Cressanda	Yes/045963300001294	Devanshi	AUB/2302236846772140	29,24,730
28/03/2023	Jagjivan Multitrade	Yes/016263400005291	Cressanda	Yes/045963300001294	13,00,000
28/03/2023	Devanshi	AUB/2302236846772140	Jagjivan Multitrade	Yes/016263400005291	29,24,030
29/03/2023	Cressanda	Yes/045963300001294	Devanshi	AUB/2302236846772140	3,18,90,410
29/03/2023	Jagjivan Multitrade	Yes/016263400005291	Cressanda	Yes/045963300001294	3,34,00,850
29/03/2023	Devanshi	AUB/2302236846772140	Jagjivan Multitrade	Yes/016263400005291	3,03,15,940
31/03/2023	Jagjivan Multitrade	Yes/016263400005291	Cressanda	Yes/045963300001294	3,18,00,000
31/03/2023	Devanshi	AUB/2302236846772140	Jagjivan Multitrade	Yes/016263400005291	15,74,000

17. While the above table summarizes the total fund transfers on any particular day, the actual transactions were smaller. It was observed that smaller amounts of approximately Rs.50 Lakh were circulated multiple times on most occasions between the three parties, which added up to large amounts, as reflected in the table above. The net fund movement of the aforementioned entities during March 2023 is shown in the table below:

Sum of Amount (Rs.)	**Name of Recipient**		
Name of Transferor	**Cressanda Solutions**	**Devanshi Agro foods**	**Jagjivan Multitrade**
Cressanda Solutions		23,44,71,620	
Devanshi Agro Foods			23,93,96,510
Jagjivan Multitrade	28,39,86,390		
Grand Total	**28,39,86,390**	**23,44,71,620**	**23,93,96,510**

18. From the above, it was apparent that in the abovementioned circular transactions, there was no actual movement of goods and the purchases and sales were merely on paper through books entries. Cressanda booked the non-genuine transactions by first raising invoices and then entering into bank transactions on real time basis to make the transactions appear genuine. The

fictitious transactions appeared to have been executed with the sole intention of inflating the revenue and expenditure leading to mis-statement of books of accounts and consequently the financial statements of the Company. A pictorial representation of the transactions is as follows:



19. Similar circular transactions of purchase and sale of rice were observed amongst Cressanda, Jaisleen Agro Industry and Zahera Traders LLP. it is observed that Cressanda has purchased rice from Jaisleen Agro Industry which seems to have purchased rice from Zahera Traders LLP which in turn has purchased rice from Cressanda itself. A summary of the circular transactions among the said entities, as found in the bank statements of the aforementioned entities, is provided in the following table.

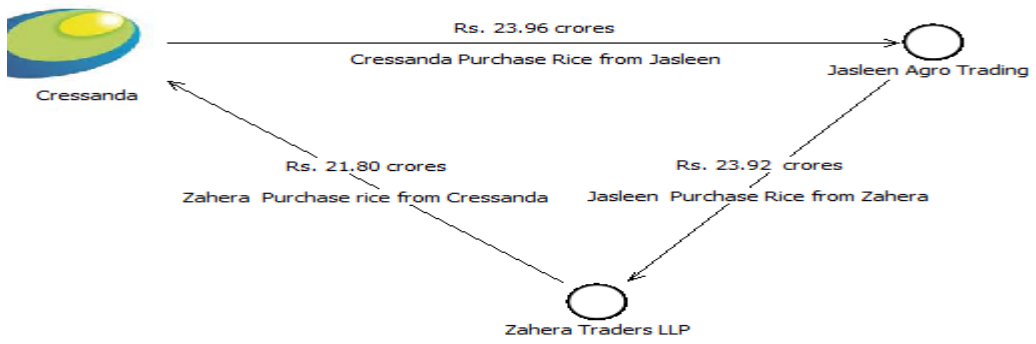
Date	Name of Transferor	Transferor Bank /account	Name Recipient	Recipient Bank /account	Amount Rs.
10/03/2023	Cressanda	Yes/045963300001294	Jasleen Agro	AUB/2302236846737654	1,49,73,600
10/03/2023	Jasleen Agro	AUB/2302236846737654	ZAHERA	Yes/042163400003036	1,49,35,900
10/03/2023	ZAHERA	Yes/042163400003036	Cressanda	Yes/045963300001294	98,65,000
11/03/2023	Cressanda	Yes/045963300001294	Jasleen Agro	AUB/2302236846737654	49,84,400
11/03/2023	Jasleen Agro	AUB/2302236846737654	ZAHERA	Yes/042163400003036	49,80,200
13/03/2023	ZAHERA	Yes/042163400003036	Cressanda	Yes/045963300001294	1,00,75,000
16/03/2023	Cressanda	Yes/045963300001294	Jasleen Agro	AUB/2302236846737654	4,49,99,000
16/03/2023	Jasleen Agro	AUB/2302236846737654	ZAHERA	Yes/042163400003036	4,49,99,000
16/03/2023	ZAHERA	Yes/042163400003036	Cressanda	Yes/045963300001294	1,50,52,000
17/03/2023	Cressanda	Yes/045963300001294	Jasleen Agro	AUB/2302236846737654	8,80,08,200
17/03/2023	Jasleen Agro	AUB/2302236846737654	ZAHERA	Yes/042163400003036	7,79,26,600
17/03/2023	ZAHERA	Yes/042163400003036	Cressanda	Yes/045963300001294	7,48,15,600
18/03/2023	Jasleen Agro	AUB/2302236846737654	ZAHERA	Yes/042163400003036	98,08,300
20/03/2023	Cressanda	Yes/045963300001294	Jasleen Agro	AUB/2302236846737654	3,99,30,500
20/03/2023	Jasleen Agro	AUB/2302236846737654	ZAHERA	Yes/042163400003036	3,98,69,000
20/03/2023	ZAHERA	Yes/042163400003036	Cressanda	Yes/045963300001294	4,11,35,900
21/03/2023	Cressanda	Yes/045963300001294	Jasleen Agro	AUB/2302236846737654	2,48,00,690
21/03/2023	Jasleen Agro	AUB/2302236846737654	ZAHERA	Yes/042163400003036	2,47,43,100

Date	Name of Transferor	Transferor Bank /account	Name Recipient	Recipient Bank /account	Amount Rs.
21/03/2023	ZAHERA	Yes/042163400003036	Cressanda	Yes/045963300001294	2,98,40,000
25/03/2023	Cressanda	Yes/045963300001294	Jasleen Agro	AUB/2302236846737654	44,98,700
25/03/2023	Jasleen Agro	AUB/2302236846737654	ZAHERA	Yes/042163400003036	44,88,700
29/03/2023	Cressanda	Yes/045963300001294	Jasleen Agro	AUB/2302236846737654	14,99,750
29/03/2023	Jasleen Agro	AUB/2302236846737654	ZAHERA	Yes/042163400003036	4,00,000
31/03/2023	Cressanda	Yes/045963300001294	Jasleen Agro	AUB/2302236846737654	1,60,00,000
31/03/2023	Jasleen Agro	AUB/2302236846737654	ZAHERA	Yes/042163400003036	1,71,08,500
31/03/2023	ZAHERA	Yes/042163400003036	Cressanda	Yes/045963300001294	3,72,75,000

20. The net fund movement of the aforementioned entities during March 2023 is shown in the table below:

Sum of Amount (Rs.)	Name of Recipient		
Name of Transferor	**Cressanda Solutions**	**Jasleen Agro Industries**	**Zahera Traders LLP**
Cressanda Solutions		23,96,94,840	
Jaisleen Agro Industries			23,92,59,300
Zahera Traders LLP	21,80,58,500		
Grand Total	**21,80,58,500**	**23,96,94,840**	**23,92,59,300**

21. A graphical summary of the transactions is as follows:



22. In view of the above, the purchases and sales of rice by the Company appeared to be merely book adjustments entries without movement of goods. The same projected good revenue and expenditure of the Company indicative of healthy growth in a corporate.

Transactions with Varanium Cloud Ltd. and Avance Technologies Ltd.

23. It was observed that apart from purchase and sale of rice during FY23, the Company also entered into purchase and sale of services pertaining to data transfer, social media and IT Consultancy. Such purchases were made from

Varanium Cloud Limited (Varanium) and sales were made to Avance Technologies Limited (Avance). Cressanda in its reply dated May 27, 2024 submitted the figures of IT related sales and purchase as Rs.21.70 Crore and Rs.21.07 Crore respectively.

24. Varanium vide letter dated December 22, 2023 submitted that the total value of sales to Cressanda on various dates in June 2022 was Rs.21.07 Crore against which it received a payment of Rs.18.70 Crore on various dates in July 2022. Further, Avance vide letter dated December 26, 2023 submitted that it purchased goods and services (Data transfer, social media management and IT Consulting charges and Global VOIP & Video conferencing hosted solutions on jump talk platform 5000 seats for 1 day) worth Rs.21.70 Crore from Cressanda on various dates in June 2022 against which it made total payment of Rs.19.64 Crore on various dates in July 2022.

25. From reply dated December 22, 2023 of Varanium, it was observed that Varanium raised a total of 29 invoices having consecutive serial numbers in respect of Data Transfer Social Media Management and IT consulting charges for Rs.21.07 Crore spread over 28 dates between June 02, 2022 to June 30, 2022. It was observed that all the said 29 invoices raised by Varanium to Cressanda were same except for the dates and invoice nos. mentioned therein. Further, Varanium received total payments of Rs.18.70 Crore between July 8, 2022 to July 15, 2022 (8 dates of July 2022).

26. Varanium in its reply stated that there was no outstanding due from Cressanda, even though it appeared from the trial balance submitted by Cressanda vide its reply dated February 29, 2024 that Rs.86.13 Lakh was outstanding as on March 31, 2024 in the books of Cressanda.

27. Similarly, from reply dated December 26, 2023 of Avance, it was observed that Cressanda raised 29 invoices having consecutive serial nos. to Avance in respect of IT related services for Rs.21.70 Crore spread over 29 dates between June 02, 2022 to June 30, 2022. Further, Avance made payments of Rs.19.64 Crore between July 8, 2022 to July 15, 2022 (8 dates of July 2022). Rs.36.78 Lakh was deducted as TDS by Avance and balance Rs.1.69 Crore was outstanding as on March 31, 2023 and Rs.1.30 Crore as on March 31, 2024. It

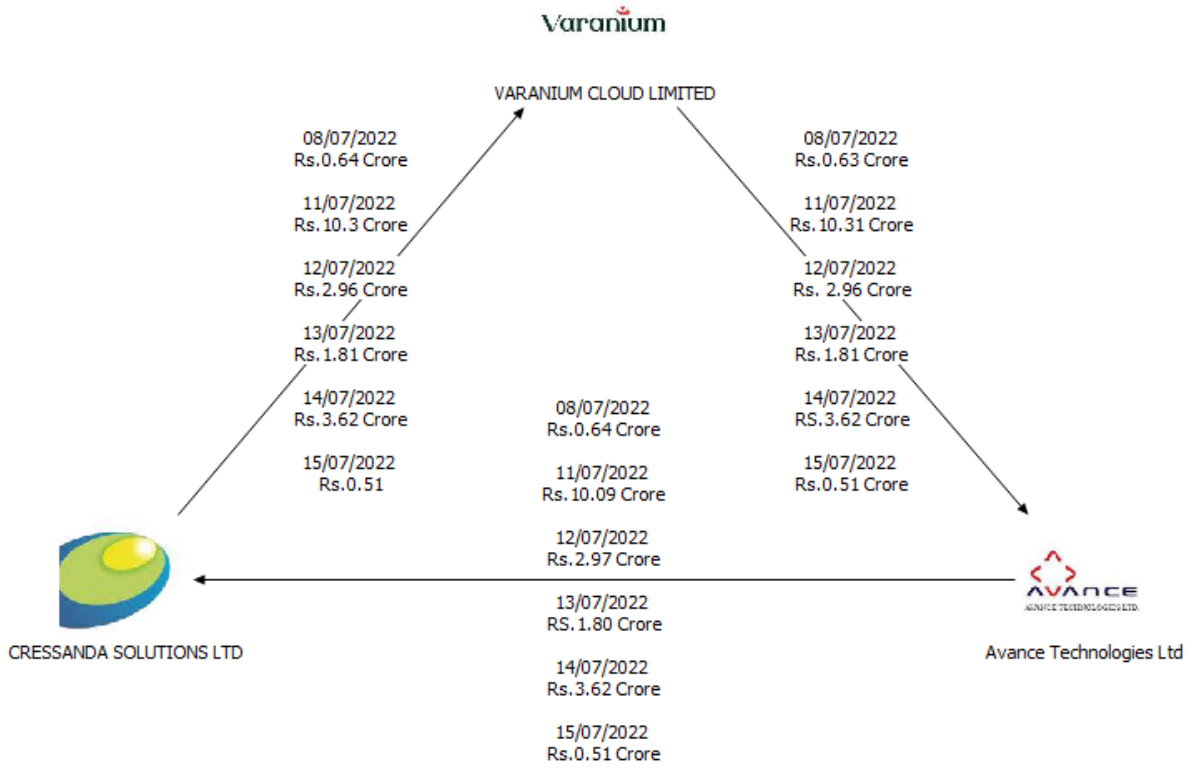
was observed that all 29 invoices raised by Cressanda to Avance were same except for the dates and invoice nos. mentioned therein.

28. A perusal of the bank account statements of Cressanda, Avance and varanium revealed circular transactions amongst the three entities during July 8, 2022 to July 15, 2022. From perusal of their bank account statements, it was observed that approximately Rs.54.48 Crore was circulated amongst the three entities. It was observed that Cressanda paid approximately Rs.19.84 Crore to Varanium towards purchases of product and services as discussed above. On the same day, Varanium in turn paid approximately Rs.19.84 Crore to Avance and Avance paid approximately Rs.14.79 Crore to Cressanda towards the purchase of products and services. The circular transactions amongst the three entities were carried out in a manner that the receipt of funds by one entity was subsequently used by the said entity for making payment to other entity. The table below gives details of the aforesaid circuitous transactions.

Date	From Entity	From Bank / Account	TO Entity	TO Bank/ Account	Amount (Rs.)
08/07/2022	Cressanda Solutions Ltd	AUB/ 2221253138605492	Varanium Cloud Limited	ICIC0003449/344905001130	6424990
08/07/2022	Varanium Cloud Limited	ICIC0003449/ 344905001130	Avance Technologies	ICICI 000405109455	6325000
08/07/2022	Avance Technologies	ICICI 000405109455	Cressanda Solutions Ltd	AUB/2221253138605492	6353000
11/07/2022	Cressanda Solutions Ltd	AUB/ 2221253138605492	Varanium Cloud Limited	ICIC0003449/344905001130	103024000
11/07/2022	Varanium Cloud Limited	ICIC0003449/ 344905001130	Avance Technologies	ICICI 000405109455	103148362
11/07/2022	Avance Technologies	ICICI 000405109455	Cressanda Solutions Ltd	AUB/2221253138605492	100985000
12/07/2022	Cressanda Solutions Ltd	AUB/ 2221253138605492	Varanium Cloud Limited	ICIC0003449/344905001130	29600000
12/07/2022	Varanium Cloud Limited	ICIC0003449/ 344905001130	Avance Technologies	ICICI 000405109455	29580000
12/07/2022	Avance Technologies	ICICI 000405109455	Cressanda Solutions Ltd	AUB/2221253138605492	29705000
13/07/2022	Cressanda Solutions Ltd	AUB/ 2221253138605492	Varanium Cloud Limited	ICIC0003449/344905001130	18115000
13/07/2022	Varanium Cloud Limited	ICIC0003449/ 344905001130	Avance Technologies	ICICI 000405109455	18100000

13/07/2022	Avance Technologies	ICICI 000405109455	Cressanda Solutions Ltd	AUB/2221253138605492	18050000
14/07/2022	Cressanda Solutions Ltd	AUB/2221253138605492	Varanium Cloud Limited	ICIC0003449/344905001130	36248000
14/07/2022	Varanium Cloud Limited	ICIC0003449/344905001130	Avance Technologies	ICICI 000405109455	36225000
14/07/2022	Avance Technologies	ICICI 000405109455	Cressanda Solutions Ltd	AUB/2221253138605492	36260000
15/07/2022	Cressanda Solutions Ltd	AUB/2221253138605492	Varanium Cloud Limited	ICIC0003449/344905001130	5085000
15/07/2022	Varanium Cloud Limited	ICIC0003449/344905001130	Avance Technologies	ICICI 000405109455	5050000
15/07/2022	Avance Technologies	ICICI 000405109455	Cressanda Solutions Ltd	AUB/2221253138605492	5070000

29. The transactions in the above table are summarized diagrammatically below:



30. The circuitous nature of the transactions clearly indicate that the transactions were not genuine. Cressanda procured/purchased certain IT services from Varanium and on the same day it provided the same services to Avance. It appeared that Cressanda sourced purchase invoices from Varanium and raised sales invoices to Avance without availing / providing any actual services.

Further, it circulated the funds through its bank account on the same dates to make the fictitious transactions appear genuine.

Summary of Observations in respect of sales and purchases

31. In view of the above observations, it appeared that the sales and purchase transactions, i.e. sales and purchases of rice and IT enabled services reported by the Company were fictitious. To make the transactions appear genuine, funds were moved in a circular fashion amongst the entities wherein payments by one entity acted as source for onward transfer to the other. The Company in its Annual Report for FY23 reported a total purchase of Rs.71.77 Crore and total sales of Rs.75.13 Crore. However, the Company in its reply dated May 27, 2024 submitted that its total purchases and sales amounted to Rs.74.98 Crore and Rs.78.44 Crore respectively, which was more than the amount reported in the audited financial statements of the Company. The financial statements of the Company appeared to be misstated to the extent of fictitious sales and purchases as discussed in the foregoing paragraphs.

32. Further, a perusal of the ledger accounts received from the Company vide letter dated June 13, 2024 and bank accounts of the Company until December 2023 showed similar circuitous transactions with respect to sale and purchase of rice during FY24 as well.

33. Further, Other Income recorded in the books of accounts also appeared fictitious, as it was a result of writing back of the provisions for bad debts created earlier.

Off-loading of shares by Promoter through Off-market Transfers

34. It was seen that the promoter of Cressanda, SIPL, had resorted to off market transfers to divest its holding in the Company during the period November 30, 2021 to January 21, 2022. As per information obtained from the depositories, shares were transferred in off-market transactions to the following entities:

Date	Source Client Name	Target Client Name/DP ID	Transferred Qty
30/11/2021	Smart Infraproperties Private Limited (SIPL) CDSL (1201370000464047) Total shares held by SIPL as of September 30, 2021 before transfer of 9,14,25,000 shares (30.12%)	Heroic Mercantile Private Limited / 1203410000448494	1,50,00,000
06/12/2021		Orange Mist Productions Private Limited/ 1201370000413536	1,50,00,000
06/12/2021		Avance Technologies Limited / 1204330000133682	5,00,000
06/12/2021		Tango Commosales LLP/ 1202060000956586	1,50,00,000
20/12/2021		Zuber Trading LLP/ 1203410000597199	1,00,00,000
20/12/2021		Heroic Mercantile Private Limited/ 1203410000448494	1,00,00,000
05/01/2022		Yuvika Tradewing LLP/ 1203410000596961	2,00,00,000
		Others	56,16,720
Total			**9,11,16,720**

Note: As on March 31, 2024 the promoter shareholding was a mere 3,08,280 shares, i.e., 0.07% of the total shares of the Company.

35. It was found that the entities, to whom the shares were transferred in off-market transactions, subsequently sold the same shares in the market. It was seen that the price of the scrip started going up from around Rs.3.20 in November 2021 to a high of about Rs.45 during June 2022.

Sales of shares by the Recipients of Off-market Transfers

36. Entities, which received shares of Cressanda in off-market transactions from the promoter, had been trading heavily in the scrip since June 2021 (i.e. even prior to receiving shares from the promoter in off-market) in open market. The details of their transactions from November 30, 2021 (when they started receiving shares from the promoter) to March 31, 2023 are provided below:

NON INDIVIDUAL CLIENTNAME	PURCHASE QTY	PURCHASE VALUE (IN Rs.)	SELL QTY	SELL VALUE (IN Rs.)	Net sale Qty	Trading Profit earned (Rs.)
TANGO COMMOSALES LLP	8,79,54,435	2,72,30,47,850	9,75,40,540	2,56,22,63,978	95,86,105	-16,07,83,871
YUVIKA TRADEWING LLP	1,64,89,686	22,17,13,943	3,63,86,186	83,78,16,357	1,98,96,500	61,61,02,414
ZUBER TRADING LLP	2,48,72,797	39,15,79,290	3,45,22,988	77,33,43,077	96,50,191	38,17,63,787
ORANGE MIST PRODUCTIONS PRIVATE LIMITED	14,48,107	2,22,75,803	1,60,33,058	12,46,37,753	1,45,84,951	10,23,61,949
AVANCE TECHNOLOGIES LIMITED	18,94,395	3,06,30,442	20,30,299	3,39,70,641	1,35,904	33,40,199
Grand Total	**13,26,59,420**	**3,38,92,46,727**	**18,65,13,071**	**4,33,20,31,806**	**5,38,53,651**	**94,27,84,478**

37. It was observed from the above table that the quantity of shares sold by the aforementioned entities was significantly higher than their purchases during the same period. On net basis, they sold 5.39 Crore shares which was approximately 14% of the total shareholding of the Company as on March 31, 2023. The transactions during this period resulted in a trading profit of Rs.94.28 Crore to the aforementioned entities.

38. It was further seen that the promoter, SIPL, received funds from the bank accounts of the aforementioned entities who received the shares in the off-market transactions and profited from trading in the shares in the market. A summary of such receipts during January 21, 2022 to March 03, 2022 is provided in table below:

Recipient Account Name	Recipient Account No.	Transferred by	Sum of Credit (Rs.)
Smart Infraproperties Private Limited	2121253136913201 (Au Bank)	Orange Mist Productions Private Limited	2,75,00,000
		Yuvika Tradewing LLP	12,94,00,000
		Zuber Trading LLP	7,12,50,000
Smart Infraproperties Private Limited Total			**22,81,50,000**

Details of further payments, if any, received from the aforementioned entities are being investigated.

39. It was further seen that during the aforementioned period SIPL also transferred funds to / received funds from various entities. A Summary of all major receipts and payments by SIPL is shown in the table below.

Recipient Account Name	Recipient Account No.	Received/ Transferred by	Sum of Debit (Payments)	Sum of Credit (Receipts)
Smart Infraproperties Private Limited	**2121253136913201 AU Bank**	Emporis Projects Limited	5,30,00,000	1,37,00,000
		Gittanjali Commosales LLP	14,02,00,000	
		Indranil Traders LLP		2,88,00,000
		Joydeep Commosales LLP	3,20,00,000	
		Orange Mist Productions Private Limited		2,75,00,000
		Orbit Electro Equipments	17,29,00,000	44,00,000
		Yuvika Tradewing LLP		12,94,00,000
		Zuber Trading LLP		7,12,50,000
Smart Infraproperties Private Limited Total			**39,81,00,000**	**27,50,50,000**

Preferential issue of convertible warrants

40. It was observed that the Company issued 9,49,18,000 convertible warrants (convertible within 18 months of allotment of warrants) on preferential basis @ Rs.7 (face value Re. 1) per warrant to 33 allottees in March 2022 for a total consideration of Rs.66,44,26,000. The consideration for warrant was to be paid in two tranches, whereby Rs.1.75 (25%) per share (total Rs.16,61,06,500) was to be paid on application and allotment of warrants and Rs.5.25 (75%) per warrant (total Rs.49,83,19,500) was to be paid on conversion of the warrants into equity shares. From the postal ballot notice dated February 9, 2022 filed with BSE, it was observed that the object of the preferential issue of convertible warrants was to:

i. fund long term capital requirements for future growth of the company;
ii. meet working capital requirements;
iii. invest in new projects companies, bodies corporate; and
iv. meet general corporate purposes.

41. It is surprising to note that the preferential issue was announced by the Company when the promoter shareholding had already come down to 0.10% of the paid-up capital of the Company.

42. The details of the allottees of convertible warrants are as follows:

Sr. no.	Name of the Proposed Allottee	Category	warrants	Amount on application (Rs.)	Amount on conversion (Rs.)
1	Sanskruti Commotrade LLP	Non-promoter	98,00,000	1,71,50,000	5,14,50,000
2	Avantika Commosales LLP	Non-promoter	97,50,000	1,70,62,500	5,11,87,500
3	Kamla Multitrade LLP	Non-promoter	95,50,000	1,67,12,500	5,01,37,500
4	Gujarish Tradewing LLP	Non-promoter	1,25,00,000	2,18,75,000	6,56,25,000
5	Kittu Commosales LLP	Non-promoter	1,00,00,000	1,75,00,000	5,25,00,000
6	Gazala Constructions Private Limited	Non-promoter	60,00,000	1,05,00,000	3,15,00,000
7	Intex Commosales LLP	Non-promoter	98,31,000	1,72,04,250	5,16,12,750
8	Litex Traders LLP	Non-promoter	96,50,000	1,68,87,500	5,06,62,500
9	Samir Navinchandra Shah	Non-promoter	10,000	17,500	52,500
10	Apurvi Samir Shah	Non-promoter	10,000	17,500	52,500
11	Ketan Navinchandra Shah	Non-promoter	10,000	17,500	52,500
12	Riddhi Ketan Shah	Non-promoter	10,000	17,500	52,500
13	RajKumar Dinesh Masalia	Non-promoter	25,000	43,750	1,31,250
14	Piyush Mahasukhlal Shah	Non-promoter	50,000	87,500	2,62,500

15	Dimple Piyush Shah	Non-promoter	50,000	87,500	2,62,500
16	Foram Kalpesh Chawalla	Non-promoter	25,000	43,750	1,31,250
17	Sangeeta Kalpesh Chawal	Non-promoter	25,000	43,750	1,31,250
18	Shanmukh Shah	Non-promoter	50,000	87,500	2,62,500
19	Parul Shanmukh Shah	Non-promoter	50,000	87,500	2,62,500
20	Jayshree Paresh Shah	Non-promoter	50,000	87,500	2,62,500
21	Paresh Navin Shah	Non-promoter	50,000	87,500	2,62,500
22	Manoj Shah	Non-promoter	50,000	87,500	2,62,500
23	Nisha Manoj Shah	Non-promoter	50,000	87,500	2,62,500
24	Puneet Singh	Non-promoter	5,00,000	8,75,000	26,25,000
25	Subhash Chand Barjatya	Non-promoter	20,00,000	35,00,000	1,05,00,000
26	Sarita Jain	Non-promoter	20,00,000	35,00,000	1,05,00,000
27	Mayyank Jain	Non-promoter	15,00,000	26,25,000	78,75,000
28	Rajnni J Jain	Non-promoter	15,00,000	26,25,000	78,75,000
29	Abhishekh Jain	Non-promoter	15,00,000	26,25,000	78,75,000
30	Deepika Jain	Non-promoter	15,00,000	26,25,000	78,75,000
31	Shalini Mishra	Non-promoter	2,22,000	3,88,500	11,65,500
32	Rajesh Shah	Non-promoter	1,00,000	1,75,000	5,25,000
33	Ami Niraj Shah	Non-promoter	65,00,000	1,13,75,000	3,41,25,000
	Total number of warrants allotted		**9,49,18,000**	**16,61,06,500**	**49,83,19,500**
	Total amount received on allotment of warrants				**66,44,26,000**

43. It was observed that out of the 33 warrant allottees in the preferential issue, 8 allottees accounted for approximately 81% (7,70,81,000 warrants) of the allotted warrants. The aforesaid 8 allottees were found to be directly / indirectly connected to Mr. Rajkumar Masalia. Their connections to Mr.Rajkumar Masalia are discussed later in this Order.

***Source of funds and utilization of issue proceeds**:*

44. The source of funds for application money and for subsequent conversion of warrants and the utlisation of the money received by the Company were examined.

45. It was observed that Mr. Rajkumar Dinesh Masalia (Mr. Rajkumar Masalia / Mr. Masalia), who was appointed as additional director of the Company on August 07, 2023 and thereafter appointed as Executive Director on August 30, 2023, was also one of the allottees in the preferential issue of convertible warrants and was allotted 25000 warrants on March 21, 2022 upon payment of the application amount of Rs.43,750. The said warrants were converted into equal equity shares upon payment of balance amount of Rs.1,31,250 on April 5, 2022.

46. Mr. Rajkumar Masalia was found to be the authorised signatory in bank accounts of 76 entities (companies and LLPs) and also a director in one company whose bank accounts were maintained with the Sahyadri Sahakari Bank Limited, Chira Bazar Branch, Mumbai. The Sahyadri Sahakari Bank Limited is a co-operative bank affiliated to the SVC Co-operative Bank Limited. In addition to the aforesaid 77 entities' bank accounts, he was also authorised signatory in bank accounts of 4 other entities (companies and LLPs) maintained with Yes Bank Limited, two of which were closed in April 2021. He was also authorised signatory in the bank accounts of Emporis Projects Limited opened on October 07, 2020 and Sonal Styles Private Limited maintained with ICICI Bank.

47. The details of the bank accounts in which Mr. Rajkumar Masalia was authorised signatory or director are given in the table below:

	The Sahyadri Sahakari Bank Limited			
Sr. No.	**A/C No.**	**Bank Account Name**	**A/C Open date**	**Authorized Signatory**
1	4900	Naseen Tradelink Private Limited	16/02/2019	Rajkumar Dinesh Masalia
2	4901	Aprateem Trading Private Limited	21/02/2019	Rajkumar Dinesh Masalia
3	4902	Heroic Mercantile Private Limited *	21/02/2019	Rajkumar Dinesh Masalia
4	4903	Anumita Infrastucture Private Limited	21/02/2019	Rajkumar Dinesh Masalia
5	4904	Ethan Constructions Private Limited	21/02/2019	Rajkumar Dinesh Masalia
6	4905	Adila Traders Private Limited	21/02/2019	Rajkumar Dinesh Masalia
7	4906	Bulltext Reality Private Limited	21/02/2019	Rajkumar Dinesh Masalia
8	4907	Sunayana Investment Company Limited	21/02/2019	Rajkumar Dinesh Masalia
9	4908	Abijah Real Estate Private Limited	21/02/2019	Rajkumar Dinesh Masalia
10	4909	Sally Real Estate Private Limited	21/02/2019	Rajkumar Dinesh Masalia
11	4910	Silvercade Trading Private Limited	21/02/2019	Rajkumar Dinesh Masalia
12	4911	Abrv Trading Private Limited	21/02/2019	Rajkumar Dinesh Masalia
13	4912	Roho Real Estate Private Limited	22/02/2019	Rajkumar Dinesh Masalia
14	4913	Nazima Impex Private Limited	22/02/2019	Rajkumar Dinesh Masalia
15	4914	Mahir Mercantile Private Limited	22/02/2019	Rajkumar Dinesh Masalia
16	4915	Orange Mist Productions Private Limited *	22/02/2019	Rajkumar Dinesh Masalia
17	4916	Lander Infraprojects Private Limited	22/02/2019	Rajkumar Dinesh Masalia
18	4917	Radford Real Estate Private Limited	22/02/2019	Rajkumar Dinesh Masalia
19	4918	Suketu Commosales LLP	22/02/2019	Rajkumar Dinesh Masalia
20	4919	Indivar Traders Private Limited	22/02/2019	Rajkumar Dinesh Masalia
21	4920	Shine Commosales LLP	22/02/2019	Rajkumar Dinesh Masalia
22	4921	Anvita Real Estate Private Limited	22/02/2019	Rajkumar Dinesh Masalia
23	4922	Golding Mercantile Private Limited	26/02/2019	Rajkumar Dinesh Masalia
24	4923	Nishottam Traders Private Limited	27/02/2019	Rajkumar Dinesh Masalia
25	4924	Enakshi Impex Private Limited	27/02/2019	Rajkumar Dinesh Masalia
26	4925	V And R Yarns Private Limited	27/02/2019	Rajkumar Dinesh Masalia
27	4926	Parkway Properties Private Limited	27/02/2019	Rajkumar Dinesh Masalia

28	4927	Dizzystone Trading Private Limited	27/02/2019	Rajkumar Dinesh Masalia
29	4928	Acacio Tradelink Private Limited	27/02/2019	Rajkumar Dinesh Masalia
30	4929	Longseal Machinary Private Limited	28/02/2019	Rajkumar Dinesh Masalia
31	4930	Ainesh Trading Private Limited	28/02/2019	Rajkumar Dinesh Masalia
32	4931	Tango Commosales LLP *	28/02/2019	Rajkumar Dinesh Masalia
33	4932	Ojal Multitrading Private Limited	01/03/2019	Rajkumar Dinesh Masalia
34	4933	Zuber Trading LLP *	01/03/2019	Rajkumar Dinesh Masalia
35	4934	Aadhaar Ventures India Limited	01/03/2019	Rajkumar Dinesh Masalia
36	4935	Akarshika Traders LLP	02/03/2019	Rajkumar Dinesh Masalia
37	4936	Snehil Real Estate Private Limited	02/03/2019	Rajkumar Dinesh Masalia
38	4937	Wellman Tradelinks Private Limited	02/03/2019	Rajkumar Dinesh Masalia
39	4938	Energy Commotrade Private Limited	02/03/2019	Rajkumar Dinesh Masalia
40	4939	Rosewood Vintrade Private Limited	02/03/2019	Rajkumar Dinesh Masalia
41	4940	Agrata Real Estate Private Limited	02/03/2019	Rajkumar Dinesh Masalia
42	4941	Intertick Developers Private Limited	02/03/2019	Rajkumar Dinesh Masalia
43	4942	Sonal Styles Private Limited	02/03/2019	Rajkumar Dinesh Masalia
44	4945	Aalyya Traders Private Limited	08/03/2019	Rajkumar Dinesh Masalia
45	4946	Gazala Constructions Private Limited #	08/03/2019	Rajkumar Dinesh Masalia
46	4947	Saint Infrastructure Private Limited	08/03/2019	Rajkumar Dinesh Masalia
47	4948	Yantra Natural Resources Limited	08/03/2019	Rajkumar Dinesh Masalia
48	4951	Yuvika Tradewing LLP *	18/03/2019	Rajkumar Dinesh Masalia
49	4953	LN Industries India Limited	26/03/2019	Rajkumar Dinesh Masalia
50	4955	Joydeep Commosales LLP	12/04/2019	Rajkumar Dinesh Masalia
51	4956	Ramila Traders LLP	16/04/2019	Rajkumar Dinesh Masalia
52	4959	Litex Traders LLP #	23/04/2019	Rajkumar Dinesh Masalia
53	4960	Mishti Traders LLP	23/04/2019	Rajkumar Dinesh Masalia
54	4961	Mina Commosales LLP	25/04/2019	Rajkumar Dinesh Masalia
55	4963	Mahashali Tradewing LLP	03/05/2019	Rajkumar Dinesh Masalia
56	4964	Kittu Commosales LLP #	04/05/2019	Rajkumar Dinesh Masalia
57	4965	Gajraj Commosales LLP	13/05/2019	Rajkumar Dinesh Masalia
58	4966	Moonlight Multitrade LLP	13/05/2019	Rajkumar Dinesh Masalia
59	4967	Parag Multi Trade LLP	13/05/2019	Rajkumar Dinesh Masalia
60	4968	Pankti Commosales LLP	14/05/2019	Rajkumar Dinesh Masalia
61	4969	Qazi Traders LLP	14/05/2019	Rajkumar Dinesh Masalia
62	4970	Lifefour Multitrading Private Limited	16/05/2019	Rajkumar Dinesh Masalia
63	4971	Offerlink Infraprojects Private Limited	21/05/2019	Rajkumar Dinesh Masalia
64	4972	Matulya Trading Private Limited	22/05/2019	Rajkumar Dinesh Masalia
65	4975	Indranil Traders LLP	18/06/2019	Rajkumar Dinesh Masalia
66	4976	Sunflower Commosales Private Limited	20/06/2019	Rajkumar Dinesh Masalia
67	4982	Emporis Projects Limited	18/07/2019	Rajkumar Dinesh Masalia
68	4983	Zenstar Infrastructure Private Limited	18/07/2019	Rajkumar Dinesh Masalia
69	4987	Grantview Properties Private Limited	05/08/2019	Rajkumar Dinesh Masalia
70	4988	Ayog Infrastructure Private Limited	06/08/2019	Rajkumar Dinesh Masalia
71	4990	Vaishali Commosales LLP	23/08/2019	Rajkumar Dinesh Masalia
72	4992	Panki Investments Limited	29/08/2019	Rajkumar Dinesh Masalia
73	4995	Marisha Real Estate Private Limited	29/11/2019	Rajkumar Dinesh Masalia
74	5004	C And K Realtors Private Limited	06/03/2020	Rajkumar Dinesh Masalia
75	5028	Amritabhagwati Tradewing Private Limited	19/10/2022	Rajkumar Dinesh Masalia
76	5029	Sanmay Trading Private Limited	01/11/2022	Rajkumar Dinesh Masalia
Sr. No.	**A/C No.**	**Bank Account Name**	**A/C Open date**	**Director**
1	4943	Krystalklear Properties Private Limited	02/03/2019	Rajkumar Dinesh Masalia

Yes Bank Limited				
Sr. No.	**A/C No.**	**Bank Account Name**	**A/C Open date**	**Authorized Signatory**
1	016263300003131	Cross Rose Sales LLP	31/08/2020	Rajkumar Dinesh Masalia
2	016263300003151	Avantika Commosales LLP #	09/09/2020	Rajkumar Dinesh Masalia
3	016263300003367	Dhavni Trading LLP	22/09/2020	Rajkumar Dinesh Masalia
4	016263300003377	Gittanjali Commosales LLP	30/09/2020	Rajkumar Dinesh Masalia
ICICI Bank				
Sr. No.	**A/C No.**	**Bank Account Name**	**A/C Open date**	**Authorized Signatory**
1	641105000696	Emporis Projects Limited	07/10/2020	Rajkumar Dinesh Masalia
2	037605006503	Adamina Traders Private Limited		

Note: The aforementioned entities in the table above are together referred to as Masalia group entities.

** Entities are recipient of shares transferred in off-market by the promoter entities and have subsequently sold the same in the Market*

 # Entities are allottees of warrants in the preferential allotments of warrants by the Company.

48. An individual who is an authorised signatory of bank accounts of an entity effectively controls the finances of the entity. Such control over finance also in turn indicates control over the affairs of that entity. Accordingly, there is an apprehension that Mr. Rajkumar Masalia, being authorised signatory in the bank accounts of the aforementioned entities, was controlling the finance of the entities and thereby controlling the affairs of the entities. Therefore, these entities are commonly referred to as Masalia Group entities.

49. Apart from the abovementioned entities, certain other entities, viz. DAM Commosales LLP and Jaisal Tradewing LLP were also found to be connected to Rajkumar Masalia through common directorship with certain Masalia Group entities mentioned in the Table above. Further, Yes Bank vide email dated June 17, 2024 provided details of authorised signatories to the bank accounts of certain entities who appeared to be connected to Rajkumar Masalia. The details are tabulated below.

Account No.	Name	Authorised Signatory 1 (AS 1)	Authorised Signatory 2 (AS 2)	Connection with entities mentioned in the Table under paragraph 47 above:
016263400004412	Jaisal Tradewing	Rahul Sudhakar Ahire	Navin Agarwal	AS1 is director /partner of entities mentioned at sl. 15, 47, 56
016263400005291	Jagjivan Multitrade LLP	Shital Sanjay Devlekar	Sanjay Mahadev Unavane	AS1 is director/partner of entities mentioned at sl. 3, 9 and 31. AS 2 is is director/partner of entities mentioned at sl. 62
016263400006373	Gajraj Commosales LLP	Ganpat Kashinath Shinde	Leena Naresh Nagda	AS1 is director/partner of entities mentioned at sl. 3, 14, 57, 65. AS 2 is director/partner of entities mentioned at sl. 7, 57, 65
016363400000795	Jaisal Vin Trade LLP	Ramdas Bisesar Bharati	Sushama Bhimsen Sawant	AS1 is director/partner of entities mentioned at sl. 25. AS 2 is director/partner of entities mentioned at sl. 36.
022483900001196	Sunflower Marketing	Arun Kumar Tyagi	Shabnam Tyagi	No identified. Arun Kumar Tyagi is present MD of Cressanda
042163400001740	Pakhi Multitrade LLP	Nirav Rasik Savla	Mital Bharat Satra	AS1 is director/partner of entities mentioned at sl. 61.
042163400003036	Zahera Traders Llp	Maruti Dinkar Helonde	Meena Dharmendra Bohat	AS1 and AS2 are director/partner of entities mentioned at sl. 55.

50. As the entities mentioned in the above table were found to be connected to Rajkumar Masalia, they were also considered as part of Masalia Group entities. It was noted that Jagjivan Multitrade LLP and Zahera Traders LLP were the same entities to whom rice was sold by Cressanda during FY23 and FY24.

51. It was observed that a large number of bank accounts of Masalia Group entities, where Rajkumar Masalia was an authorized signatory, were opened on the same day in the Sahyadri Sahakari Bank Ltd. The account opening dates for some of the accounts were:

Account opening date	No. of accounts opened
21/02/2019	11
22/02/2019	10
02/03/2019	9
27/02/2019	6
08/03/2019	4

52. As stated above, Rajkumar Masalia was one of the allottees in the preferential issue of convertible warrants. He was also the authorized signatory in the bank accounts of four other allottees, viz. Avantika Commosales LLP, Kittu Commosales LLP, Gazala Constructions Private Limited and Litex Traders LLP. The said four allottees accounted for approximately 37% of the warrants allotted.

53. Further, four other allottees namely, Sanskruti Commotrade LLP, Kamla Multitrade LLP, Gujarish Tradewing LLP and Intex Commosales LLP accounted for another 44% of the total warrants allotted in the preferential issues.

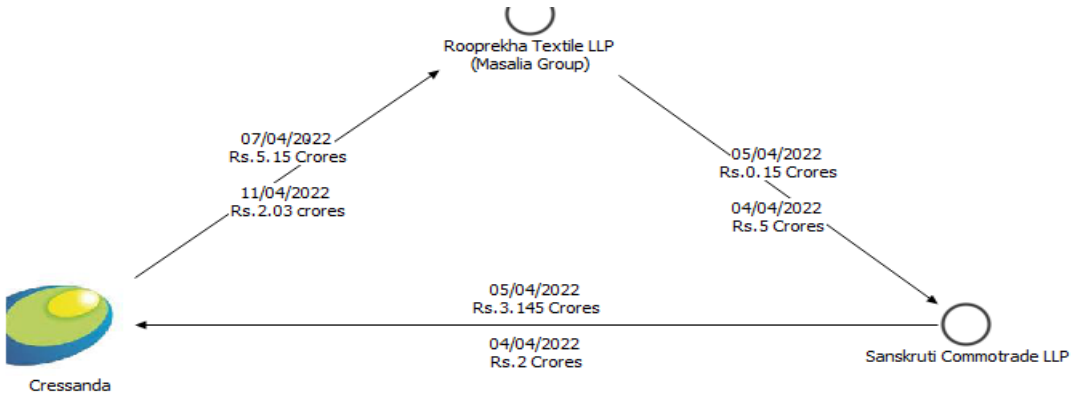
54. It was observed that a part of the funds received by the Company from some of the allottees were refunded to them. The details are provided in the following paragraphs.

Sanskruti Commotrade LLP

55. Sanskruti Commotrade LLP (Sanskruti) was allotted 98 Lakh warrants for a total consideration of Rs.6.86 Crore. Sanskruti paid Rs.1.7150 Crore as application money on March 21, 2022. Later, Sanskruti paid Rs.5.1450 Crore towards conversion of the warrants which was received from Bank Account No. 42163300002420 of Rooprekha Textile LLP. On April 07, 2022, Rs.5.15 Crore was transferred from Cressanda to Rooprekha Textile. Cressanda on April 11, 2022 further transferred Rs.2.03 Crore to Rooprekha Textile from its Yes Bank Account No. 45963300001294. The details of the fund transfers are provided below:

Sanskruti Commotrade LLP - 98,00,000 warrants					
Allotment Money		**From**		**To**	
Date	Amount	Entity	Bank/Bank Account	Entity	Bank/Bank Account
19/03/2022	50,000	Emporis Projects Limited (Masalia Group)	ICICI/ 641105000696	Savla Trdaers	Yes/ 098663700001316
19/03/2022	1,71,00,000	Betal Traders (Masalia Group)	Yes/ 42163400001730	Savla Trdaers	Yes/ 098663700001316
19/03/2022	1,71,50,000	Savla Trdaers	Yes/ 098663700001316	Sanskruti Commotrade LLP	Yes/ 18963400006370
21/03/2022	1,71,50,000	Sanskruti Commotrade LLP	Yes/ 18963400006370	Cressanda	AUB/ 2221253138605492
Allotment Money		**From**		**To**	
04/04/2022	5,00,00,000	Rooprekha Textile LLP (Masalia Group)	Yes/ 42163300002420	Sanskruti Commotrade LLP	Yes/ 18963400006370
05/04/2022	15,00,000	Rooprekha Textile LLP (Masalia Group)	Yes/ 42163300002420	Sanskruti Commotrade LLP	Yes/ 18963400006370
04/04/2022	2,00,00,000	Sanskruti Commotrade LLP	Yes/ 18963400006370	Cressanda	Yes/ 45963300001294
05/04/2022	3,14,50,000	Sanskruti Commotrade LLP	Yes/ 18963400006370	Cressanda	Yes/ 45963300001294
07/04/2022	5,15,00,000	Cressanda	Yes/ 45963300001294	Rooprekha Textile LLP (Masalia Group)	Yes/ 42163300002420
11/04/2022	2,03,00,000	Cressanda	Yes/ 45963300001294	Rooprekha Textile LLP (Masalia Group)	Yes/ 42163300002420

56. A chart indicating flow of warrant conversion money in the case of Sanskruti is shown below.



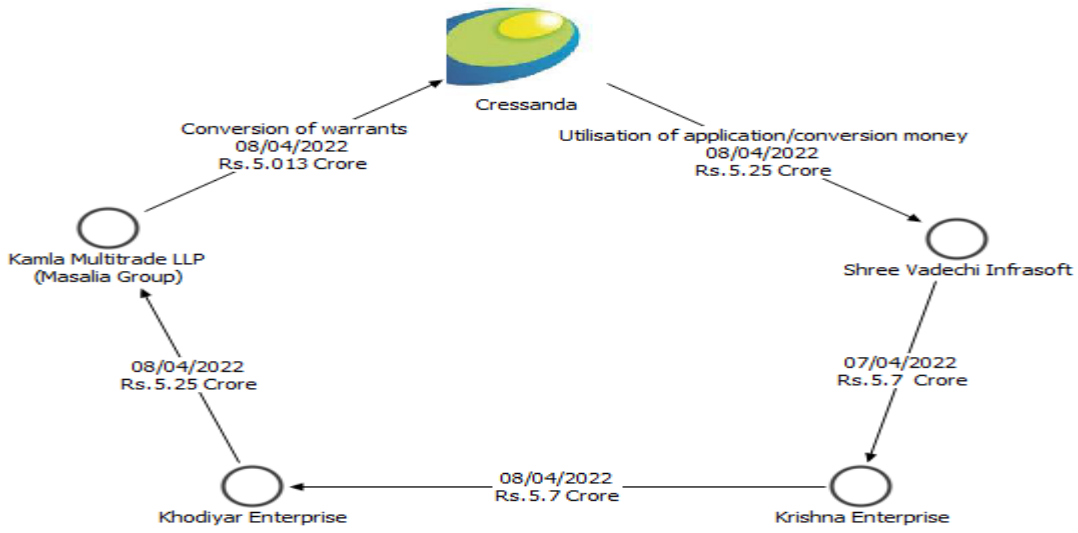
Kamla Multitrade LLP

57. Kamla Multitrade LLP (Kamla) had applied and was allotted 95,50,000 warrants for a total consideration of Rs.6.6850 Crore. Kamla paid Rs.1.67 Crore as application money on March 21, 2022, which it had received from Nidi Traders. Nidi Traders received the said money from Yuvika Tradewing LLP.

58. Similarly, Kamla paid Rs. 5.01 Crore on April 08, 2022 towards conversion of warrants into equity shares out of Rs.5.25 Crore received from Khodiyar Enterprise on April 08, 2022. Khodiyar Enterprise in turn received Rs 5.70 Crore from Krishna Enterprise on April 07, 2022. Krishna Enterprise in turn received Rs.6.33 Crore on April 07, 2022 from Shree Vadechi Infrasoft Private Limited (Shree Vadechi) and Shree Vadechi received Rs.5.25 Crore on April 08, 2022 from Yes Bank Account No. 45963300001294 of Cressanda. The details of the fund transfers are provided below:

Kamla Multitrade LLP - 95,50,000 warrants					
Application Money		**From**		**To**	
Date	Amount	Entity	Bank/Bank Account	Entity	Bank/Bank Account
21/03/2022	1,67,12,500	Kamla Multitrade LLP (Masalia Group)	Yes/ 042163400001820	Cressanda	AUB/ 2221253138605492
Allotment Money		**From**		**To**	
07/04/2022	5,70,00,000	Shree Vadechi Infrasoft	Cosmos Co-op Bank / 50100104343	Krishna Enterprise	PNB/ 6700005500000315
08/04/2022	5,70,00,000	Krishna Enterprise	PNB/ 6700005500000315	Khodiyar Enterprise	PNB/ 6700005500000388
08/04/2022	5,25,00,000	Khodiyar Enterprise	PNB /6700005500000388	Kamla Multitrade LLP (Masalia Group)	Yes/ 042163400001820
08/04/2022	5,01,37,500	Kamla Multitrade LLP (Masalia Group)	Yes/ 042163400001820	Cressanda	Yes/ 45963300001294
08/04/2022	5,25,00,000	Cressanda	Yes/ 45963300001294	Shree Vadechi Infrasoft	Cosmos Co-op Bank / 50100104343

59. A chart indicating flow of warrant conversion money in the case of Kamla Multitrade is given below:



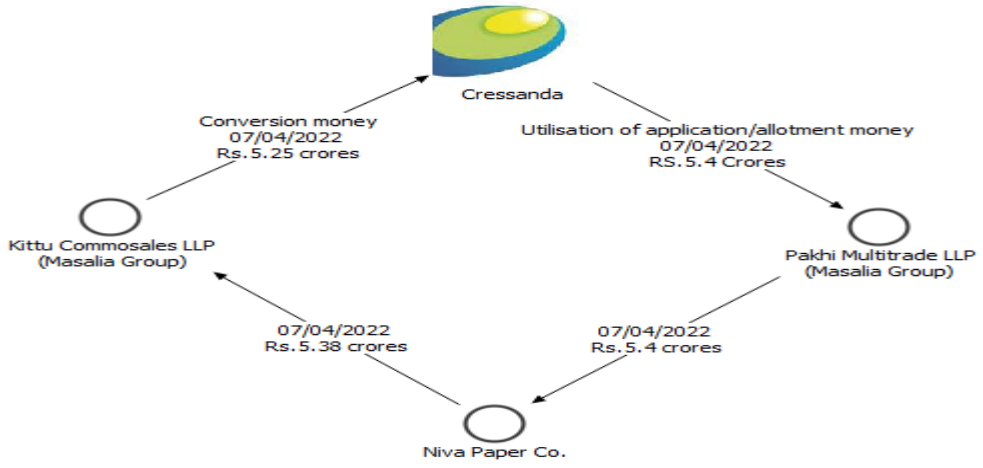
Kittu Commosales LLP

60. Kittu Commosales LLP (Kittu) had applied and was allotted 1,00,00,000 warrants for a total consideration of Rs.7 Crore. Kittu paid Rs. 1,75,00,000 as application money on March 21, 2022.

61. Kittu paid Rs.5.25 Crore on April 07, 2022 towards conversion of warrants into equity shares. The said amount was paid out of Rs.5.38 Crore received by Kittu on April 07, 2022 from Niva Paper Co. (Niva). Niva had received Rs.5.40 Crore on April 07, 2022 from Pakhi Multitrade LLP which in turn had received the said amount from Yes Bank Account No. 45963300001294 of Cressanda. The details of the fund transfers are provided below:

Kittu Commosales LLP - 1,00,00,000 warrants					
Application Money		**From**		**To**	
Date	Amount	Entity	Bank/Bank Account	Entity	Bank/Bank Account
21/03/2022	1,75,00,000	Kittu Commosales LLP (Masalia Group)	Yes/ 018963400008198	Cressanda	AUB/ 2221253138605492
Allotment Money		**From**		**To**	
07/04/2022	5,40,00,000	Cressanda	Yes/ 45963300001294	Pakhi Multitrade LLP	Yes/ 42163400001740
07/04/2022	5,40,00,000	Pakhi Multitrade LLP	Yes/ 42163400001740	Niva Paper Co.	Yes/ 42185800002861
07/04/2022	5,38,00,000	Niva Paper Co.	Yes/ 42185800002861	Kittu Commosales LLP (Masalia Group)	Yes/ 018963400008198
07/04/2022	5,25,00,000	Kittu Commosales LLP (Masalia Group)	Yes/ 018963400008198	Cressanda	Yes/ 45963300001294

62. A chart indicating flow of warrant conversion money in the case of Kittu Commosales LLP is given below.



Intex Commosales LLP

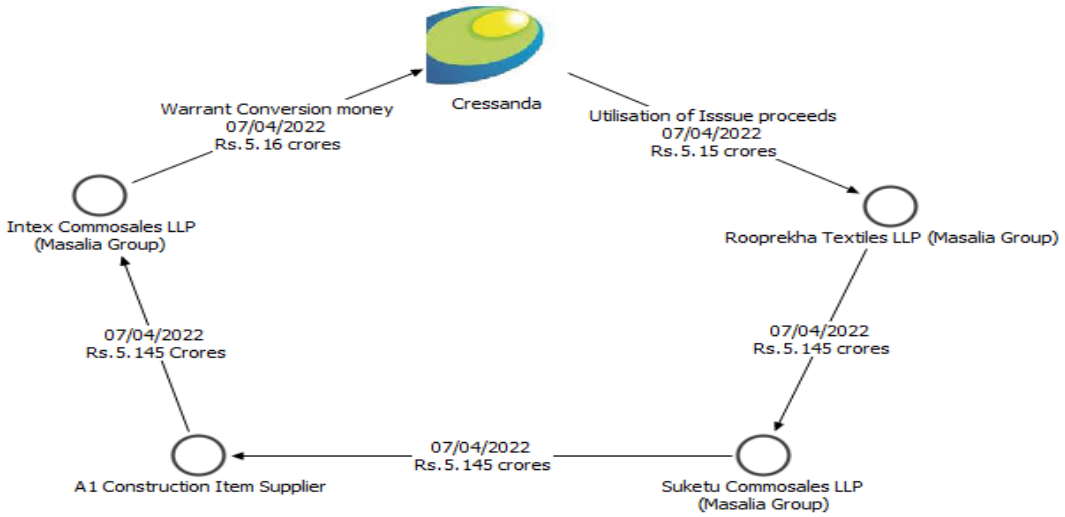
63. Intex Commosales LLP (Intex) had applied and was allotted 98.31 Lakh warrants for a total consideration of Rs.6.88 Crore. Intex paid Rs.1.72 Crore as application money on March 21, 2022 from its Yes Bank Account No. 098663300002143.

64. Intex paid Rs.5.16 Crore on April 07, 2022 and August 02, 2022 towards conversion of the warrants from its Yes Bank Account No. 098663300002143. Intex received Rs.5.14 Crore on April 07, 2022 from A1 Construction Item Supplier, which in turn had received Rs.5.145 Crore on April 07, 2022 from Suketu Commosales LLP. Suketu Commosales LLP on the same day i.e. April 07, 2022 had received Rs.5.145 Crore from Rooprekha Textile LLP. Cressanda on April 07, 2022 transferred Rs.5.15 Crore to Rooprekha Textile from its Yes Bank Account No. 45963300001294. The details of the fund transfers are provided below:

Intex Commosales LLP - 98,31,000 warrants					
Application Money		**From**		**To**	
Date	Amount	Entity	Bank/Bank Account	Entity	Bank/Bank Account
19/03/2022	1,72,50,000	Emporis Projects Limited (Masalia Group)	ICICI/ 641105000696	A1, Construction Item Supplier	Yes/ 98663700001409
19/03/2022	1,72,04,500	A1, Construction Item Supplier	Yes/ 98663700001409	Intex Commosales LLP	Yes/ 098663300002143
21/03/2022	1,72,04,250	Intex Commosales LLP	Yes/ 098663300002143	Cressanda	AUB/ 2221253138605492

Allotment Money		From		To	
07/04/2022	5,15,00,000	Cressanda	Yes/ 45963300001294	Rooprekha Textiles LLP (Masalia Group)	Yes/ 42163300002420
07/04/2022	5,14,50,000	Rooprekha Textiles LLP (Masalia Group)	Yes/ 42163300002420	Suketu Commosales LLP(Masalia Group)	Yes/ 045963300000827
07/04/2022	5,14,50,000	Suketu Commosales LLP (Masalia Group)	Yes/ 045963300000827	A1 Construction Item Supplier	Yes/ 98663700001409
07/04/2022	5,14,00,000	A1 Construction Item Supplier	Yes/ 98663700001409	Intex Commosales LLP	Yes/ 098663300002143
07/04/2022	3,00,000	Betal Traders LLP (Masalia Group)	Yes/ 42163400001730	Intex Commosales LLP	Yes/ 098663300002143
07/04/2022	5,16,12,750	Intex Commosales LLP	Yes/ 098663300002143	Cressanda	Yes/ 45963300001294

65. A chart indicating flow of warrant conversion money in the case of Intex Commosales LLP is given below:



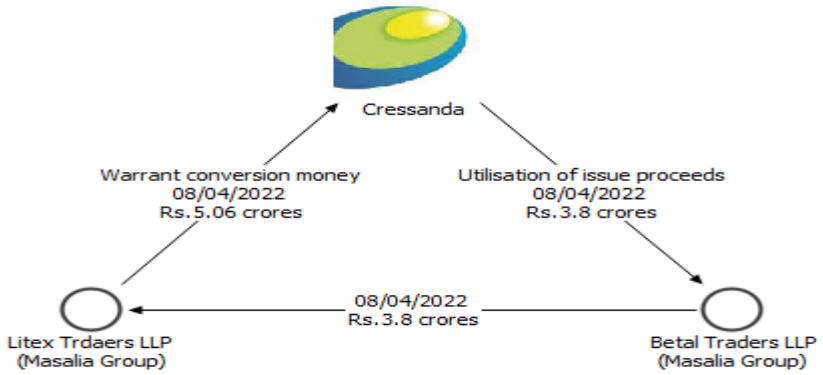
Litex Traders LLP

66. Litex Traders LLP (Litex) had applied and was allotted 96.50 Lakh warrants for a total consideration of Rs.6.755 Crore. Litex paid Rs. 1.69 Crore as application money on March 21, 2022.

67. Litex paid Rs. 5.07 Crore to Cressanda on April 08, 2022 towards conversion of warrants into equity shares. It was observed that Litex received Rs.5.07 Crore on April 08, 2022 from Betal Traders (Rs.3.80 Crore) and Silvercade Trading Private Limited (Rs.1.27 Crore). Further, Cressanda paid Rs.3.80 Crore to Betal Traders LLP. The details of the fund transfers are provided below:

Litex Traders LLP - 96,50,000 warrants					
Application Money		**From**		**To**	
Date	Amount	Entity	Bank/Bank Account	Entity	Bank/Bank Account
21/03/2022	1,68,87,500	Litex Trdaers LLP (Masalia Group)	Sahyadri Bank /CA 4959	Cressanda	AUB/ 2221253138605492
Allotment Money		**From**		**To**	
08/04/2022	3,80,00,000	Cressanda	Yes/ 45963300001294	Betal Traders LLP	Yes/ 42163400001730
08/04/2022	3,80,00,000	Betal Traders LLP	Yes/ 42163400001730	Litex Trdaers LLP (Masalia Group)	Sahyadri Bank /CA 4959
08/04/2022	5,06,62,500	Litex Trdaers LLP (Masalia Group)	Sahyadri Bank /CA 4959	Cressanda	AUB/ 2221253138605492

68. A chart indicating flow of warrant conversion money in the case of Litex Traders LLP is given below:



69. The receipt of funds by the preferential allottees out of the application and warrant conversion money received by the Company are summarized below:

Name of applicants	No. of warrants	Application amount (Rs)	Conversion amount (Rs.)	Funds received back by Allottees indirectly	Funds received back from Company through
Sanskruti Commotrade LLP	98,00,000	1,71,50,000	5,15,00,000	5,15,00,000*	Rooprekha Textiles LLP
Kamla Multitrade LLP	95,50,000	1,67,12,500	5,01,37,500	5,25,00,000	Shri Vadechi
Kittu Commosales LLP	1,00,00,000	1,75,00,000	5,25,00,000	5,40,00,000	Pakhi Multitrade
Intex Commosales LLP	98,31,000	1,72,04,250	5,16,12,750	5,15,00,000*	Rooprekha Textiles LLP
Litex Traders LLP	96,50,000	1,68,87,500	5,06,62,500	3,80,00,000	Betal Traders
Total				**19,60,00,000**	

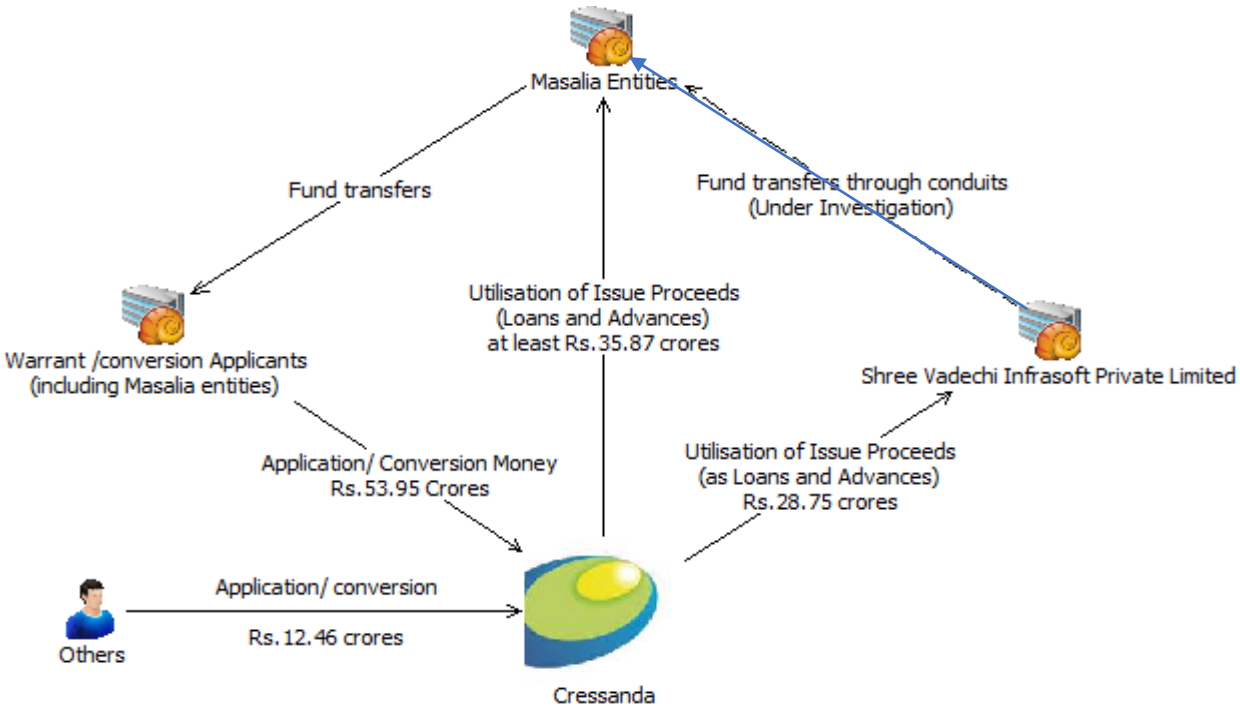
**Fund received by Rooprekha from Cressanda after conversion of warrants by Sanskruti was re-routed to Intex for making payment for conversion of warrants. Accordingly, while arriving at the total, the amount has been considered only once.*

Utilisation of proceeds of the preferential issue of convertible warrants

70. The total money received by the Company in respect of application for the issue of convertible warrants and subsequent conversion of warrants into equity shares was Rs.66.4426 Crore. Out of the same, Rs.19.60 Crore was routed back to five allottees, as discussed in preceding paragraphs. Further, out of the remaining amount received by the Company, an amount of Rs.45.05 Crore was given as loans and advances to various Masalia Group entities, as per the following details.

Sl. No.	**Name of Entity**	**Loan Given (Rs.)**	**Remarks**
1	Rooprekha Textile LLP	2.03 Crore (7.18 Crore – 5.15 Crore)	Masalia Group entities
2	Dam Commosales LLP	7.00 Crore	Masalia Group entities
3	Suketu Commosales LLP	12.49 Crore	Masalia Group entities
4	Shree Vadechi Infrasoft Private Limited	23.50 crore (28.75 Crore – 5.25 Crore)	Part of the funds routed to Masalia Group entities
		45.05 Crore	

71. The utilization of application money for subscription of warrants and the subsequent payments for conversion of the same to equity in the Company is shown diagrammatically below:



72. The sources of payment of application money and the warrant conversion money by other allottees are under examination by SEBI.

Role of entities

Company

73. As discussed in detail above, the Company (Cressanda) entered into fictitious purchase and sales resulting into inflated financials of the company not representing true and fair view of the state of affairs of the Company. Further, the Company raised money through preferential issue and allotment of warrants. However, a large part of the application and allotment money was round-tripped and diverted / returned to the allottees.

74. In view of the above, the Company is alleged to have *prima facie* violated the provision of Section 12A(a), (b) and (c) of the SEBI Act, 1992, regulations 3(a), (b), (c) (d), 4(1), 4(2)(f), (k) & (r) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 ("**PFUTP Regulations, 2003**") and Regulations 4(1), 4(2)(e), 33 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**LODR Regulations, 2015**").

Smart Infraproperties Pvt. Ltd. (SIPL)

75. As discussed above, SIPL had transferred shares in off-market transactions to certain entities which subsequently sold the shares in the market and transferred part of the proceeds to SIPL. It appears that SIPL was involved with the Company in executing the fraudulent scheme devised by the Company.

76. In view of the above, SIPL is alleged to have *prima facie* violated the provision of Section 12A (b) and (c) of the SEBI Act, 1992, regulations 3 (c) & (d) and 4(1) of PFUTP Regulations, 2003.

Milind Madhukar Palav

77. It is observed from the Annual report for FY21 that Mr. Milind Madhukar Palav was Executive Director and CFO of the Company during the investigation period. He was appointed as Executive Director and CFO of the Company on November 25, 2021 until his resignation on August 7, 2023. Mr. Milind Palav was signatory to the financial statement for FY23. Being CFO, he was

responsible for the preparation of the financial statement and the contents therein. He had also certified the statement of deviation dated July 11, 2023 submitted to the stock exchange in respect of the application of funds raised from preferential issue of convertible warrants. In the aforesaid statement, he stated that there was no deviation. However, it was brought out during investigation that the proceeds of the preferential issue were diverted as loans and advances. In view of the above, Mr. Milind Palav is alleged to have *prima facie* violated the provision of Section 12A(a), (b) and (c) of the SEBI Act, 1992, regulations 3(a), (b), (c) (d), 4(1), 4(2)(c) & (f) of PFUTP Regulations, 2003 and regulations 4(1), 4(2)(e), (f), 32(1), 33 and 34 of LODR Regulations, 2015 read with Section 27 of SEBI Act, 1992.

Manohar Iyer S. Nagraj

78. Mr. Manohar Iyer S. Nagraj was the Managing Director of Cressanda during FY23. He was appointed on 09/02/2023 and resigned on September 30, 2023. He was a signatory to the financial statements and Annual Reports of the Company for FY23. Being Managing Director of Cressanda, he was responsible for the preparation of the financial statement and Annual Report for FY23 and the contents therein. Further, he was aware of the fictitious sales and purchase transactions by the Company, since many of such transactions involving sales and purchases of rice were undertaken in March 2023. Further the funds movement (receipts and payments) in respect of those transactions were also during his period as Managing Director of the Company.

79. In view of the above, Mr. Manohar Iyer is alleged to have *prima facie* violated the provision of Section 12A(a), (b) and (c) of the SEBI Act, 1992, regulations 3(a), (b), (c) (d), 4(1), 4(2)(c) & (f) of the PFUTP Regulations, 2003 and Regulations 4(1), 4(2)(e), (f), 32(1), 33 and 34 of LODR Regulations, 2015 read with Section 27 (1) of SEBI Act, 1992.

Rajkumar Dinesh Masalia

80. Rajkumar Dinesh Masalia was appointed as Executive Director with effect from August 7, 2023. As discussed in the earlier paragraphs, Mr. Rajkumar Masalia was authorised signatory in the bank accounts of various conduit entities used for providing funds for the application and conversion in the preferential issue

of convertible warrants by Cressanda. Some of these entities were also applicants in the preferential issue. It *prima facie* appears that Mr. Rajkumar Masalia was instrumental in the irregularities in the preferential allotment of convertible warrants, which resulted in allotment of equity shares upon conversion of the warrants without actual receipt of money in the Company. While Mr. Rajkumar Masalia was summoned to appear before the IA vide summons dated December 4, 2023 and November 3, 2023, he failed to appear before the IA.

81. In view of the above, Rajkumar Masalia has *prima facie* violated the provision of Section 12A(a), (b) and (c) of the SEBI Act, 1992 and regulations 3(a), (b), (c) (d), 4(1), 4(2)(c) & (f) of the PFUTP Regulations, 2003.

Sanskruti Commotrade LLP, Kamla Multitrade LLP, Kittu Commosales LLP, Intex Commosales LLP and Litex Traders LLP

82. As discussed above, Sanskruti Commotrade LLP, Kamla Multitrade LLP, Kittu Commosales LLP, Intex Commosales LLP and Litex Traders LLP were preferential allottees. Out of these, Kittu Commosales and Litex Traders LLP appeared to be controlled by Mr.Rajkumar Masalia, as he was the authorized signatory for the bank accounts of the said entities. It was observed that the warrant application and conversion money paid by the abovementioned five entities to the Company was routed back to them by the Company. Accordingly, they appear to be involved in the fraudulent deals of the Company in respect of the preferential allotment.

83. In view of the above, the abovementioned five Noticees are alleged to have *prima facie* violated the provision of Section 12A(a), (b) and (c) of the SEBI Act, 1992 and regulations 3(a), (b), (c) (d), 4(1), 4(2)(a) & (h) of the PFUTP Regulations, 2003.

Need for an Interim Directions

84. It is noted that the Company has been engaging in bogus sales and purchases of rice and IT related products and generating fictitious revenue to inflate its books of accounts. The manipulation of books of accounts and financial statements resulting from apparently non-genuine purchase and sales

transactions pertain to FY23. It is seen that such transactions continued to happen in FY24 as well.

85. It is pertinent to note that SEBI has already issued an Interim Order dated May 10, 2024 against Varanium Cloud Ltd. and its Managing Director for alleged mis-statement of financials. As discussed earlier in this order, Cressanda is one of the entities with whom Varanium had executed allegedly fictitious transactions.

86. It has also been observed that part of the proceeds of the preferential allotment of warrants has been diverted by the Company. While payments by 28 allottees to Cressanda are still under examination, there is a *prima facie* case that Noticees 6 to 10 were allotted shares against partial or no consideration in the abovementioned preferential allotments. There is a real possibility that once this Interim Order is issued, Noticees 6-10 may sell the shares allotted to them and make an exit. Thus, they need to be restrained from doing so.

87. The fact that Cressanda made an issue of 9,49,18,000 equity shares on preferential basis to 33 allottees in March 2022 and raised Rs.66.44 Crore (a part of which was routed back to some of the allottees, as discussed above) when the promoter shareholding in the Company had come down to 0.10% of the paid-up capital of the Company coupled with the fact that the Company booked fictitious sales and purchases points towards a fraudulent scheme by the Company to mislead unsuspecting investors into believing that the Company had good prospects. While the Company had NIL or negligible revenue from operations from FY15 to FY22, the Company reported a quantum jump in its sales during FY23 (sales of Rs.75.13 Crore) through fictitious transactions. The Company appears to have taken advantage of rigged financial statements to lure investors by creating a false narrative of the Company which is reflected by the fact that the number of public shareholders of the Company increased more than 20 times from 2700 to 56,556 within a span of three years. Certainly, the investors had been led up the garden path while the promoter transferred shares to dubious entities in off-market transactions who then sold the same shares in the market.

88. In view of the above observations and considering the gravity of the *prima facie* findings, I am of the opinion that urgent intervention by SEBI, by way of issuance of interim directions, is warranted in this matter to safeguard the interests of investors and uphold the integrity of the financial system. Accordingly, I deem it to be a fit case to issue appropriate directions, pending a detailed investigation.

Directions:

89. In view of the *prima facie* findings and observations recorded in the preceding paragraphs and in order to protect the interests of shareholders of Cressanda and other investors and the integrity of the securities market, I, in exercise of the powers conferred upon me under Sections 11, 11(4) and 11B(1) read with Section 19 of the SEBI Act, 1992 hereby issue the following directions, which shall be in force until further orders:

    (a) Noticees 1 to 10 are restrained from buying, selling or dealing in the securities market and are further prohibited from accessing or associating themselves with the securities market, either directly or indirectly, in any manner whatsoever until further orders. If the Noticees have any open position in any exchange traded derivative contracts, as on the date of the order, they can close out /square off such open positions within 7 days from the date of this order. The Noticees are permitted to settle the pay-in and pay-out obligations in respect of transactions, if any, which have taken place before the close of trading on the date of this Order.

    (b) Mr. Rajkumar Dinesh Masalia (Noticee 5) is restrained from acting as a Director / Key Managerial Personnel of any listed company or its subsidiary or any company which intends to raise money from the public or any SEBI registered intermediary, until further orders.

90. The foregoing *prima facie* observations, contained in this Order, are made on the basis of the material available on record. The Noticees may, within 21 days from the date of receipt of this Order, file their reply/objections, if any, to this

Order and may also indicate whether they desire to avail an opportunity of personal hearing on a date and time to be fixed in that regard.

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

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

DATE: OCTOBER 11, 2024 **ASHWANI BHATIA**

PLACE: MUMBAI **WHOLE TIME MEMBER**

SECURITIES AND EXCHANGE BOARD OF INDIA