METROPOLITAN
STOCK EXCHANGE

Department: Investigation	Segment: All
Circular No: MSE/ID/19592/2026	Date: August 20, 2026

Subject: SEBI Interim order in the matter of Dhenu Buildcon Infra Limited

To All Members,

This is with respect of SEBI Order No. WTM/KV/ISD/ISD-SEC-7/32667/2026-27 dated August 19, 2026, where in SEBI has issued the following directions:

Noticee no. 1 is directed to not undertake any corporate actions namely name change, alteration in capital structure, bonus issue, rights issue, stock split, dividends, etc. until further order

Noticee nos. 2 to 7 are restrained from disposing off shares of DBIL held by them, directly or indirectly, in any manner whatsoever, until further order.

Noticee nos. 8 and 9 are restrained from buying, selling or dealing in securities or associating themselves with the securities market, either directly or indirectly, in any manner whatsoever until further orders

Noticee No.	Name of the Noticee	PAN
1.	Dhenu Buildcon Infra Limited	AAACT1951G
2.	Golkonda Aluminium Extrusions Limited	AABCP7715M
3.	Shanta Agencies Private Limited	AAACS9662D
4.	Shri Niwas Leasing and Finance Limited	AAACS2978Q
5.	Tiaan Consumer Limited	AAACR7447K
6.	Twinkle Mercantiles & Credits Private Limited	AAACT3839P
7.	Utsav Securities Limited	AAACU1214B
8.	Surendra Kumar Jain	AAHPJ8940K
9.	Virendra Jain	AAGPJ3319P

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 3 months from the date of order or at the expiry of such contracts, whichever is earlier. 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.

The detailed order is available on SEBI website:- http://www.sebi.gov.in

This order shall come into force with immediate effect.

Members are advised to take note of the above and ensure compliance.

For and on behalf of
Metropolitan Stock Exchange of India Limited

Shweta Mhatre
Assistant Vice President

SECURITIES AND EXCHANGE BOARD OF INDIA

INTERIM ORDER

UNDER SECTIONS 11(1), 11(4) AND 11B OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT IN THE MATTER OF DHENU BUILDCON INFRA LIMITED

In respect of:

***Noticee* No.**	**Name of the *Noticee***	**PAN**
1.	Dhenu Buildcon Infra Limited	AAACT1951G
2.	Golkonda Aluminium Extrusions Limited	AABCP7715M
3.	Shanta Agencies Private Limited	AAACS9662D
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8.	Surendra Kumar Jain	AAHPJ8940K
9.	Virendra Jain	AAGPJ3319P

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

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A. BACKGROUND

1. Securities and Exchange Board of India ("**SEBI**") initiated an examination to ascertain any potential violation of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 ("**PFUTP Regulations**") in the matter of Dhenu Buildcon Infra Limited (**"DBIL"/ "Company**") pursuant to a reference dated April 20, 2026 received from the Serious Fraud Investigation Office ("**SFIO**").

2. DBIL (previously known as "The Hingir Rampur Coal Company Limited") was incorporated on August 21, 1909, and is listed on the BSE since April 11, 1985. It is classified as Public Listed Indian Non-Government Company and its registered office is stated to be located at 204, Aar Pee Centre,11th Road, MIDC, Andheri East, Mumbai, Maharashtra – 400093. As per 117th Annual Report (2024-25) of DBIL, it was a Non-Banking Financial Company ("**NBFC**"), primarily engaged in the business of investment in securities. However, vide Press Release: 2025/2026/1090 dated September 12, 2025, the Reserve Bank of India has cancelled the Certificate of Registration granted to DBIL thereby prohibiting it from conducting business as a Non-Banking Financial Institution.

3. The examination was conducted for the period from August 01, 2024 to July 31, 2026 ("**Examination Period**") which focused on the circumstances surrounding unsecured loans aggregating to ₹1,000 crores received by DBIL from seven entities, the subsequent conversion of approximately ₹840 crores of such loans into equity shares through preferential allotment, and the relationship, association and role of entities and persons involved in the said transactions.

4. The examination has, *prima facie*, revealed a pattern of layered and round tripping of funds amongst a network of entities, followed by conversion of a substantial portion of the purported unsecured loans into equity shares of DBIL through a preferential allotment. The examination has further revealed various commonalities and linkages amongst DBIL, entities which purportedly advanced the loans and entities which received funds from DBIL.

5. The examination has also, *prima facie*, revealed that DBIL, which operated on a relatively small scale with virtually non-existent revenues and profits during the Examination Period, purportedly received unsecured loans aggregating to ₹1,000 crores from seven entities which was in the form of round tripping. Approximately ₹840 crore of the said purported loans was subsequently converted into equity through preferential allotment to six entities (*Noticee nos. 2-7*) of the seven lending entities. Pursuant to the said allotment, approximately 99.70% of the outstanding equity shares of DBIL came to be held by the new allottees, who were shown as belonging to the non-promoter category.

6. Considering the facts of the matter, the examination alleges that the prima facie round tripping financial transactions carried out by *Noticees* constitutes manipulation of the books of accounts and financial statements of DBIL that would directly or indirectly manipulate the price of securities of DBIL. Further, evidences on record lead to a strong *prima facie* inference that *Noticees* intended to earn unlawful gains at the cost of public investors and in view of the same, the *Noticees* are alleged to be *prima facie* in violation of regulations 3(a), (b), (c), (d), 4(1), 4(2)(a) and (f) of the PFUTP Regulations read with section 12A(a), (b) and (c) of the SEBI Act, 1992 ("**SEBI Act**").

B. PRELIMINARY FINDINGS OF EXAMINATION AND CONSIDERATION

7. I have carefully considered the preliminary findings of examination, along with the material and documents relied upon therein which, *inter alia,* include:
   (i) the financial statements and corporate disclosures of DBIL;
   (ii) the bank-account statements of DBIL and the entities involved in the transactions;
   (iii) the analysis of the flow of funds amongst the entities;
   (iv) information concerning the preferential allotment of 5,91,54,92,940 equity shares of DBIL;
   (v) statutory and corporate records concerning DBIL and the entities connected with the transactions;
   (vi) information concerning the common shareholding, directorship, addresses and authorised persons of the entities;

(vii) site-visit reports concerning the registered offices of the entities;

(viii) WhatsApp communications obtained during search and seizure proceedings in a separate matter;

(ix) call records and other material relating to the association and interaction amongst the persons/entities; and

(x) such other material as has been referred to and relied upon in the examination.

8. The list of *Noticees* involved in the present matter and their role is summarised in the table below:

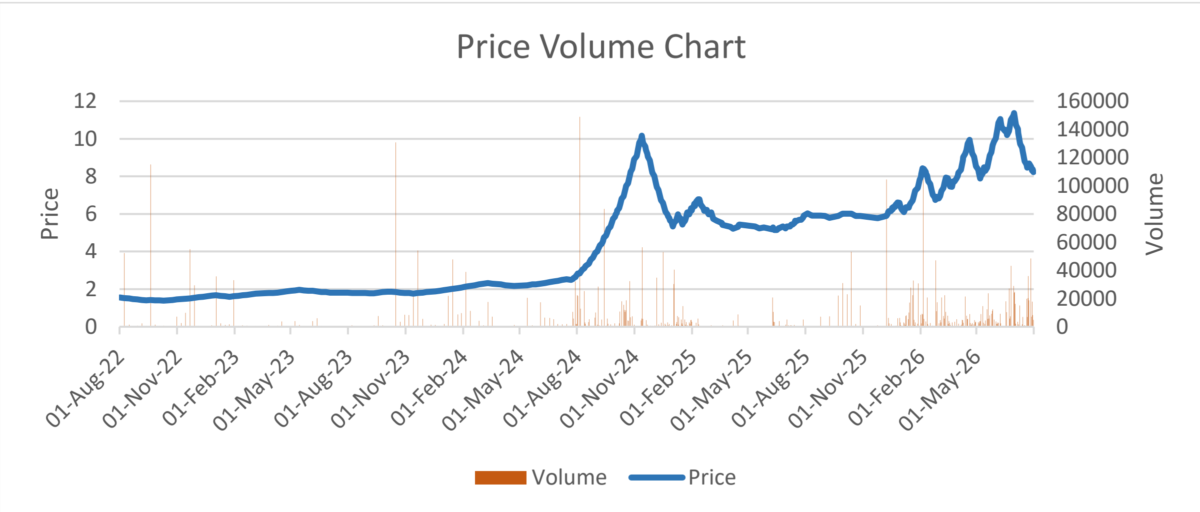
Table 1
List of entities involved in the case and their connections

S. No.	Name of the entity	PAN	Role of the entity
1	Dhenu Builcon Infra Limited	AAACT1951G	Company/DBIL
2	Golkonda Aluminium Extrusions Limited	AABCP7715M	Preferential allottee, Lender and shareholder of entity at S. No.1
3	Shanta Agencies Private Limited	AAACS9662D	Preferential allottee, Lender of entity at S. No.1 and shareholder of entity at S. No. 1 & 6
4	Shri Niwas Leasing and Finance Limited	AAACS2978Q	Preferential allottee, Lender and shareholder of entity at S. No.1
5	Tiaan Consumer Limited	AAACR7447K	Preferential allottee, Lender and shareholder of entity at S. No.1
6	Twinkle Mercantiles & Credits Private Limited	AAACT3839P	Preferential allottee, Lender of entity at S. No.1 and shareholder of entity at S. No. 1, 3 & 7
7	Utsav Securities Limited	AAACU1214B	Preferential allottee & Lender of entity at S. No.1 and shareholder of entity at S. No. 1 & 3
8	Surendra Kumar Jain	AAHPJ8940K	Direct/Indirect Control/Management/Ownership in the entities involved in the overall scheme and

S. No.	Name of the entity	PAN	Role of the entity
			direct shareholder of entities at S. No. 3, 4, 6 & 7
9	Virendra Jain	AAGPJ3319P	Direct/Indirect Control/Management/Ownership in the entities involved in the overall scheme and direct shareholder of entities at S. No. 2, 3, 4, 6 & 7

9. The Price-Volume chart based on the data for the period from August 01, 2022 to July 31, 2026, in the scrip DBIL is as under:

Figure 1
Price Volume Chart of DBIL



(Source: BSE Website)

10. From the analysis of the PV Data, the examination found the following:
    (i) During the examination period, the price of the scrip has increased by approx. 194.62%, from INR 2.79/- as on August 01, 2024 to 8.22/- as of July 31, 2026, on open-close basis and from INR 2.79/- as on August 01, 2024 to INR 11.59/- on July 01, 2026, an increase of approx. 315.41%, on high-low basis. The market capitalization of the company increased from approx. Rs. 3 crores to Rs. 4,925 crores during the examination period.

(ii) During the pre-examination period, the trading in the scrip was not continuous. The scrip traded only 100 days out of 495 trading days, i.e. approx. 20.20% trading days to total number of trading days. However, in the examination period, the trading became continuous and the scrip traded 350 days out of 501 trading days, approx. 69.86% trading days to total number of trading days.

(iii) The total number of shares traded increased by approx. 171.42% and average number of trades per day increased by approx. 133.39% during the examination period vis-à-vis from August 01, 2024 to July 31, 2026.

(iv) During the pre-examination period, the price of the scrip of DBIL was range-bound in the range of INR 1.39/- to INR 2.74/- Subsequently, the prices started to increase with effect from August 01, 2024, although there was negligible change in the revenue or profitability of the company.

11. The relevant evidences along with my *prima facie* findings, have been narrated in the ensuing paragraphs.

B.1 PURPORTED LOANS AND ROUND TRIPPING OF FUNDS

12. The examination of the bank accounts of DBIL reveals that, during the period December 24, 2024 to December 31, 2024, DBIL received an aggregate amount of ₹1,000 crores through 46 separate credit transactions from the following seven entities:

Table 2
Summary of Fund Inflows

Inflow Source Entity	Amount (Rs. Crores)	Transaction Date(s)	No. of Transactions
Golkonda Aluminium Extrusions Limited	160	24-Dec-24	7 tx
Edoptica Retail India Limited	160	24-30 Dec 24	7 tx
Tiaan Consumer Limited	160	24-Dec-24	7 tx
Twinkle Mercantile & Credits Pvt Ltd	185	27-Dec-24	8 tx
Shanta Agencies Private Limited	160	27-Dec-24	7 tx
Shri Niwas Leasing and Finance Limited	115	24-30 Dec 24	7 tx
Utsav Securities Limited	60	31-Dec-24	3 tx
Total Inflows	**1,000**	**Dec 24 – Dec 31, 2024**	

13. The aforesaid receipts were recorded in DBIL's primary bank account through multiple transactions within a period of only eight days, despite the fact that DBIL

had a relatively small operating and financial profile. The examination of DBIL's financial statements further revealed that the Company had virtually negligible revenues and profits during the Examination Period. The financial capacity of several of the purported lending entities was also found to be disproportionately small when compared with the amounts purportedly advanced by them.

14. The circumstances surrounding the receipts therefore warranted examination of the underlying banking transactions to ascertain whether the amounts represented genuine loans independently advanced by the seven lending entities or whether the transactions formed part of a coordinated round tripping of funds.

15. On tracing each of the 46 credit transactions upstreamed through the bank accounts of the entities involved, 28 distinct routing variations across 46 transaction cycles were identified. The routing patterns reveal repeated movement of funds through a common pool of entities, including, *inter alia*, Genesis Developers and Holdings Limited ("**Genesis**"), Hillridge Investments Limited ("**Hillridge**"), Twinkle Mercantiles & Credits Private Limited ("**Twinkle**"), PB Properties Private Limited ("**PB Properties**"), Abhijit Trading Company Limited ("**Abhijit**"), Intellectual Builders Private Limited ("**Intellectual Builders**"), Blue Bell Finance Limited ("**Blue Bell**"), Golkonda Aluminium Extrusions Limited ("**Golkonda**"), Shanta Agencies Private Limited ("**Shanta**"), Shri Niwas Leasing and Finance Limited ("**Shri Niwas**"), Tiaan Consumer Limited ("**Tiaan**"), Edoptica Retail India Limited, Utsav Securities Limited ("**Utsav**"), Victory Software Private Limited ("**Victory**") and Edoptica Retail India Limited ("**Edoptica**"), before the funds returned to DBIL. Each of the 46 identified credit entries ultimately landed directly in the primary bank account of DBIL. The summary of transaction-wise routes has been tabulated herein below (the first transaction is starting entry of 25,04,98,000 which is under examination):

Table 3
Transaction-wise details of fund movement trail in DBIL

Date of Transaction	Transaction Particulars	Last Credit Amount	Fund Movement Trail (Sequential Layering)	Pattern
24/12/2024 16:52	FT - Cr - 50200102179581 - GOLKONDA ALUMINIUM EXTRUSIONS LIMITED	25,04,98,000.00	/….………….. Genesis/Hill Ridge-Twinkle Mercantile - PB properties - Abhijit Trading-Intellectual Builders - Blue Bell -Twinkle Mercantile - PB properties - Twinkle Mercantile - Golkonda - Dhenu Buildcon	The source of 25,04,98,000/- could be traced till Genesis/Hill Ridge accounts which need to be further traced back to its origin.
24/12/2024 17:30	FT - Cr - 50200091061499 - EDOPTICA RETAIL INDIA LIMITED	25,04,88,000.00	Dhenu Buildcon-Hill Ridge-Twinkle Mercantile-Tiaan-Edoptica-Dhenu Buildcon	Pattern 1 consisting of these four sets of transactions
24/12/2024 17:42	FT - Cr - 50200075343332 - TIAAN CONSUMER LIMITED	25,04,78,000.00	Dhenu Buildcon-Genesis-Twinkle Mercantile-Shanta-Tiaan-Dhenu Buildcon	
24/12/2024 17:48	FT - Cr - 50200102295205 - SHRI NIWAS LEASING AND FINANCE LIMITED	25,04,68,000.00	Dhenu Buildcon-Intellectual Builders-Blue Bell-Twinkle Mercantile-Shri Niwas-Dhenu Buildcon	
24/12/2024 17:56	FT - Cr - 50200102179581 - GOLKONDA ALUMINIUM EXTRUSIONS LIMITED	25,04,59,000.00	Dhenu Buildcon- Genesis - Twinkle Mercantile - Golkonda-Dhenu Buildcon	
24/12/2024 18:03	FT - Cr - 50200091061499 - EDOPTICA RETAIL INDIA LIMITED	25,04,44,000.00	Dhenu Buildcon-Hill Ridge - Twinkle Mercantile - Tiaan-Edoptica-Dhenu Buildcon	Pattern 1 repeated
24/12/2024 18:09	FT - Cr - 50200075343332 - TIAAN CONSUMER LIMITED	25,04,29,000.00	Dhenu Buildcon-Genesis-Twinkle Mercantile-Shanta-Tiaan-Dhenu Buildcon	
24/12/2024 18:15	FT - Cr - 50200102295205 - SHRI NIWAS LEASING AND FINANCE LIMITED	25,04,14,000.00	Dhenu Buildcon-Intellectual Builders-Blue Bell-Twinkle Mercantile-Shri Niwas - Dhenu Buildcon	
24/12/2024 18:21	FT - Cr - 50200102179581 - GOLKONDA ALUMINIUM EXTRUSIONS LIMITED	25,04,00,000.00	Dhenu Buildcon- Genesis - Twinkle Mercantile - Golkonda-Dhenu Buildcon	

Date of Transaction	Transaction Particulars	Last Credit Amount	Fund Movement Trail (Sequential Layering)	Pattern
24/12/2024 18:29	FT - Cr - 50200091061499 - EDOPTICA RETAIL INDIA LIMITED	25,03,75,000.00	Dhenu Buildcon-Hill Ridge - Twinkle Mercantile - Tiaan-Edoptica-Dhenu Buildcon	Pattern 1 repeated
24/12/2024 18:34	FT - Cr - 50200075343332 - TIAAN CONSUMER LIMITED	25,03,50,000.00	Dhenu Buildcon-Genesis-Twinkle Mercantile-Shanta-Tiaan-Dhenu Buildcon	
24/12/2024 18:39	FT - Cr - 50200102295205 - SHRI NIWAS LEASING AND FINANCE LIMITED	25,03,25,000.00	Dhenu Buildcon-Intellectual Builders-Blue Bell-Twinkle Mercantile-Shri Niwas - Dhenu Buildcon	
24/12/2024 18:51	FT - Cr - 50200102179581 - GOLKONDA ALUMINIUM EXTRUSIONS LIMITED	25,03,00,000.00	Dhenu Buildcon- Genesis - Twinkle Mercantile - Golkonda-Dhenu Buildcon	
24/12/2024 18:55	FT - Cr - 50200075343332 - TIAAN CONSUMER LIMITED	25,02,50,000.00	Dhenu Buildcon-Hill Ridge-Twinkle Mercantile-Shanta-Tiaan-Dhenu Buildcon	Pattern 2 consisting of these two sets of transactions
24/12/2024 18:59	FT - Cr - 50200102179581 - GOLKONDA ALUMINIUM EXTRUSIONS LIMITED	25,02,12,000.00	Dhenu Buildcon-Intellectual Builders-Blue Bell-Twinkle Mercantile-Golkonda - Dhenu Buildcon	
24/12/2024 19:03	FT - Cr - 50200075343332 - TIAAN CONSUMER LIMITED	25,02,22,000.00	Dhenu Buildcon-Hill Ridge-Twinkle Mercantile-Shanta-Tiaan-Dhenu Buildcon	Pattern 2 repeated
24/12/2024 19:08	FT - Cr - 50200102179581 - GOLKONDA ALUMINIUM EXTRUSIONS LIMITED	25,02,31,000.00	Dhenu Buildcon-Intellectual Builders-Blue Bell-Twinkle Mercantile- Golkonda - Dhenu Buildcon	
24/12/2024 19:13	FT - Cr - 50200075343332 - TIAAN CONSUMER LIMITED	25,02,36,000.00	Dhenu Buildcon-Hill Ridge-Twinkle Mercantile-Shanta-Tiaan-Dhenu Buildcon	Pattern 2 repeated
24/12/2024 19:17	FT - Cr - 50200102179581 - GOLKONDA ALUMINIUM EXTRUSIONS LIMITED	9,79,00,000.00	Dhenu Buildcon-Intellectual Builders-Blue Bell-Twinkle Mercantile-Golkonda - Dhenu Buildcon	

Date of Transaction	Transaction Particulars	Last Credit Amount	Fund Movement Trail (Sequential Layering)	Pattern
24/12/2024 19:23	FT - Cr - 50200075343332 - TIAAN CONSUMER LIMITED	9,80,35,000.00	Dhenu Buildcon-Hill Ridge-Twinkle Mercantile-Shanta-Tiaan-Dhenu Buildcon	Unique Pattern not repeated
27/12/2024 15:16	FT - Cr - 50200104455144 - TWINKLE MERCANTILE & CREDITS PVT LTD	25,79,80,000.00	Dhenu Buildcon-Intellectual Builders-Blue Bell-Twinkle Mercantile-PB properties - Twinkle Mercantile - Dhenu Buildcon	
27/12/2024 17:20	FT - Cr - 50200091061499 - EDOPTICA RETAIL INDIA LIMITED	25,00,09,000.00	Dhenu Buildcon - Abhijit Trading- Twinkle Mercantile - Shanta - Tiaan- Edoptica - Dhenu Buildcon	Pattern 3 consisting of these three sets of transactions
27/12/2024 17:23	FT - Cr - 50200092233149 - SHANTA AGENCIES PRIVATE LIMITED	25,00,05,000.00	Dhenu Buildcon-Hill Ridge-Twinkle Mercantile-Shanta-Dhenu Buildcon	
27/12/2024 17:25	FT - Cr - 50200104455144 - TWINKLE MERCANTILE & CREDITS PVT LTD	25,79,69,000.00	Dhenu Buildcon-Genesis-Twinkle Mercantile-Dhenu Buildcon	
27/12/2024 17:28	FT - Cr - 50200091061499 - EDOPTICA RETAIL INDIA LIMITED	25,01,24,000.00	Dhenu Buildcon - Abhijit Trading- Twinkle Mercantile - Shanta - Tiaan- Edoptica - Dhenu Buildcon	Pattern 3 repeated
27/12/2024 17:31	FT - Cr - 50200092233149 - SHANTA AGENCIES PRIVATE LIMITED	25,01,16,000.00	Dhenu Buildcon-Hill Ridge-Twinkle Mercantile-Shanta-Dhenu Buildcon	
27/12/2024 17:35	FT - Cr - 50200104455144 - TWINKLE MERCANTILE & CREDITS PVT LTD	25,79,47,000.00	Dhenu Buildcon-Genesis-Twinkle Mercantile-Dhenu Buildcon	
27/12/2024 17:38	FT - Cr - 50200091061499 - EDOPTICA RETAIL INDIA LIMITED	20,59,11,500.00	Dhenu Buildcon - Abhijit Trading- Twinkle Mercantile - Shanta - Tiaan- Edoptica - Dhenu Buildcon	Pattern 3 partially repeated
27/12/2024 17:43	FT - Cr - 50200092233149 - SHANTA AGENCIES PRIVATE LIMITED	20,59,01,500.00	Dhenu Buildcon-Hill Ridge-Twinkle Mercantile-Shanta-Dhenu Buildcon	

Date of Transaction	Transaction Particulars	Last Credit Amount	Fund Movement Trail (Sequential Layering)	Pattern
27/12/2024 17:49	FT - Cr - 50200104455144 - TWINKLE MERCANTILE & CREDITS PVT LTD	25,79,20,000.00	Dhenu Buildcon-Genesis-Twinkle Mercantile-alstone - Abhijit Trading- Twinkle Mercantile- Dhenu Buildcon	
27/12/2024 17:52	FT - Cr - 50200102295205 - SHRI NIWAS LEASING AND FINANCE LIMITED	9,36,20,000.00	Dhenu Buildcon - Abhijit Trading- Twinkle Mercantile - Shri Niwas - Dhenu Buildcon	This is a unique pattern not repeated
27/12/2024 17:55	FT - Cr - 50200092233149 - SHANTA AGENCIES PRIVATE LIMITED	25,79,22,000.00	Dhenu Buildcon-Intellectual Builders-Blue Bell-Twinkle Mercantile-PB properties - Shanta - Dhenu Buildcon	
27/12/2024 17:57	FT - Cr - 50200104455144 - TWINKLE MERCANTILE & CREDITS PVT LTD	25,79,15,000.00	Dhenu Buildcon-Hill Ridge-Twinkle Mercantile-Dhenu Buildcon	
27/12/2024 18:06	FT - Cr - 50200102295205 - SHRI NIWAS LEASING AND FINANCE LIMITED	3,20,10,000.00	Dhenu Buildcon - Abhijit Trading- Twinkle Mercantile - Golkonda - victory - PB Properties - Twinkle Mercantile - Shri Niwas - Dhenu Buildcon.	
27/12/2024 19:10	FT - Cr - 50200104455144 - TWINKLE MERCANTILE & CREDITS PVT LTD	25,22,69,000.00	Dhenu Buildcon - Genesis - Twinkle Mercantile - Dhenu Buildcon.	
27/12/2024 19:14	FT - Cr - 50200104455144 - TWINKLE MERCANTILE & CREDITS PVT LTD	10,60,50,000.00	Dhenu Buildcon-Hill Ridge-Twinkle Mercantile-Dhenu Buildcon	
27/12/2024 19:15	FT - Cr - 50200104455144 - TWINKLE MERCANTILE & CREDITS PVT LTD	20,19,50,000.00	Dhenu Buildcon - Abhijit Trading- Twinkle Mercantile - Dhenu Buildcon	
27/12/2024 19:17	FT - Cr - 50200092233149 - SHANTA AGENCIES PRIVATE LIMITED	24,11,03,000.00	Dhenu Buildcon - Abhijit Trading- Twinkle Mercantile - Shanta - Dhenu Buildcon	
27/12/2024 19:20	FT - Cr - 50200092233149 - SHANTA	25,17,33,000.00	Dhenu Buildcon - Abhijit Trading-PB Properties - Twinkle	

Date of Transaction	Transaction Particulars	Last Credit Amount	Fund Movement Trail (Sequential Layering)	Pattern
	AGENCIES PRIVATE LIMITED		Mercantile - Shanta - Dhenu Buildcon	
27/12/2024 19:24	FT - Cr - 50200092233149 - SHANTA AGENCIES PRIVATE LIMITED	14,32,19,500.00	Dhenu Buildcon - Abhijit Trading - Intellectual Builders - PB properties - Hill Ridge - Twinkle Mercantile - Shanta - Dhenu Buildcon	
30/12/2024 13:54	FT - Cr - 50200102295205 - SHRI NIWAS LEASING AND FINANCE LIMITED	19,99,30,000.00	Dhenu Buildcon - Intellectual Builders - PB properties - Blue Bell - Twinkle Mercantile - Shri Niwas - Dhenu Buildcon	
30/12/2024 15:36	FT - Cr - 50200102295205 - SHRI NIWAS LEASING AND FINANCE LIMITED	7,32,33,000.00	Dhenu Buildcon -Genesis - Intellectual Builders - PB properties - Blue Bell - Twinkle Mercantile - Victory - Golkonda - PB properties - Twinkle Mercantile - Shri Niwas - Dhenu Buildcon	
30/12/2024 15:47	FT - Cr - 50200091061499 - EDOPTICA RETAIL INDIA LIMITED	14,26,48,500.00	Dhenu Buildcon - Genesis - PB Properties - Tiaan - Edoptica - Dhenu Buildcon	
31/12/2024 13:31	FT - Cr - 50200012599049 - UTSAV SECURITIES LIMITED	20,10,00,000.00	Dhenu Buildcon -Genesis - PB properties - Tiaan - Edoptica - PB properties - Blue Bell - Hill Ridge - Twinkle Mercantile - PB properties - Victory - Utsav - Shanta - Victory - Utsav - Dhenu Buildcon	
31/12/2024 13:33	FT - Cr - 50200012599049 - UTSAV SECURITIES LIMITED	19,90,00,000.00	Dhenu Buildcon - Victory - Utsav- Dhenu Buildcon	Pattern 4 consisting of this one transaction
31/12/2024 13:47	FT - Cr - 50200012599049 - UTSAV SECURITIES LIMITED	20,00,00,000.00	Dhenu Buildcon - Victory - Utsav- Dhenu Buildcon	Pattern 4 repeated
	TOTAL	**10,00,00,00,000.00**		

16. In the aforesaid table, 'Transaction Particular' column identifies the entity from which the credit was received back in DBIL's account on a particular day after being round tripped through various entities. 'Fund Movement Trail' column traces the upstream flow of funds for that particular credit transaction. I note that the amount may not match exactly in each step of aforesaid round tripping of

funds since some intermediary corporate accounts also used residual balances from prior layering cycles. However, the amount of mismatch is insignificant compared to the total amount shown as loan advances.

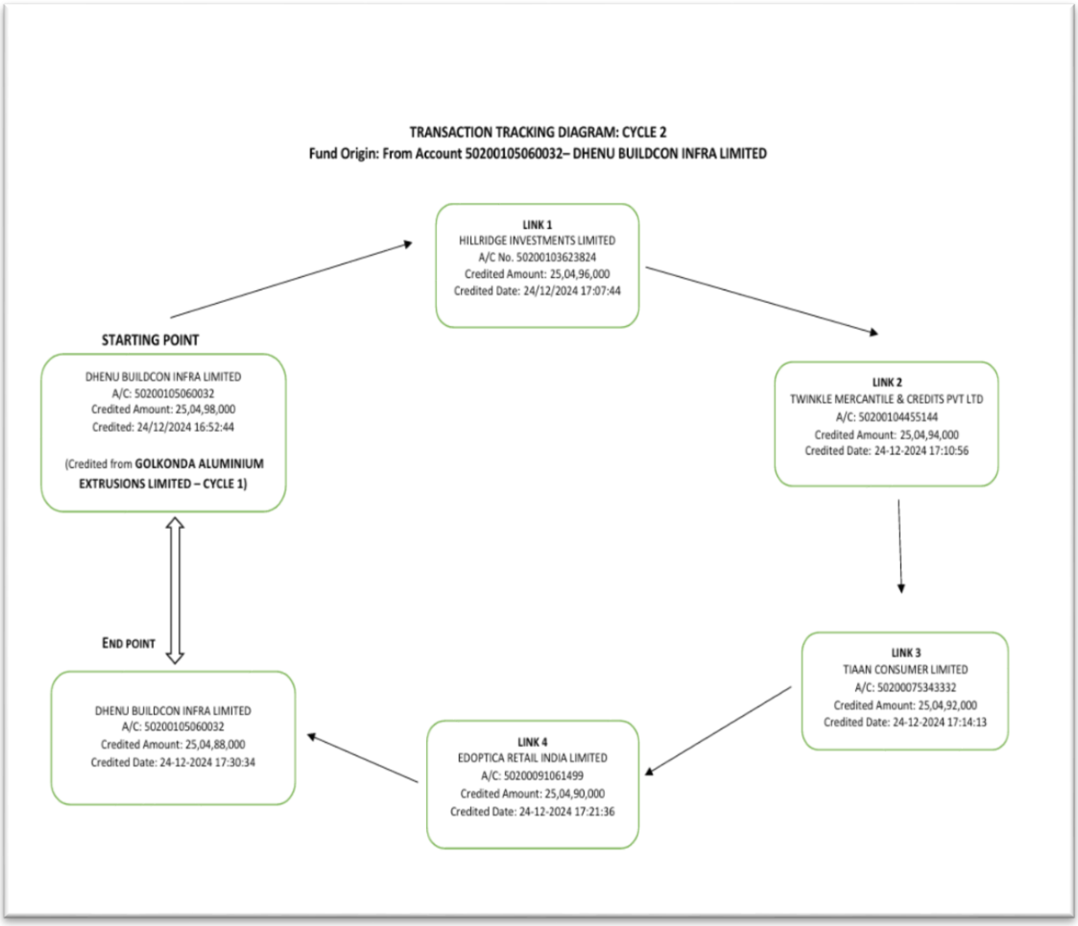
17. The significance of the aforesaid routing becomes apparent from the tracing of the very first identified credit transaction. The baseline for the tracing exercise is an amount of approximately ₹25.05 crore credited to DBIL's HDFC Bank account on December 24, 2024 at 16:52 hours directly from Golkonda Aluminium Extrusions Limited. The examination did not stop at identifying Golkonda as the immediate source of the aforesaid ₹25.05 crore. The funds were traced further upstream through the accounts of the entities involved in the preceding transactions. The upstream trail identified during examination is, broadly, as follows:

[Unknown]……..Genesis/Hillridge → Twinkle → PB Properties → Abhijit Trading → Intellectual Builders → Blue Bell → Twinkle → PB Properties → Twinkle → Golkonda → DBIL

18. Thus, the amount which entered DBIL's account from Golkonda had itself passed through several intermediary corporate accounts before reaching DBIL. The examination found that the source of the aforesaid initial ₹25.05 crore could be traced upstream only up to Genesis/Hillridge through the aforesaid chain. The legitimacy and ultimate original source of this amount is still under examination.

19. The examination of the subsequent transaction cycles reveals that funds moved outward from DBIL into intermediary entities and thereafter returned to DBIL through one or more of the seven entities shown as lenders. For illustration purpose, a granular review of the second credit transaction routed into DBIL's HDFC Bank account (5020010xxxxxxx) has been examined in detail which confirms a structured, circular round-tripping loop. The movement trail maps the multi-layered upstream pathways, proving that each incoming credit originated from DBIL itself before passing through specific intermediate layers to mask the fund source. The details of the illustrated transaction are provided below:

Figure 2
Transaction 2- Dhenu Buildcon-Hill Ridge-Twinkle Mercantile-Tiaan-Edoptica-Dhenu Buildcon



**Note: Similar details of all 46 transactions are part of annexures to the Examination Report.*

20. From the aforesaid figure, it can be seen that funds were pushed from DBIL through Hill Ridge, Twinkle, and Tiaan before being credited back to DBIL via Edoptica. This sequence, as documented across the four initial transactions establishes the foundational baseline for the classification designated as "Pattern 1". The initial routing designated as Pattern 1, was executed and repeated a total of two times on December 24, 2024. Following these iterations, the routing transitioned to Pattern 2. This new typology introduced a different set of corporate entities to act as the intermediary layering channels, with the exact Pattern 2 configuration being repeated twice in immediate succession on that same day. Similarly, throughout the continuous progression of incoming credits which initiated with the baseline anchor transaction of ₹25,04,89,000.00, the network

deployed a total of 28 unique layering and routing protocols (patterns), which are mentioned below:

Table 4

Summary of unique layering and routing patterns

S. No.	Unique Layering and Routing of Funds (Only Direct Layering)	Layering Transactions Duration
1	/…………….. Genesis/Hill Ridge-Twinkle Mercantile - PB properties - Abhijit Trading- Intellectual Builders - Blue Bell -Twinkle Mercantile - PB properties - Twinkle Mercantile - Golkonda - Dhenu Buildcon (Baseline Initial Credit to Dhenu)	24/12/2024 16:52:44
2	Dhenu Buildcon-Hill Ridge-Twinkle Mercantile-Tiaan-Edoptica-Dhenu Buildcon	1. 24/12/2024 16:52:44 to 24/12/2024 17:30:34 2. 24/12/2024 17:56:22 to 24/12/2024 18:03:39 3. 24/12/2024 18:21:21 to 24/12/2024 18:29:15
3	Dhenu Buildcon-Genesis-Twinkle Mercantile-Shanta-Tiaan-Dhenu Buildcon	1. 24/12/2024 17:30:34 to 24/12/2024 17:42:36 2. 24/12/2024 18:03:39 to 24/12/2024 18:09:18 3. 24/12/2024 18:29:15 to 24/12/2024 18:34:12
4	Dhenu Buildcon-Intellectual Builders-Blue Bell-Twinkle Mercantile-Shri Niwas-Dhenu Buildcon	1. 24/12/2024 17:42:36 to 24/12/2024 17:48:39 2. 24/12/2024 18:09:18 to 24/12/2024 18:15:40 3. 24/12/2024 18:34:12 to 24/12/2024 18:39:49
5	Dhenu Buildcon- Genesis -Twinkle Mercantile - Golkonda-Dhenu Buildcon	1. 24/12/2024 17:48:39 to 24/12/2024 17:56:22 2. 24/12/2024 18:15:40 to 24/12/2024 18:21:21 3. 24/12/2024 18:39:49 to 24/12/2024 18:51:03
6	Dhenu Buildcon-Hill Ridge-Twinkle Mercantile-Shanta-Tiaan-Dhenu Buildcon	1. 24/12/2024 18:51:03 to 24/12/2024 18:55:18 2. 24/12/2024 18:59:21 to 24/12/2024 19:03:59 3. 24/12/2024 19:08:55 to 24/12/2024 19:13:31
7	Dhenu Buildcon-Intellectual Builders-Blue Bell-Twinkle Mercantile-Golkonda - Dhenu Buildcon	1. 24/12/2024 18:55:18 to 24/12/2024 18:59:21 2. 24/12/2024 19:03:59 to 24/12/2024 19:08:55

S. No.	Unique Layering and Routing of Funds (Only Direct Layering)	Layering Transactions Duration
		3. 24/12/2024 19:13:31 to 24/12/2024 19:17:52
8	Dhenu Buildcon-Hill Ridge-Twinkle Mercantile-Shanta-Tiaan-Dhenu Buildcon	24/12/2024 19:17:52 to 24/12/2024 19:23:27
9	Dhenu Buildcon-Intellectual Builders-Blue Bell-Twinkle Mercantile-PB properties - Twinkle Mercantile - Dhenu Buildcon	24/12/2024 19:23:27 to 27/12/2024 15:16:47
10	Dhenu Buildcon - Abhijit Trading- Twinkle Mercantile - Shanta - Tiaan- Edoptica - Dhenu Buildcon	1. 27/12/2024 15:16:47 to 27/12/2024 17:20:41 2. 27/12/2024 17:25:00 to 27/12/2024 17:28:58 3. 27/12/2024 17:35:01 to 27/12/2024 17:38:42
11	Dhenu Buildcon-Hill Ridge-Twinkle Mercantile-Shanta-Dhenu Buildcon	1. 27/12/2024 17:20:41 to 27/12/2024 17:23:29 2. 27/12/2024 17:28:58 to 27/12/2024 17:31:47 3. 27/12/2024 17:38:42 to 27/12/2024 17:43:01
12	Dhenu Buildcon-Genesis-Twinkle Mercantile-Dhenu Buildcon	1. 27/12/2024 17:23:29 to 27/12/2024 17:25:00 2. 27/12/2024 17:31:47 to 27/12/2024 17:35:01
13	Dhenu Buildcon-Genesis-Twinkle Mercantile-Alstone -Abhijit Trading- Twinkle Mercantile- Dhenu Buildcon	27/12/2024 17:43:01 to 27/12/2024 17:49:40
14	Dhenu Buildcon - Abhijit Trading- Twinkle Mercantile - Shri Niwas - Dhenu Buildcon	27/12/2024 17:49:40 to 27/12/2024 17:52:06
15	Dhenu Buildcon-Intellectual Builders-Blue Bell-Twinkle Mercantile-PB properties - Shanta - Dhenu Buildcon	27/12/2024 17:52:06 to 27/12/2024 17:55:00
16	Dhenu Buildcon-Hill Ridge-Twinkle Mercantile-Dhenu Buildcon	27/12/2024 17:55:00 to 27/12/2024 17:57:20
17	Dhenu Buildcon - Abhijit Trading- Twinkle Mercantile - Golkonda - victory - PB Properties - Twinkle Mercantile - Shri Niwas - Dhenu Buildcon.	27/12/2024 17:57:20 to 27/12/2024 18:06:53
18	Dhenu Buildcon - Genesis - Twinkle Mercantile - Dhenu Buildcon.	27/12/2024 18:06:53 to 27/12/2024 19:10:11
19	Dhenu Buildcon-Hill Ridge-Twinkle Mercantile-Dhenu Buildcon	27/12/2024 19:10:11 to 27/12/2024 19:14:18
20	Dhenu Buildcon - Abhijit Trading- Twinkle Mercantile - Dhenu Buildcon	27/12/2024 19:14:18 to 27/12/2024 19:15:45
21	Dhenu Buildcon - Abhijit Trading- Twinkle Mercantile - Shanta - Dhenu Buildcon	27/12/2024 19:15:45 to 27/12/2024 19:17:46
22	Dhenu Buildcon - Abhijit Trading-PB Properties - Twinkle Mercantile - Shanta - Dhenu Buildcon	27/12/2024 19:17:46 to 27/12/2024 19:20:19

S. No.	Unique Layering and Routing of Funds (Only Direct Layering)	Layering Transactions Duration
23	Dhenu Buildcon - Abhijit Trading - Intellectual Builders - PB properties - Hill Ridge - Twinkle Mercantile - Shanta - Dhenu Buildcon	27/12/2024 19:20:19 to 27/12/2024 19:24:33
24	Dhenu Buildcon - Intellectual Builders - PB properties - Blue Bell - Twinkle Mercantile - Shri Niwas - Dhenu Buildcon	27/12/2024 19:24:33 to 30/12/2024 13:54:40
25	Dhenu Buildcon -Genesis - Intellectual Builders - PB properties - Blue Bell - Twinkle Mercantile - Victory - Golkonda - PB properties - Twinkle Mercantile - Shri Niwas - Dhenu Buildcon	30/12/2024 13:54:40 to 30/12/2024 15:36:50
26	Dhenu Buildcon - Genesis - PB Properties - Tiaan - Edoptica - Dhenu Buildcon	30/12/2024 15:36:50 to 30/12/2024 15:47:47
27	Dhenu Buildcon -Genesis - PB properties - Tiaan - Edoptica - PB properties - Blue Bell - Hill Ridge - Twinkle Mercantile - PB properties - Victory - Utsav - Shanta - Victory - Utsav - Dhenu Buildcon	30/12/2024 15:47:47 to 31/12/2024 13:31:19
28	Dhenu Buildcon - Victory -Utsav- Dhenu Buildcon	1. 31/12/2024 13:31:19 to 31/12/2024 13:33:20 2. 31/12/2024 13:33:20 to 31/12/2024 13:47:27

21. From the above, it is evident that the choice, sequencing, and combination of intermediary corporate shells has been dynamically modified for each subsequent transmission cycle. Through the systematic execution of these 28 distinct routing variations across 46 cycles, the financial network effectively multiplied the initial ₹25.05 crore baseline, inflating the cumulative fund velocity to an aggregate inflow of ₹1,000 crores. Every single one of these 46 distinct credit entries landed directly in the primary banking account of DBIL.

22. The repeated movement of the same pool of funds through multiple entities, followed by its return to DBIL and its recording as fresh receipts from purported lenders, *prima facie,* indicates that the transactions were not independent lending transactions but constituted a layered round tripping of funds designed to create an appearance of repeated fresh inflows into DBIL.

23. I note that upon tracing the individual credit transactions upstreamed, the funds are found to have originated from DBIL itself before being routed through the intermediary entities and ultimately returning to DBIL. The examination found that

funds were moved outward from DBIL, pushed through a chain of external accounts, and then systematically returned to DBIL under the guise of new incoming unsecured corporate loans. Thus, I find the apparent distinction between DBIL as a borrower and the seven entities as independent lenders to be, *prima facie*, substantially undermined by the underlying round tripping of funds.

24. I also note that during the period commencing December 20, 2024, the maximum balance available in DBIL's bank account was only approximately ₹25.81 crore, i.e. the balance never exceeded ₹26 crore, notwithstanding that the Company purportedly received ₹1,000 crores within the subsequent few days. The above circumstance is *prima facie* inconsistent with the receipt of ₹1,000 crores as genuine, independently sourced loan funds intended to augment the financial resources of DBIL. If the purported ₹1,000 crores had represented a genuine infusion of funds, the bank-account position of DBIL would ordinarily be expected to reflect the corresponding availability or deployment of such funds. However, the examination *prima facie* reveals repeated movement of funds into and out of the Company's account.

25. In view of the aforesaid findings, I *prima facie* find that the banking records indicate a mechanism whereby an initial pool of funds was repeatedly transmitted through different corporate accounts and brought back into DBIL, each such return being recorded as a separate receipt from a purported lender. The cumulative effect of the 46 transactions was therefore to create an apparent inflow of ₹1,000 crores, although the underlying funds were repeatedly circulated rather than representing ₹1,000 crores of fresh capital independently introduced into DBIL.

26. The examination also reviewed the independent bank accounts of all participating entities involved in the routing. The said bank accounts and their account opening date, authorized signatory, source of initial funding & account number, first outward movement of capital & account number and inter-account relationships were examined and the details are tabulated below:

Table 5
Details of bank accounts, source of funding and first outward movement

S.No.	Name of the Account Holder	Account Number	Account Open Date	Authorized Signatory	SOURCE OF MAJOR INITIAL FUNDING	Particulars of Account Details of Source Account	First Outward Movement of Capital	Particulars of Account Details of Destination Account
1	ABHIJIT TRADING COMPANY LTD	HDFC Bank A/C No. 50200090481283	01/01/2024	VIRENDRA JAIN	RTGS TRANSFERS FROM JANA SMALL FINANCE BANK LTD AND IDBI BANK LTD, KAROL BAGH, NEW DELHI.	As per email from HDFC bank dated Jul 24, 2026, the counterparty accounts also belong to Abhijit Trading Company.	VICTORY SOFTWARE PRIVATE LIMITED	HDFC Bank A/C No. 50200082959812
2	TIAAN CONSUMER LIMITED	HDFC Bank A/C No. 50200075343332	24/11/2022	PARMANAND CHAUBEY	MEKASTAR FINLEASE LIMITED	HDFC Bank A/C No. 50200008912237	MCAK HERBS AND SPICES PRIVATE LIMITED	ICICI Bank Account
3	EDOPTICA RETAIL INDIA LIMITED	HDFC Bank A/C No. 50200091061499	13/01/2024	PANKAJ SAXENA	1. VICTORY SOFTWARE PRIVATE LIMITED 2. PELICON FINANCE AND LEASING LIMITED	1. HDFC Bank A/C No. 50200082959812 2. IDBI Bank Account	ABHIJIT TRADING COMPANY LTD	IDBI BANK LTD, KAROL BAGH, NEW DELHI
4	ALSTONE TEXTILES (INDIA) LIMITED	HDFC Bank A/C No. 50200090193230	26/12/2023	DEEPAK KUMAR BHOJAK	1. DEWAN MOTORS INVESTMENT & FINANCE LTD 2. BLUE BELL FINANCE LIMITED 3. UTSAV SECURITIES PRIVATE LIMITED	1. HDFC Bank A/C No. 50200089151372 2. HDFC Bank A/C No. 50200090139288 3. HDFC Bank A/C No. 50200012599049	PACHELI INDUSTRIAL FINANCE LIMITED	HDFC Bank A/C No. 50200080424926
5	INTELLECTUAL BUILDERS PRIVATE LIMITED	HDFC Bank A/C No. 50200102262587	04/10/2024	SURESH RAI	1. PB PROPERTIES PRIVATE LIMITED 2. PACHELI INDUSTRIAL FINANCE LIMITED	1. HDFC Bank A/C No. 50200100214514 2. HDFC Bank A/C No. 50200080424926	1. ALSTONE TEXTILES (INDIA) LIMITED 2. SHRI NIWAS LEASING AND	1.HDFC Bank A/C No. 50200090193230 2.HDFC Bank A/C No.

S.No.	Name of the Account Holder	Account Number	Account Open Date	Authorized Signatory	SOURCE OF MAJOR INITIAL FUNDING	Particulars of Account Details of Source Account	First Outward Movement of Capital	Particulars of Account Details of Destination Account
							FINANCE LIMITED	50200102295205
6	GOLKONDA ALUMINIUM EXTRUSIONS LIMITED	HDFC Bank A/C No. 50200102179581	01/10/2024	DHARMENDRA GUPTA	1. PB PROPERTIES PRIVATE LIMITED 2. SHANTA AGENCIES PRIVATE LIMITED	1. HDFC Bank A/C No.50200100214514 2. HDFC Bank A/C No.50200092233149	ALSTONE TEXTILES (INDIA) LIMITED	HDFC Bank A/C No. 50200090193230
7	GENESIS DEVELOPERS AND HOLDINGS LIMITED	HDFC Bank A/C No. 50200103620357	13/11/2024	PARMANAND CHAUBEY	SHRI NIWAS LEASING AND FINANCE LIMITED	HDFC Bank A/C No. 50200102295205	PACHELI INDUSTRIAL FINANCE LIMITED	HDFC Bank A/C No. 50200080424926
8	HILLRIDGE INVESTMENTS LIMITED	HDFC Bank A/C No. 50200103623824	13/11/2024	PARMANAND CHAUBEY	SHRI NIWAS LEASING AND FINANCE LIMITED	HDFC Bank A/C No. 50200102295205	PACHELI INDUSTRIAL FINANCE LIMITED	HDFC Bank A/C No. 50200080424926
9	PB PROPERTIES PRIVATE LIMITED	HDFC Bank A/C No. 50200100214514	13/08/2024	PRITI JAIN	VICTORY SOFTWARE PRIVATE LIMITED	HDFC Bank A/C No. 50200082959812	VICTORY SOFTWARE PRIVATE LIMITED	HDFC Bank A/C No. 50200082959812
10	PACHELI INDUSTRIAL FINANCE LIMITED	HDFC Bank A/C No. 50200080424926	22/04/2023	MUKESH SAH	MEKASTAR FINLEASE LIMITED	HDFC Bank A/C No. 50200008912237	PELICON FINANCE AND LEASING LIMITED	IDBI Bank Account
11	BLUE BELL FINANCE LIMITED	HDFC Bank A/C No. 50200090139288	23/12/2023	MONI	1. VICTORY SOFTWARE PRIVATE LIMITED 2. PACHELI INDUSTRIAL FINANCE LIMITED	1. HDFC Bank A/C No. 50200082959812 2. HDFC Bank A/C No. 50200080424926	ALSTONE TEXTILES (INDIA) LIMITED	HDFC Bank A/C No. 50200090193230
12	SHANTA AGENCIES PRIVATE LIMITED	HDFC Bank A/C No. 50200092233149	10/02/2024	PARMANAND CHAUBEY	PACHELI INDUSTRIAL FINANCE LIMITED	HDFC Bank A/C No. 50200080424926	ALSTONE TEXTILES (INDIA) LIMITED	HDFC Bank A/C No. 50200090193230

S.No.	Name of the Account Holder	Account Number	Account Open Date	Authorized Signatory	SOURCE OF MAJOR INITIAL FUNDING	Particulars of Account Details of Source Account	First Outward Movement of Capital	Particulars of Account Details of Destination Account
13	TWINKLE MERCANTILE & CREDITS PVT LTD	HDFC Bank A/C No. 50200104455144	06/12/2024	PANKAJ SAXENA	1. PB PROPERTIES PRIVATE LIMITED 2. HILLRIDGE INVESTMENTS LIMITED 3. GENESIS DEVELOPERS AND HOLDINGS LIMITED	1. HDFC Bank A/C No. 50200100214514 2. HDFC Bank A/C No.50200103623824 3. HDFC Bank A/C No.50200103620357	SHRI NIWAS LEASING AND FINANCE LIMITED	HDFC Bank A/C No. 50200102295205
14	SHRI NIWAS LEASING AND FINANCE LIMITED	HDFC Bank A/C No. 50200102295205	05/10/2024	SURENDRA KUMAR JAIN	INTELLECTUAL BUILDERS PRIVATE LIMITED	HDFC Bank A/C No. 50200102262587	ALSTONE TEXTILES (INDIA) LIMITED	HDFC Bank A/C No. 50200090193230
15	VICTORY SOFTWARE PRIVATE LIMITED	HDFC Bank A/C No. 50200082959812	28/06/2023	SANJAY BHATNAGAR	1. DARJEELING ROPEWAY CO LTD 2. INDIAN FINANCE GUARANTY LIMITED DSC	1. IDFC First Bank Account 2. Axis Bank Account	UTSAV SECURITIES PRIVATE LIMITED	HDFC Bank A/C No. 50200012599049
16	DHENU BUILDCON INFRA LIMITED	HDFC Bank A/C No. 50200105060032	20/12/2024	VIRENDRA JAIN	1. GOLKONDA ALUMINIUM EXTRUSIONS LIMITED 2. EDOPTICA RETAIL INDIA LIMITED 3. TIAAN CONSUMER LIMITED 4. SHRI NIWAS LEASING AND FINANCE LIMITED	1. HDFC Bank A/C No. 50200102179581 2. HDFC Bank A/C No. 50200091061499 3. HDFC Bank A/C No. 50200075343332 4. HDFC Bank A/C No. 50200102295205	1. HILLRIDGE INVESTMENTS LIMITED 2. GENESIS DEVELOPERS AND HOLDINGS LIMITED 3. INTELLECTUAL BUILDERS PRIVATE LIMITED 4. GENESIS DEVELOPERS AND HOLDINGS LIMITED	1. HDFC Bank A/C No. 50200103623824 2. HDFC Bank A/C No. 50200103620357 3. HDFC Bank A/C No. 50200102262587 4. HDFC Bank A/C No. 50200103620357
17	MEKASTAR FINLEASE LIMITED	HDFC Bank A/C No. 50200008912237	13/01/2015	VIRENDRA JAIN	UTSAV SECURITIES PRIVATE LIMITED	HDFC Bank A/C No. 50200012599049	RELIABLE FINANCE CORPORATION PVT LTD	HDFC Bank A/C No. 50200012599088

S.No.	Name of the Account Holder	Account Number	Account Open Date	Authorized Signatory	SOURCE OF MAJOR INITIAL FUNDING	Particulars of Account Details of Source Account	First Outward Movement of Capital	Particulars of Account Details of Destination Account
18	PELICON FINANCE AND LEASING LIMITED	HDFC Bank A/C No. 50200116985695	16/12/2025	PANKAJ SAXENA	TRANSNATIONAL GROWTH FUND LTD	HDFC Bank A/C No. 50200079316422	VICTORY SOFTWARE PRIVATE LIMITED	HDFC Bank A/C No. 50200082959812
19	UTSAV SECURITIES PRIVATE LIMITED	HDFC Bank A/C No. 50200012599049	11/08/2015	VIRENDRA JAIN	1. RELIABLE FINANCE CORPORATION PVT LTD 2. POOJA FINELEASE LIMITED	1. HDFC Bank A/C No. 50200012599088 2. HDFC Bank A/C No. 50200001942726	BABA BHOOTHNATH COMMEX P LTD	IndusInd Bank Account
20	DEWAN MOTORS INVESTMENT & FINANCE LTD	HDFC Bank A/C No. 50200089151372	01/12/2023	VIRENDRA JAIN	1. PACHELI INDUSTRIAL FINANCE LIMITED 2. VICTORY SOFTWARE PRIVATE LIMITED	1. HDFC Bank A/C No. 50200080424926 2. HDFC Bank A/C No. 50200082959812	ALSTONE TEXTILES (INDIA) LTD	IDBI Bank Account

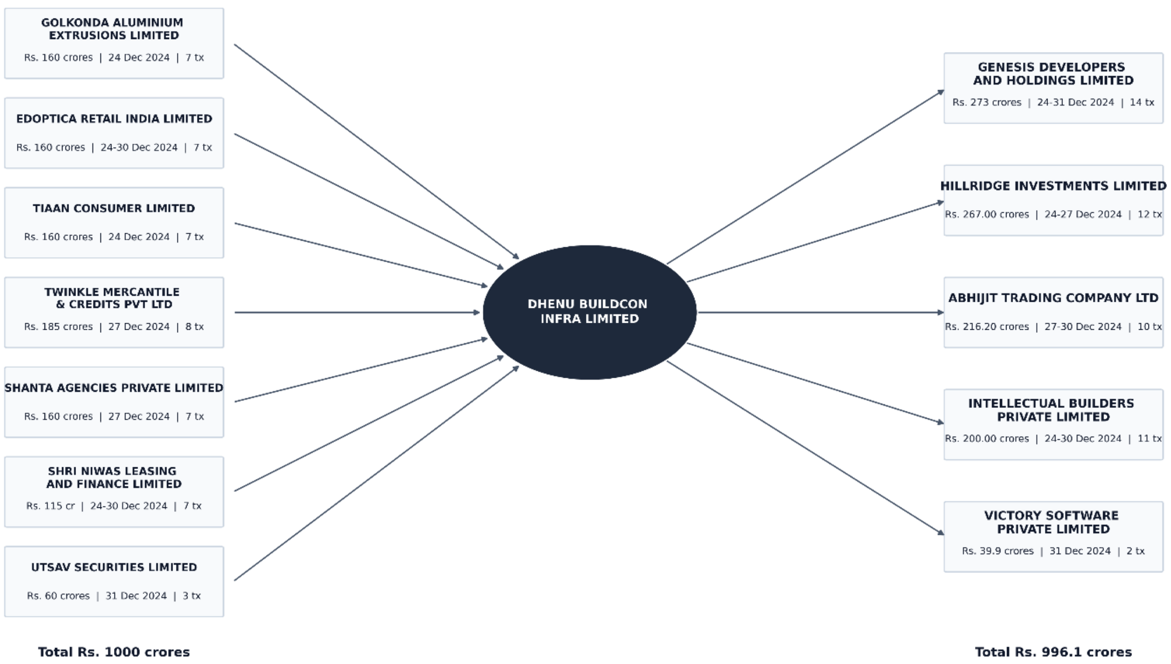
27. From the aforesaid table, it is observed that the corporate entities involved in the layering process form a closed, self-sustaining financial network. The round tripping is further evident from the manner in which DBIL dealt with the funds received during the Examination Period. The examination reveals that, within the period in which DBIL purportedly received the ₹1,000 crores, it transferred approximately ₹996 crores to five entities through multiple transactions. These outflows were processed via multiple distinct transactions between December 24 and December 31, 2024. The five recipient entities and the aggregate amounts transferred to them are tabulated below:

Table 6
Summary of Fund Outflows

Outflow Recipient Entity	Amount (Rs. Crores)	Transaction Date(s)	No. of Transactions
Genesis Developers and Holdings Limited	273	24–31 Dec 2024	14 tx
Hillridge Investments Limited	267	24–27 Dec 2024	12 tx
Abhijit Trading Company Ltd	216.2	27–30 Dec 2024	10 tx
Intellectual Builders Private Limited	200	24–30 Dec 2024	11 tx
Victory Software Private Limited	39.9	31-Dec-24	2 tx
Total Outflows	**996.1**	**Dec 24 – Dec 31, 2024**	

28. From the aforesaid table, it can be observed that within the period in which loan amounts were received by DBIL, it deployed ₹996.1 crores to five entities via 46 distinct transactions already discussed earlier. The details of fund transfer are represented through the figure below:

Figure 3
Details of Funds Transfer in DBIL



29. The nature and pattern of these transfers raise concerns regarding the legitimacy of the transactions and their underlying commercial substance. The examination found that nature and purpose of these advances were not disclosed by DBIL in its regulatory filings or annual report. The aforesaid deployment of funds shows that the purported ₹1,000 crores receipts did not remain with DBIL as an identifiable corpus of funds. Instead, a substantial portion was transferred onward to entities which themselves form part of the network through which the funds were round tripped. When this fact is considered together with the upstream tracing of the 46 receipts, the maximum bank balance of DBIL remaining below ₹26 crores, and the repeated return of funds to DBIL through different entities, a

prima facie picture emerges of a closed round tripping structure rather than genuine commercial borrowing.

30. Further, the examination found that none of the five entities to whom the transfer was made hold valid GST registrations as on August 14, 2026 which *prima facie* indicates lack of genuine commercial operations at the end of these entities, thereby raising material concerns regarding the legitimacy and underlying economic substance of these fund flows.

31. I acknowledge that merely because funds move between multiple corporate entities would not, by itself, establish that the underlying transactions are sham or fraudulent. However, in the present matter, the inference does not rest upon the existence of inter-company transfers alone. It arises from the cumulative effect of the following circumstances:
    - (i) ₹1,000 crores were purportedly received by DBIL from seven entities within eight days;
    - (ii) the receipts occurred through 46 separate transactions;
    - (iii) the underlying transactions disclose 28 distinct routing variations;
    - (iv) the initial identified amount was approximately ₹25.05 crore;
    - (v) the same funds were repeatedly routed through multiple intermediary entities and returned to DBIL;
    - (vi) the upstream tracing indicates that the funds originated from DBIL before returning to it;
    - (vii) DBIL's bank balance never exceeded approximately ₹26 crores during the Examination Period or even during the period of eight days when ₹100 crores were received;
    - (viii) DBIL transferred approximately ₹996 crores to five entities almost immediately during the same period of eight days;
    - (ix) None of the entities to whom transfer was made by DBIL possess valid GST registrations; and
    - (x) it is later shown that these entities were found to be non-existent at their addresses.

32. After considering the aforesaid circumstances cumulatively, I am of the view that it gives rise to a strong *prima facie* inference that the ₹1,000 crores shown as unsecured loans did not represent genuine, independently sourced funds received by DBIL from seven independent lenders, but were generated through circular and layered movement of a common pool of funds without any genuine underlying transactions. These findings get further substantiated with direct evidence of Noticee nos. 8 and 9 controlling and managing such round tripping of funds, as discussed later.

33. In view of the aforesaid facts, I *prima facie* find that the purported loan transactions were structured to create an artificial appearance of substantial borrowing by DBIL and to create a corresponding liability in its books, which was subsequently used as the basis for the preferential allotment and conversion of debt into equity.

B.2 CONVERSION OF THE PURPORTED LOANS INTO EQUITY AND THE PREFERENTIAL ALLOTMENT

34. The examination reveals that subsequent to the receipt of the purported unsecured loans aggregating to ₹1,000 crores (which was not disclosed publicly at the time of receipt), DBIL announced a supplementary loan agreement executed between the company and persons belonging to Non-Promoter Group of the company, pursuant to the board meeting held on July 21, 2025.

35. DBIL proposed to increase the Authorized Share Capital of the Company from the existing ₹2,25,00,000/- to ₹10,00,00,00,000/- and to issue 5,91,54,92,940 Equity Shares of face value ₹1/- each at a price of ₹1.42/- per share on a preferential basis to the Non-Promoter category, through the conversion of their existing unsecured loans, subject to necessary approvals from shareholders at the upcoming Annual General Meeting and the relevant Stock Exchanges. At the Annual General Meeting (AGM) of DBIL held on August 18, 2025, the shareholders discussed and voted upon the aforementioned Special Resolutions to, *inter alia*, approve increase in the authorized share capital, alter the capital clause of the Memorandum of Association, and issue the 5,91,54,92,940

preferential equity shares upon loan conversion. On August 20, 2025, all three resolutions were officially passed and approved by the shareholders with the requisite majority.

36. DBIL subsequently received the in-principle approval from the BSE on December 15, 2025 for listing of shares issued on preferential basis. Following this, the Board of Directors, in its meeting held on December 27, 2025, considered and approved the allotment of 5,91,54,92,940 Equity Shares of face value ₹1/- each to the designated non-promoter allottees, effectively converting outstanding unsecured loans worth ₹8,39,99,99,974.80/- into equity shares at an issue price of ₹1.42/- per share. The brief details are mentioned below in the table:

Table 7

Details of Allottees and Shares issued pursuant to Preferential Allotment

Sr. No.	Name of the Allottees	Category	Shares issued	Value of the Shares to be issued (in INR)	Outstanding loan proposed to be converted (in INR)	Post allotment stake
1	Golkonda Aluminium Extrusions Limited	Non-Promoter	1,12,67,60,560	1,59,99,99,995.20	1,59,99,99,995.20	18.99%
2	Shanta Agencies Private Limited	Non-Promoter	1,12,67,60,560	1,59,99,99,995.20	1,59,99,99,995.20	18.99%
3	Shri Niwas Leasing and Finance Limited	Non-Promoter	80,98,59,150	1,14,99,99,993.00	1,14,99,99,993.00	13.65%
4	Tiaan Consumer Limited	Non-Promoter	1,12,67,60,560	1,59,99,99,995.20	1,59,99,99,995.20	18.99%
5	Twinkle Mercantiles & Credits Private Limited	Non-Promoter	1,30,28,16,900	1,84,99,99,998.00	1,84,99,99,998.00	21.96%
6	Utsav Securities Limited	Non-Promoter	42,25,35,210	59,99,99,998.20	59,99,99,998.20	7.12%
TOTAL			**5,91,54,92,940**	**8,39,99,99,974.80**	**8,39,99,99,974.80**	**99.70%**

(Source: Annual Report 2024-25)

37. The Company's 117th Annual Report 2024-25 *inter-alia* detailed the following regarding the preferential issue:

"(i) The primary purpose of this issue is to restructure outstanding Unsecured Loans from the Non-Promoter Group. To achieve this, the Company proposed to issue Equity Shares on a preferential basis to the proposed allottee(s). This allocation will convert up to ₹8,39,99,99,974.80/- (Rupees Eight

Hundred Thirty-Nine Crore Ninety-Nine Lakh Ninety-Nine Thousand Nine Hundred Seventy-Four and Paise Eighty Only) of debt into equity, effectively strengthening the Company's capital framework.

(ii) Pursuant to a formal agreement executed with the Non-Promoter Group, the outstanding unsecured loan balance will be converted directly into equity shares. Given the Company's current financial position, the Board of Directors determined that this conversion serves the best interests of the organization. This strategic move improves overall financial health by reducing existing liabilities while simultaneously increasing the Company's total net worth.

(iii) The entirety of the issue size specified above is allocated exclusively to the conversion of these outstanding loans. Consequently, no portion of the proceeds will be utilized for General Corporate Purposes.

(iv) Interim Use of Proceeds: Not applicable. Because this issue is executed solely through the conversion of unsecured loans into Equity Shares, no unutilized funds will remain following the allotment.

(v) The Equity Shares allotted on conversion of the Warrants will rank pari-passu in all respects (including dividend and voting rights), with the existing equity shares of the Company from the date of allotment thereof and shall be subject to the provisions of the Memorandum of Association ("MOA") and Articles of Association ("AOA") of the Company."

38. Pursuant to the aforesaid approvals, the newly issued securities of DBIL were listed and permitted to trade on the BSE with effect from February 12, 2026 and the details mentioned in BSE Notice No. 20260211-28, dated February 11, 2026 are mentioned below in the table:

Table 8
Announcement details issued by BSE

Security Details	5,91,54,92,940 equity shares of Re. 1/- each issued at a premium of Re.0.42/- to Non Promoters on a preferential basis. These shares are ranking *pari-passu* with the old equity shares of the company.

Dist. Nos.	18300001 to 5933792940		
Date of Allotment	27/12/2025		
Issue Price	₹1.42/-		
ISIN	INE758D01027		
Lock-in Details	**No. of shares**	**Dist. Nos.**	**Lock-in upto**
	5915492940	18300001-5933792940	15/08/2026

39. Thus, of the seven entities which had purportedly advanced an aggregate ₹1,000 crores to DBIL, six entities were subsequently allotted equity shares pursuant to conversion of their purported loan receivables, while Edoptica, which had purportedly advanced ₹160 crores, was not included amongst the preferential allottees. In this regard, the examination found that SEBI issued an interim order dated January 16, 2025 in the matter of Pacheli Industrial Finance Limited wherein Edoptica was one of the entities which was restrained from buying, selling or dealing in securities or accessing capital market in any manner whatsoever till further orders. I note that the aforesaid exclusion of Edoptica from the list of preferential allottees directly aligns with the SEBI Interim Order issued in January 2025. The fact that one of the lenders in this matter was already debarred by SEBI in another matter also weighs against the *Noticees* if we look at the totality of evidence collected in this matter.

40. I find that the chronology of events to be material in looking at the matter holistically. The said sequence is as follows:
    (i) First, DBIL purportedly received ₹1,000 crores from seven entities between December 24 and December 31, 2024.
    (ii) The examination of the bank-account records *prima facie* indicates that the said receipts were generated through round tripping of funds rather than through independent infusion of ₹1,000 crores by seven unrelated lenders.
    (iii) Thereafter, DBIL purportedly recognised the amounts as unsecured loans/liabilities in its books.

(iv) In July 2025, DBIL proposed to convert approximately ₹840 crores of these purported liabilities into equity through preferential allotment.

(v) On December 27, 2025, DBIL allotted the shares pursuant to the said proposal, resulting in the six allottees acquiring approximately 99.70% of DBIL's diluted equity share capital.

41. Considering the aforesaid sequence of events, I find that the purported loan transactions and the preferential allotment cannot be viewed in isolation. The preferential allotment is inextricably linked to the purported ₹1,000 crores loans, since approximately ₹840 crore of the purported loan liabilities were extinguished by issuance of equity shares through preferential allotment. Considering the *prima facie* finding on the nature of the underlying loans, the consideration represented by purported loans stands tainted.

42. The significance of the preferential allotment is further apparent from its effect on DBIL's shareholding pattern since the six entities collectively held approximately 99.70% of the diluted equity share capital pursuant to allotment. Thus, the preferential allotment resulted in a fundamental alteration of the ownership and control structure of a listed company. The fact that such a fundamental alteration was brought about through conversion of purported unsecured loans is particularly significant in the context of the findings concerning the underlying fund flows. The transaction therefore warrants examination not merely from the perspective of the validity of the preferential issue in isolation, but as part of the larger sequence comprising purported borrowing, round tripping of funds, creation of purported loan liabilities, conversion of such liabilities into equity, acquisition of approximately 99.70% shares of DBIL.

43. On the basis of the material presently available, I am of the *prima facie* view that the preferential allotment of 5,91,54,92,940 equity shares cannot be considered independently of the round tripping of ₹1,000 crores loan transactions. The material presently available indicates that approximately ₹840 crore of the purported loan liabilities, which themselves appear *prima facie* to have arisen from a round tripping of funds, were subsequently converted into equity shares.

The resultant allotment conferred upon the six allottees approximately 99.70% of DBIL's diluted equity share capital. The circumstances therefore *prima facie* indicate that the purported loan transactions and the subsequent preferential allotment formed part of a single interconnected arrangement, the effect of which was to create an apparent financial liability on DBIL, extinguish that liability through conversion into equity and thereby transfer virtually the entire equity ownership of DBIL to the six entities. I am, however, not at this stage recording a final finding as to the ultimate validity or invalidity of the preferential allotment. The present *prima facie* finding is confined to the existence of sufficient material to warrant immediate preservation of the securities and prevention of their further transfer to safeguard the interest of investors, pending completion of investigation and further proceedings.

B.3 INTERCONNECTIONS BETWEEN *NOTICEES*

44. The examination of the corporate, banking and other records reveals that DBIL, the entities which purportedly advanced the loans, the preferential allottees and the entities to which DBIL transferred substantial amounts during the Examination Period were not operating as isolated or unrelated entities. The material examined *prima facie* reveals several commonalities amongst these entities, including common addresses, common directors, common authorised persons/signatories, bank accounts maintained at the same branch and cross-shareholdings.

45. A review of shareholdings of various entities involved in the matter, including Virendra Jain and Surendra Kumar Jain, reveals direct and indirect cross-shareholdings among the following companies:

Table 9
Commonalities in shareholding of companies

Sr. No.	Entity Name	Shareholders	% of Shareholding	Source
1	DBIL	Shanta Agencies Private Limited	18.99	

Sr. No.	Entity Name	Shareholders	% of Shareholding	Source
		Shri Niwas Leasing and Finance Limited	13.65	As per BSE filings June 2026
		Golkonda Aluminium Extrusions Limited	18.99	
		Tiaan Consumer Limited	18.99	
		Twinkle Mercantiles & Credits Private Ltd	21.96	
		Utsav Securities Limited	7.12	
2	Golkonda Aluminium Extrusions Limited	Virendra Jain	< 0.01	As per MCA Filings FY 2024-25
3	Shanta Agencies Private Limited	Abhijit Trading Company Limited	32.99	As per MCA Filings FY 2024-25
		Twinkle Mercantiles & Credits Private Ltd	33.43	
		Utsav Securities Limited	0.27	
		Virendra Jain	0.87	
		Surendra Kumar Jain	0.87	
4	Shri Niwas Leasing and Finance Limited	Genesis Developers and Holdings Limited	5.85	As per MCA Filings FY 2024-25
		Virendra Jain	1.95	
		Surendra Kumar Jain	1.94	
5.	Tiaan Consumer Limited	Nil		
6.	Twinkle Mercantiles & Credits Private Ltd	Shanta Agencies Private Limited	5.91	As per MCA Filings FY 2023-24
		Edoptica Retail India Limited	3.59	
		Virendra Jain	3.07	
		Surendra Kumar Jain	3.08	
7	Utsav Securities Limited	Virendra Jain	2.40	As per MCA Filings FY 2024-25
		Surendra kumar jain	-	
		Twinkle Mercantiles & Credits Private Ltd	0.48	
8.	Edoptica Retail India Limited	Abhijit Trading Company Limited	3.60	As per MCA Filings FY 2024-25
		Shanta Agencies Private Limited	17.16	
		Tiaan Consumer Limited	17.34	
		Golkonda Aluminium Extrusions Limited	19.65	
9.	Genesis Developers and Holdings Limited	Virendra Jain	1.24	As per MCA Filings FY 2024-25
		Surendra Kumar Jain	1.24	
		Utsav Securities Limited	0.67	
10.	Hillridge investments Limited	Virendra Jain	1.94	As per MCA Filings FY 2024-25
		Surendra Kumar Jain	1.94	
		Utsav Securities Limited	10.00	
		Genesis Developers and Holdings Limited	3.78	
11.		DBIL	5.75	As per MCA Filings FY 2024-25
		Abhijit Trading Company Limited	24.32	

Sr. No.	Entity Name	Shareholders	% of Shareholding	Source
	Intellectual Finvest Private Limited (Intellectual Builders Private Limited)	Tiaan Consumer Limited	16.42	
12.	Malt Land Distillers Limited (earlier Abhijit Trading Company Limited)	Virendra Jain	0.07	As per MCA Filings FY 2024-25
		Surendra Kumar Jain	0.22	
		Utsav Securities Limited	15.66	
		Edoptica Retail India	12.09	
		Genesis Developers and Holdings Limited	0.03	
13.	Victory Software Private Limited	No direct commonality		

(Source: For listed entities - respective Exchanges and for unlisted entities - MCA filings)

46. Further, analysis of the Call Data Records ("**CDRs**") of Directors of DBIL, preferential allottees and other connected entities (which included Surendra Jain and Virendra Jain) in brief is placed under:

Table 10
Analysis of the CDRs of Directors of DBIL Preferential allottees and connected companies

S. No.	Name of the company	CDR connection	Total no. of calls	Cumulative call duration (in secs)
1	Golkonda Aluminium Extrusions Limited	Directors of Golkonda connected with directors of entities mentioned at Sr. No.1 to Sr. No.12 except Sr. No.8 including Aarohi, Prabhakar, Deepak Bhojak	11626	234360
2	Shanta Agencies Private Limited	Directors of Shanta connected with directors of entities mentioned at Sr. No.1 to Sr. No.12 except Sr. No.8 including Aarohi, Prabhakar, Deepak Bhojak	304	7529
3	Shri Niwas Leasing and Finance Limited	Directors of Shri Niwas connected with directors of entities mentioned at Sr. No.1 to Sr.	14353	1078575

S. No.	Name of the company	CDR connection	Total no. of calls	Cumulative call duration (in secs)
		No.12 except Sr. No.8 including Aarohi, Prabhakar, Deepak Bhojak, Tilokchand Kothari		
4	Tiaan Consumer Limited	Directors of Tiaan connected with directors of entities mentioned at Sr. No.1 to Sr. No.12 including Aarohi, Prabhakar, Deepak Bhojak, Tilokchand Kothari	6518	811393
5	Twinkle Mercantiles & Credits Private Limited	Directors of Twinkle connected with directors of entities mentioned at Sr. No.1 to Sr. No.12 except Sr. No.8 including Aarohi, Prabhakar, Deepak Bhojak	9476	161444
6	Utsav Securities Limited	Directors of Utsav connected with directors of entities mentioned at Sr. No.1 to Sr. No.12 except Sr. No.8 including Aarohi, Prabhakar, Deepak Bhojak	28358	2324234
7	Edoptica Retail India Limited	Directors of Edoptica connected with directors of entities mentioned at Sr. No.1 to Sr. No.12 except Sr. No.8 including Aarohi, Prabhakar, Deepak Bhojak	7928	817146
8	Dhenu Builcon Infra Limited	Directors of DBIL connected with directors of entities mentioned at Sr. No.4 , Sr. No.9, Sr. No.10 and Sr. No.12 including Deepak Bhojak	1581	191511
9	Genesis Developers and Holdings Limited	Directors of Genesis connected with directors of entities mentioned at Sr. No.1 to Sr. No.12 including Aarohi, Prabhakar, Deepak Bhojak, Tilokchand Kothari	10872	1259408
10	Hillridge investments Limited	Directors of Hillridge connected with directors of entities mentioned at Sr. No.1 to Sr. No.12	12147	1546553

S. No.	Name of the company	CDR connection	Total no. of calls	Cumulative call duration (in secs)
		including Aarohi, Prabhakar, Deepak Bhojak, Tilokchand Kothari		
11	Intellectual Builders Private Limited	Directors of Intellectual connected with directors of entities mentioned at Sr. No.1 to Sr. No.12 except Sr. No.8 including Aarohi, Prabhakar, Deepak Bhojak, Tilokchand Kothari	21625	799863
12	Abhijit Trading Company Limited	Directors of Abhijit Trading connected with directors of entities mentioned at Sr. No.1 to Sr. No.12 including Aarohi, Prabhakar, Deepak Bhojak	25801	1997395

**Note: Complete details of call records are part of annexures to the Examination Report.*

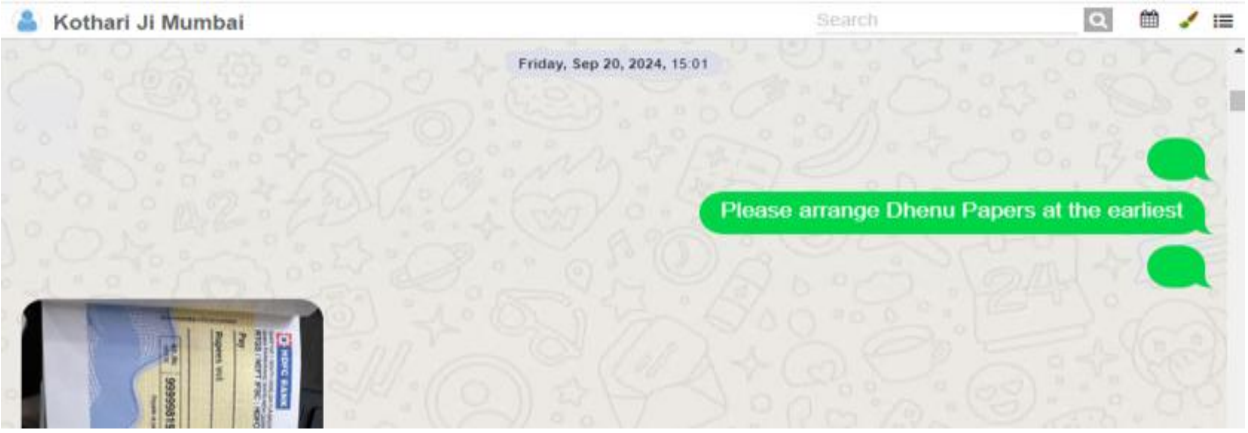
47. From the aforesaid table, I note that the CDRs establishes direct and indirect links across all entities, their directors and preferential allottees of DBIL.

B.3.1 WHATSAPP MESSAGES EXAMINED BY SEBI

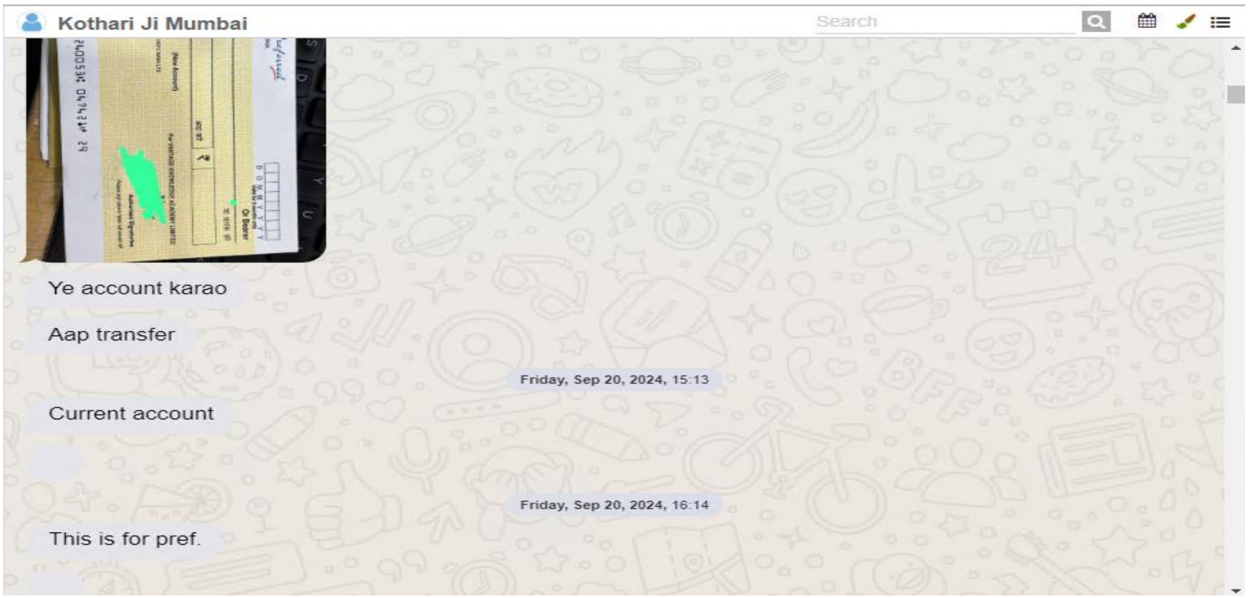
48. SEBI had conducted search and seizure operation in a separate matter of stock manipulation wherein it, *inter alia*, obtained the mobile device of Surendra Jain having mobile no. XXXXXX9895 (iPhone 15 pro max) and Deepak Bhojak having mobile no. XXXXXX4382 (Vivo 1804). The examination has considered certain WhatsApp communications extracted from the aforesaid devices for the limited purpose of assessing the relationships, coordination and activities concerning the entities involved in the present matter. The screenshots relevant to the instant examination are discussed below.

49. From the Whatsapp chats between Surendra Jain and Tilokchand Kothari (**"Kothari"**), as extracted from the device of Surendra Jain (Screenshot no. 1-11), the following is observed:

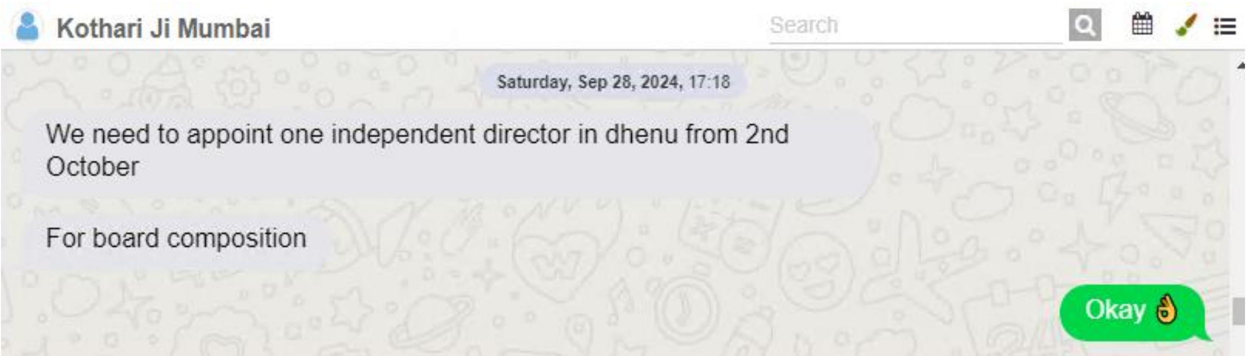
Screenshot 1: From the below screenshot dated September 20, 2024, it is observed that both are discussing about arranging the papers for DBIL.



Screenshot 2: From the below screenshot dated September 20, 2024, it is observed that they are discussing about the transferring of an account and mentioned that this is for pref (preferential allotment).



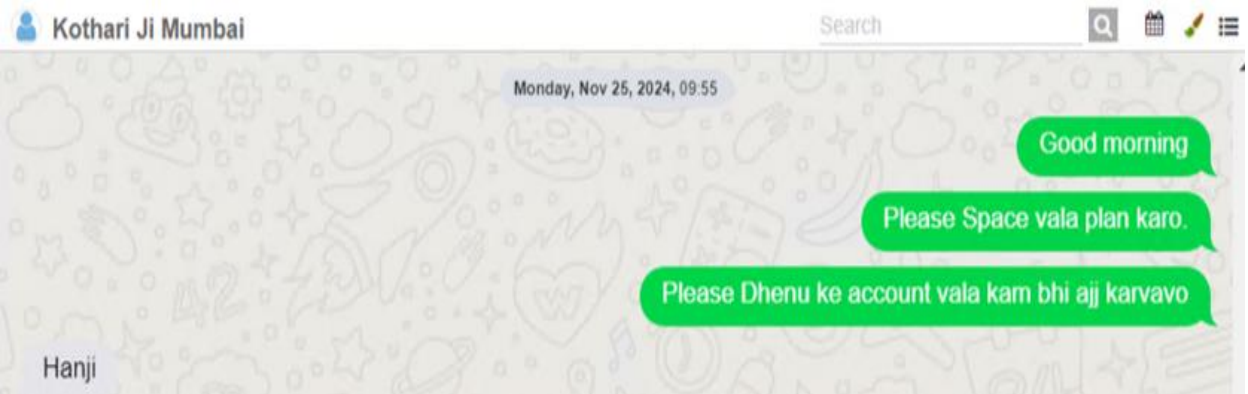
Screenshot 3: From the below screenshot dated September 28, 2024, it is observed that Kothari is informing Surendra Jain that they need to appoint an independent director in DBIL from October 02 for board composition.



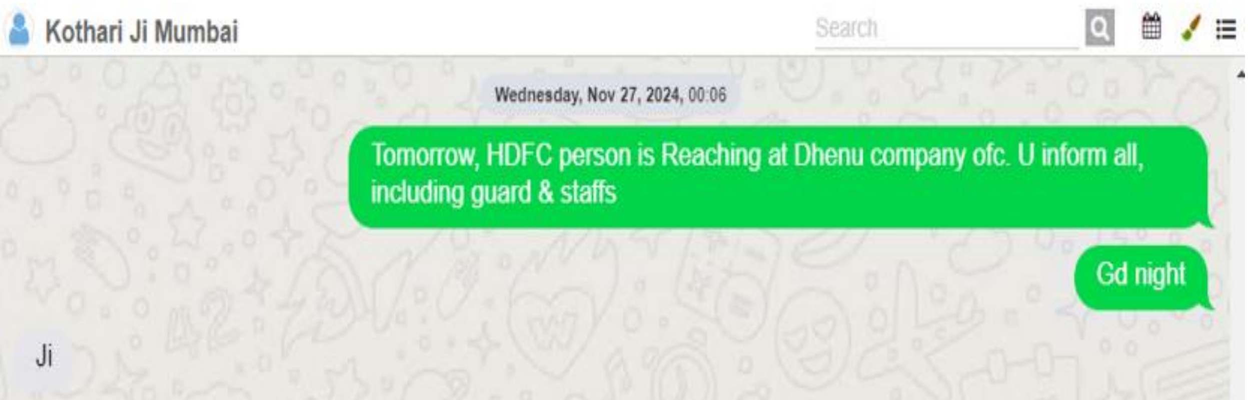
Screenshot 4: From the below screenshot dated November 07, 2024, it is observed that Kothari has sent a picture of installed name board of DBIL to Surendra Jain.

Screenshot 5: From the below screenshot dated November 22, 2024, it is observed that Surendra Jain is asking Kothari that whether the inspection of DBIL by HDFC bank for account opening is done. Kothari replied that he will let him know tomorrow and that he had also mailed to bank.

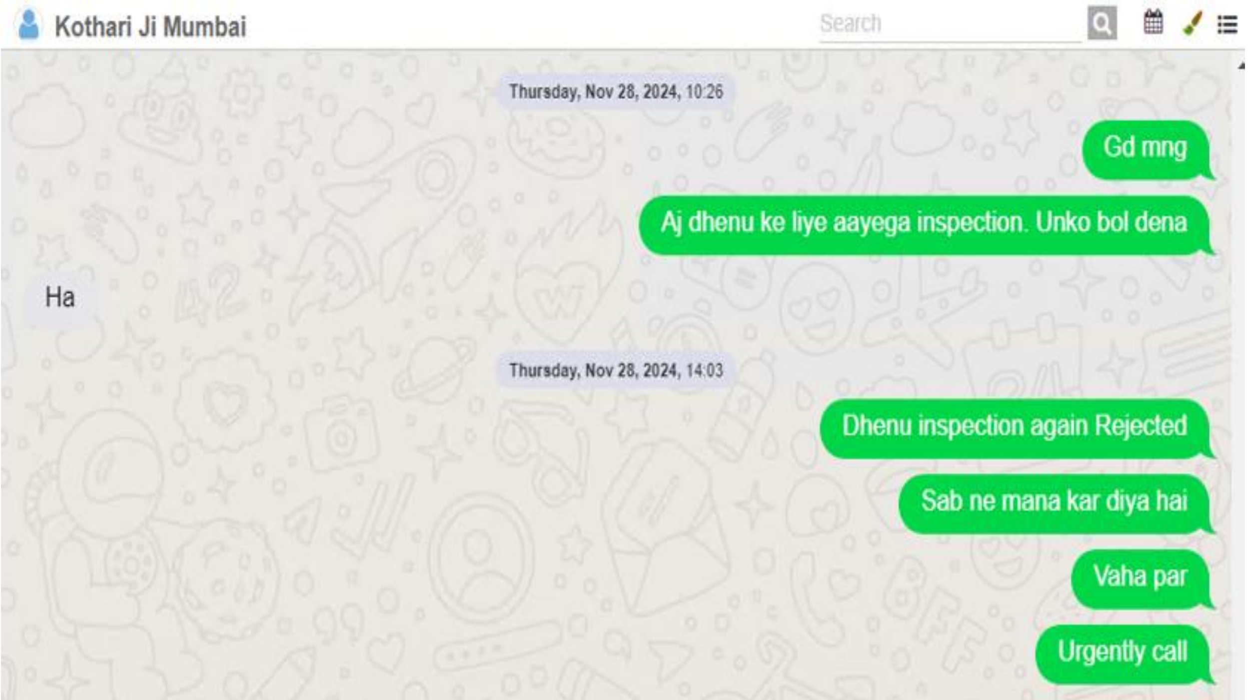
Screenshot 6: From the below screenshot dated November 25, 2024, it observed that Surendra Jain is asking Kothari to get the account work done for DBIL.



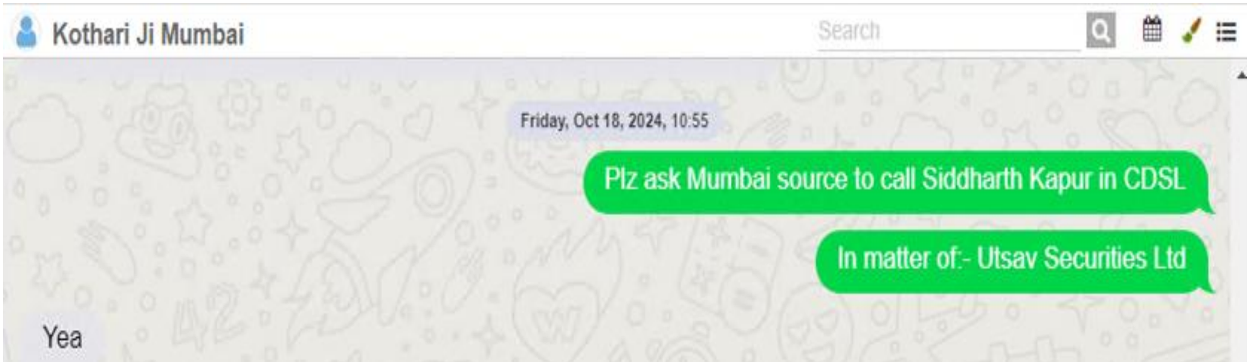
Screenshot 7: From the below screenshot dated November 27, 2024, it observed that Surendra Jain is informing Kothari that a bank official from HDFC will come tomorrow at DBIL's office so, he should inform this to all, including guard and staffs of DBIL.



Screenshot 8: From the below screenshot dated November 28, 2024, it observed that Surendra Jain is informing Kothari at 10:26 AM that inspection for DBIL will be conducted today and asked him to inform them (DBIL's staff) and at 14:03 PM Surendra Jain informed Kothari that inspection has been rejected again for DBIL.

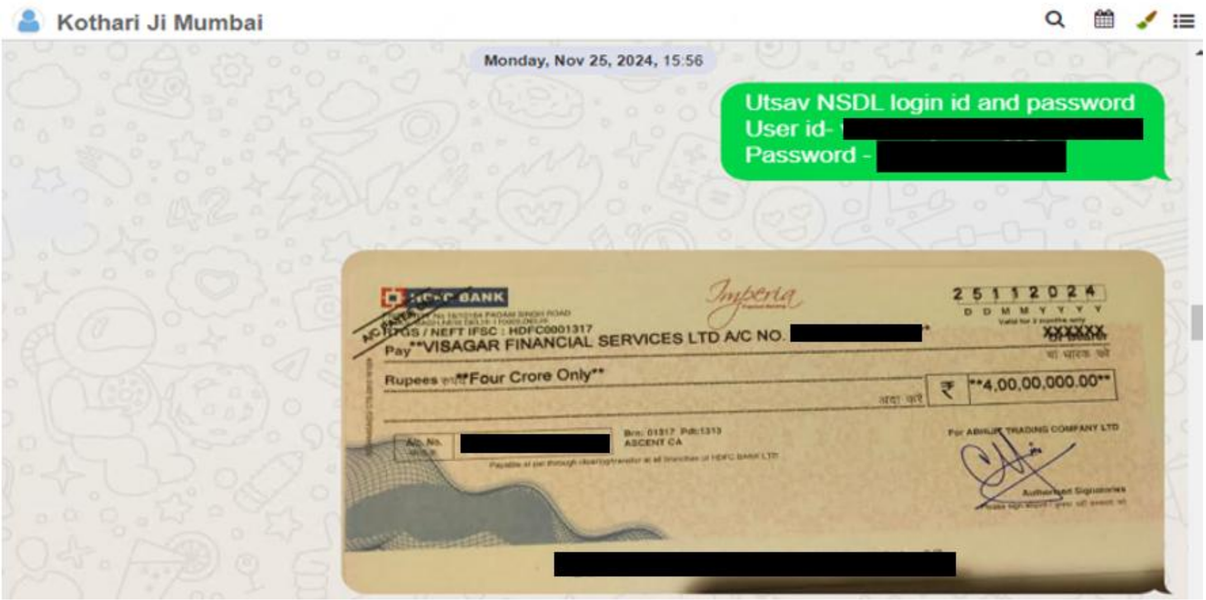


Screenshot 9: From the below screenshot dated October 18, 2024, it is observed that Surendra Jain is instructing Kothari to ask the Mumbai source to call CDSL in the matter of Utsav Securities Limited.



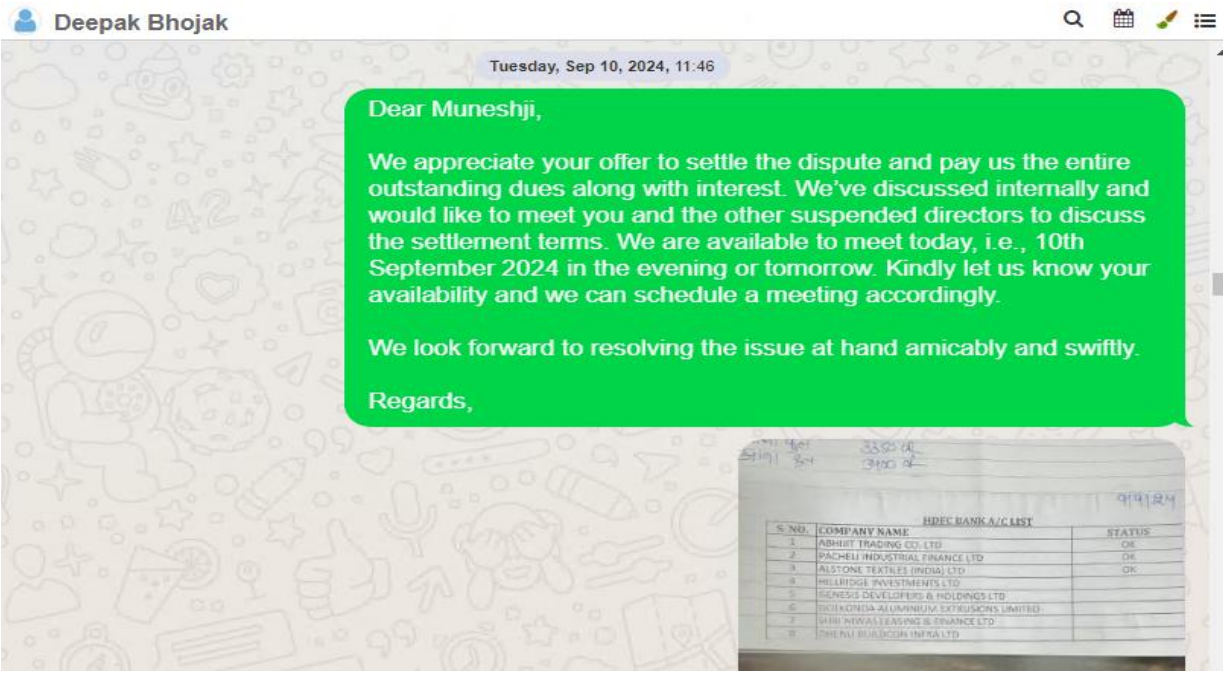
Screenshot 10: From the below screenshot dated November 05, 2024, it is observed that Surendra Jain has shared a HDFC Bank cheque of Utsav amounting to ₹80 lakhs to Kothari.

Screenshot 11: From the below screenshot dated November 25, 2024, it is observed that Surendra Jain has shared the Utsav NSDL login id and password credentials to Kothari Ji wherein User id is mentioned as virexxxxxxxxxxx@gmail.com. An HDFC bank cheque of Abhijit Trading Company Limited amounting to ₹4 crores is also shared.

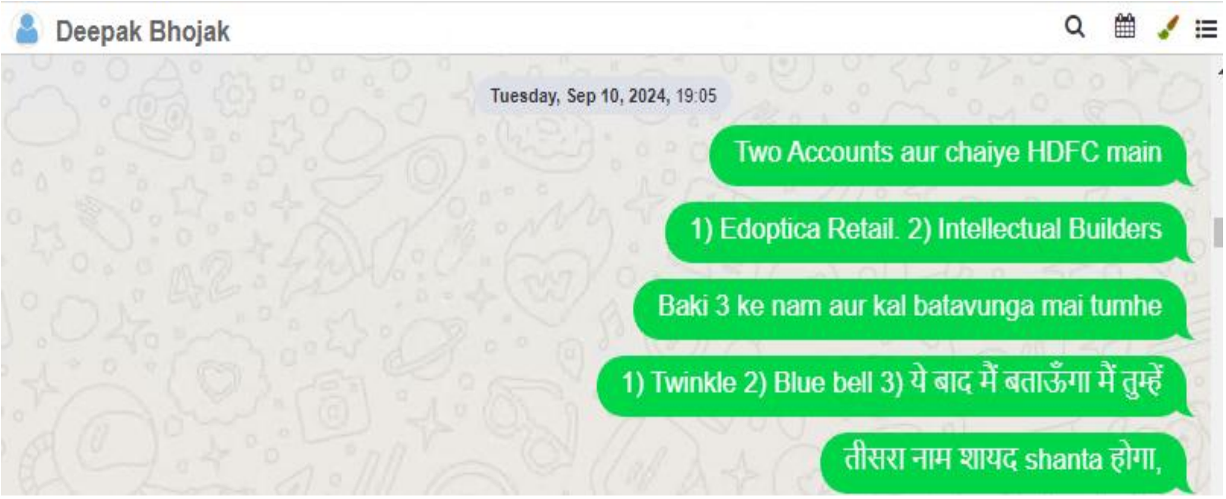


50. From the Whatsapp chats between Surendra Jain having mobile no. XXXXXX9895 and Deepak Bhojak having mobile no. XXXXXX4382, as extracted from the device of Surendra Jain (**Screenshot 12-24**), the following is observed:

Screenshot 12: From the below screenshot dated September 10, 2024, it is observed that Surendra Jain has shared a draft message to Deepak Bhojak wherein the message is addressed to Muneshji acknowledging an offer to settle an ongoing dispute by paying the entire outstanding dues along with interest and proposes a meeting with him and other suspended directors to resolve the dispute amicably. Additionally, a document attached at the bottom displays a list of company names under a heading HDFC Bank a/c list, which includes companies like Abhijit Trading, Hillridge, Genesis, Golkonda, Shri Niwas and DBIL.



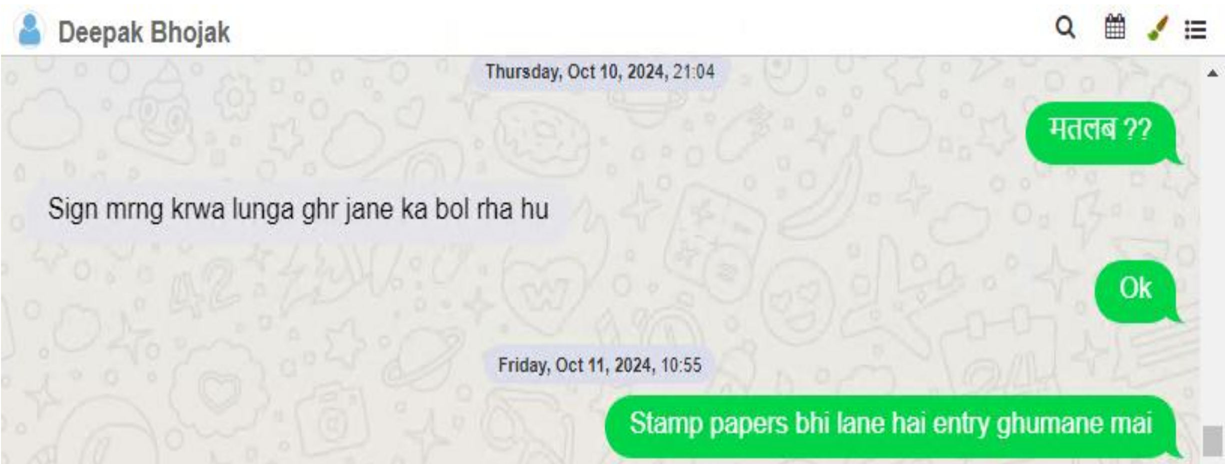
Screenshot 13: From the below screenshot dated September 10, 2024, it is observed that Surendra Jain is telling Deepak Bhojak that two more accounts are required in HDFC and mentioned names of Edoptica and Intellectual. Further, he said that rest 3 names he will tell tomorrow. Then he mentioned names *"1. Twinkle, 2. Blue Bell and 3. Will let you know later on, may be third name will be Shanta".*



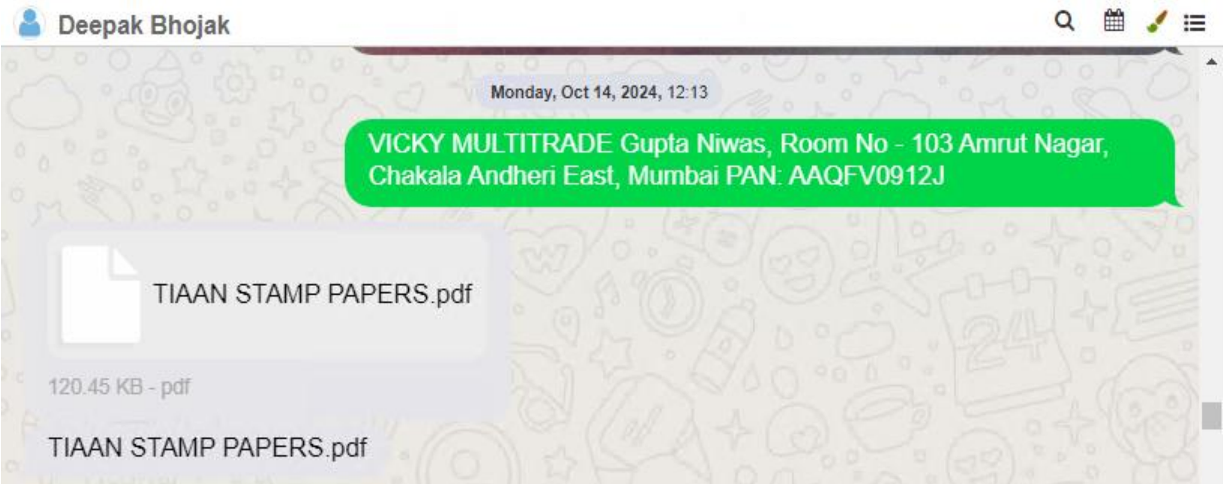
Screenshot 14: From the below screenshot dated September 17, 2024, it is observed that Surendra Jain has shared a Yes Bank blank cheque of Tiaan with Deepak Bhojak.

Screenshot 15: From the below screenshot dated September 21, 2024, it is observed that Deepak Bhojak is informing Surendra Jain that Deepak Tyagi's aadhar biometric or online aadhar with sign is required in HDFC Bank for Genesis.

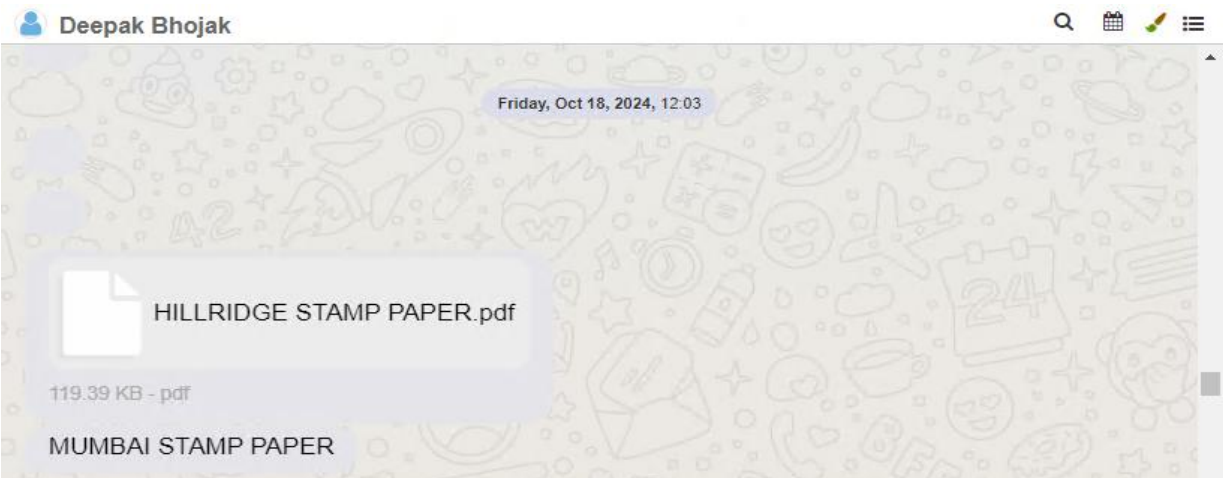
Screenshot 16: From the below screenshot dated October 11, 2024, it is observed that Surendra Jain is telling Deepak Bhojak that stamp papers need to be brought to execute accounting entries and rotate funds - “***Stamp papers bhi lanehai entry ghumane mai***”.



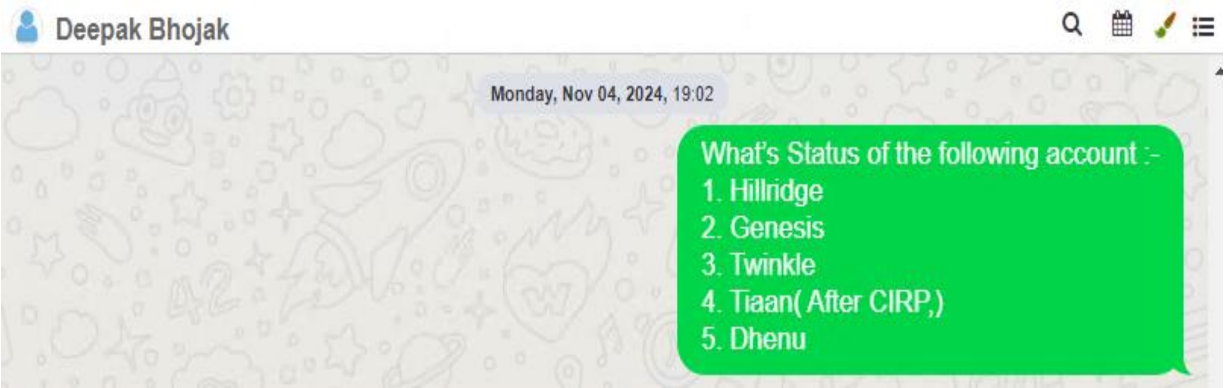
Screenshot 17: From the below screenshot dated October 14, 2024, it is observed that Deepak Bhojak has shared stamp papers of Tiaan.



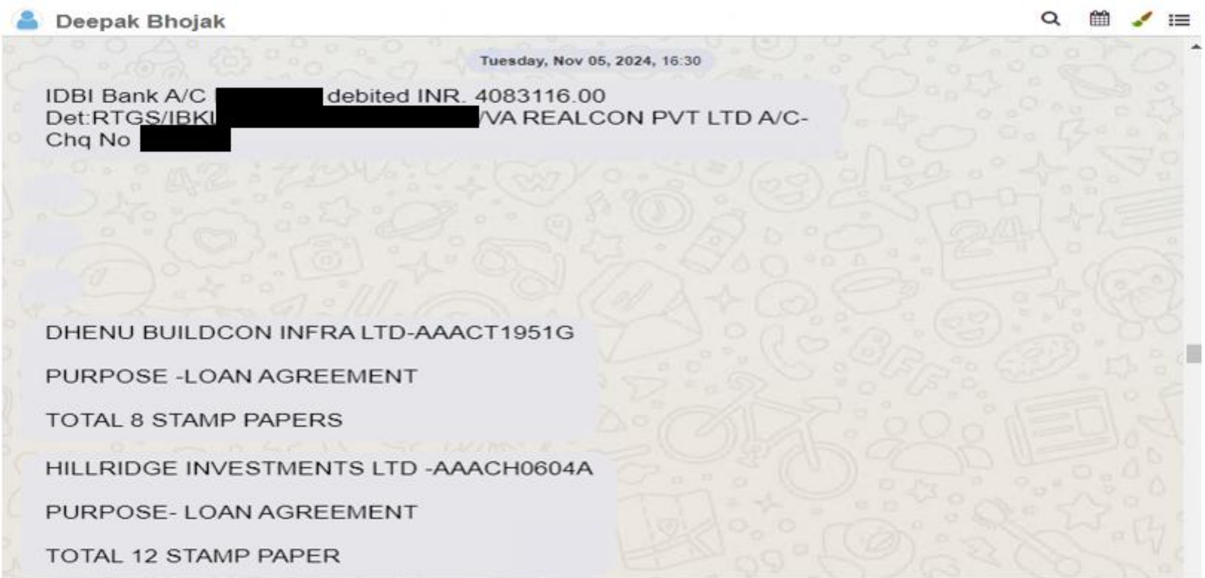
Screenshot 18: From the below screenshot dated October 18, 2024, it is observed that Deepak Bhojak has shared stamp papers of Hillridge.



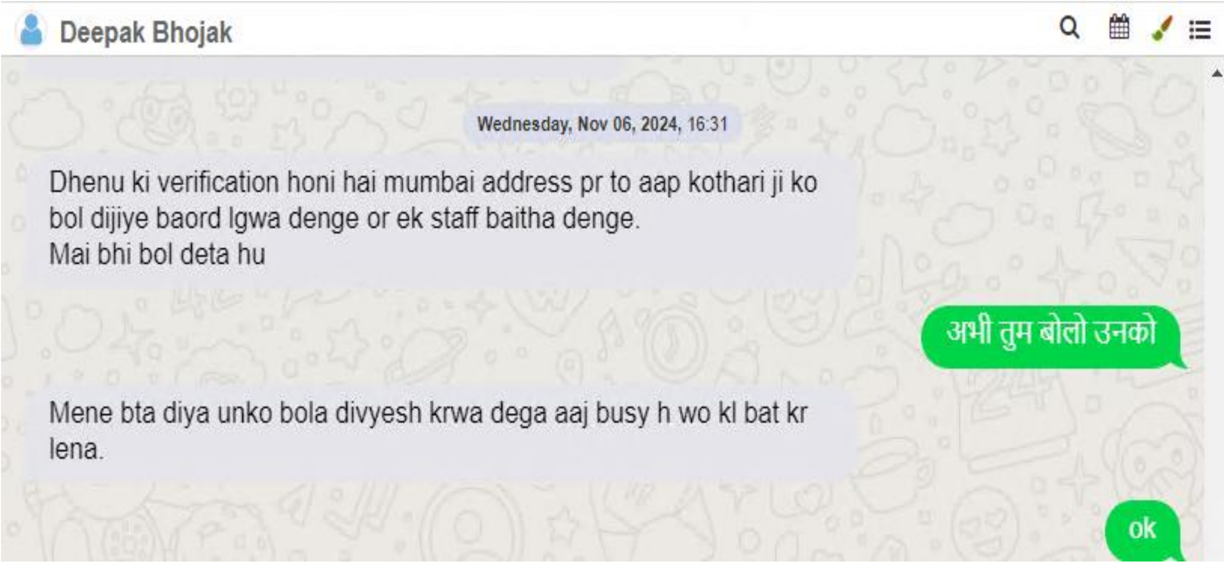
Screenshot 19: From the below screenshot dated November 04, 2024, it is observed that Surendra Jain is asking Deepak Bhojak regarding the status of the accounts of Hillridge, Genesis, Twinkle, Tiaan and DBIL.



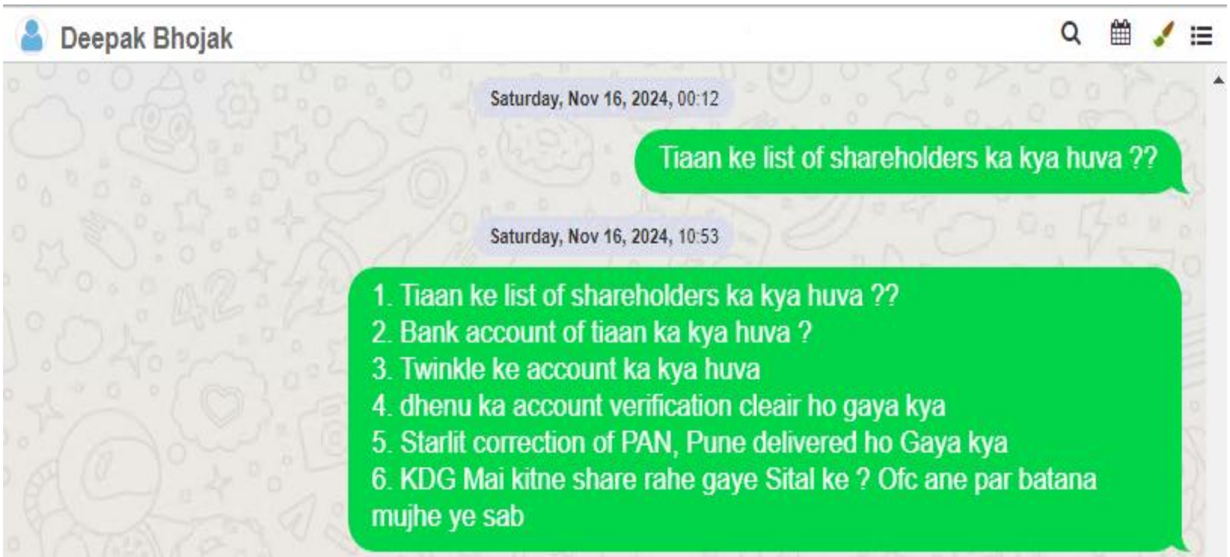
Screenshot 20: From the below screenshot dated November 05, 2024, it is observed that Deepak Bhojak has shared the details of DBIL and Hillridge for the purpose of loan agreement along with total number of required stamp papers.



Screenshot 21: From the below screenshot dated November 06, 2024, it is observed that Deepak Bhojak is informing Surendra Jain that verification of DBIL will be done at Mumbai address so instruct Kothari to install the company's name board and ensure that one staff is present on-site.

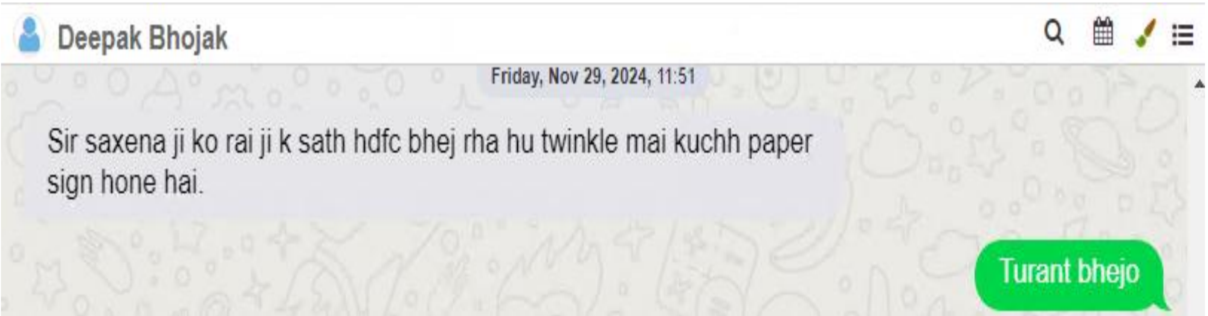


Screenshot 22: From the below screenshot dated November 16, 2024, it is observed that Surendra Jain is asking Deepak Bhojak for the status of list of shareholders of Tiaan, bank account of Tiaan and Twinkle, whether the account verification of DBIL gets cleared etc.



Screenshot 23: From the below screenshot dated November 27, 2024, it is observed that Deepak Bhojak is asking Surendra Jain to get the agreement of Utsav and Abhijit Trading done and send it.

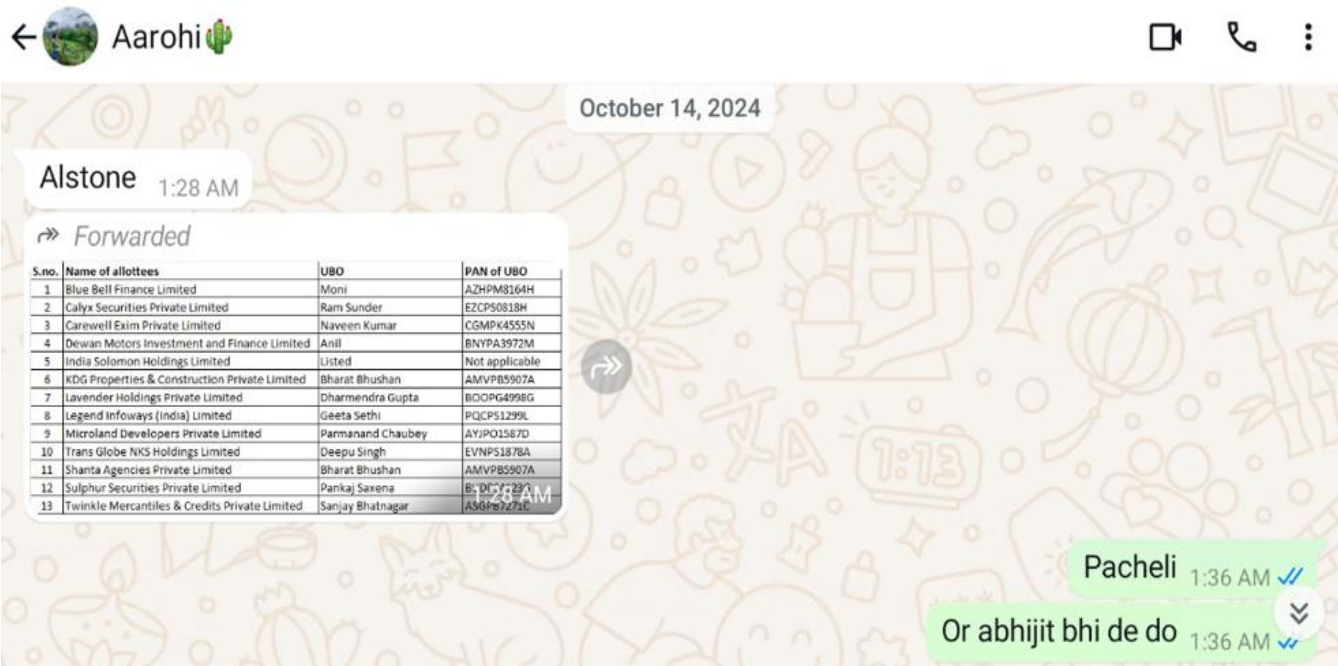
Screenshot 24: From the below screenshot dated November 29, 2024, it is observed that Deepak Bhojak is informing Surendra Jain that he is sending Saxena Ji along with Rai Ji to HDFC to sign some papers related to Twinkle. It is noted that Pankaj Saxena is a director of Twinkle.



51. From the WhatsApp chats between Deepak Bhojak having mobile no. XXXXXX4382 (Vivo 1804) and Aarohi Verma having mobile no. XXXXXX2457, as extracted from the device of Deepak Bhojak (Screenshot 25-30), the following is observed:

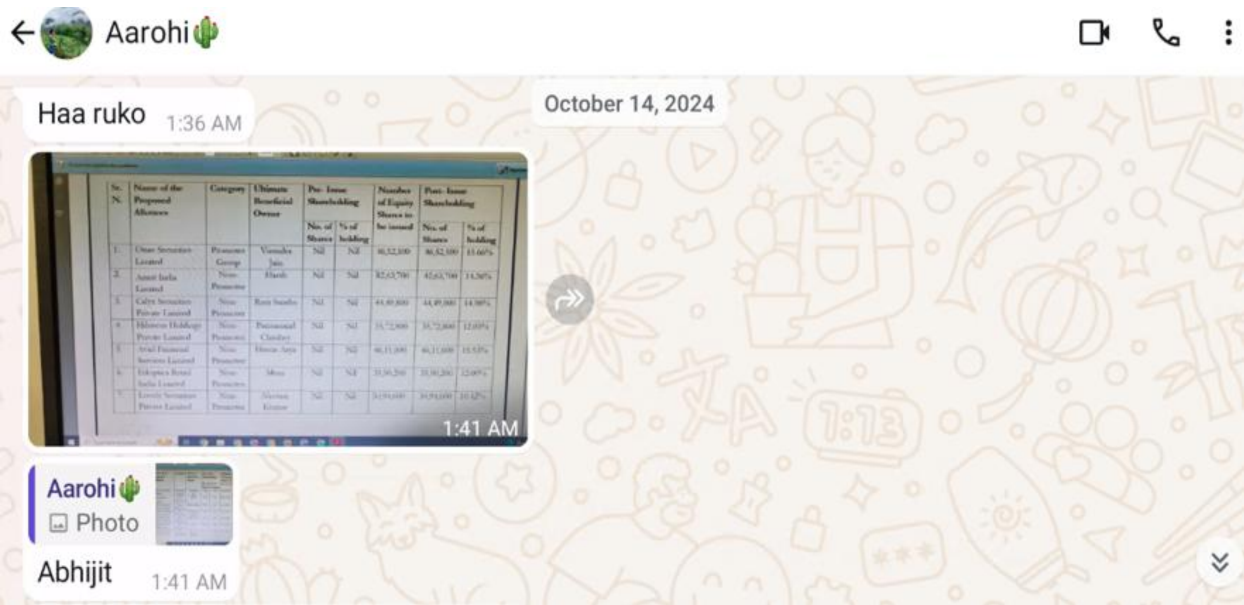
Screenshot 25: From the below screenshot dated October 12, 2024, it is observed that Aarohi is asking Deepak Bhojak about payment of Genesis and Hillridge and also informed him that she has not received any compliance certificates for which last date is Monday. She is also asking for the payment of Alstone.

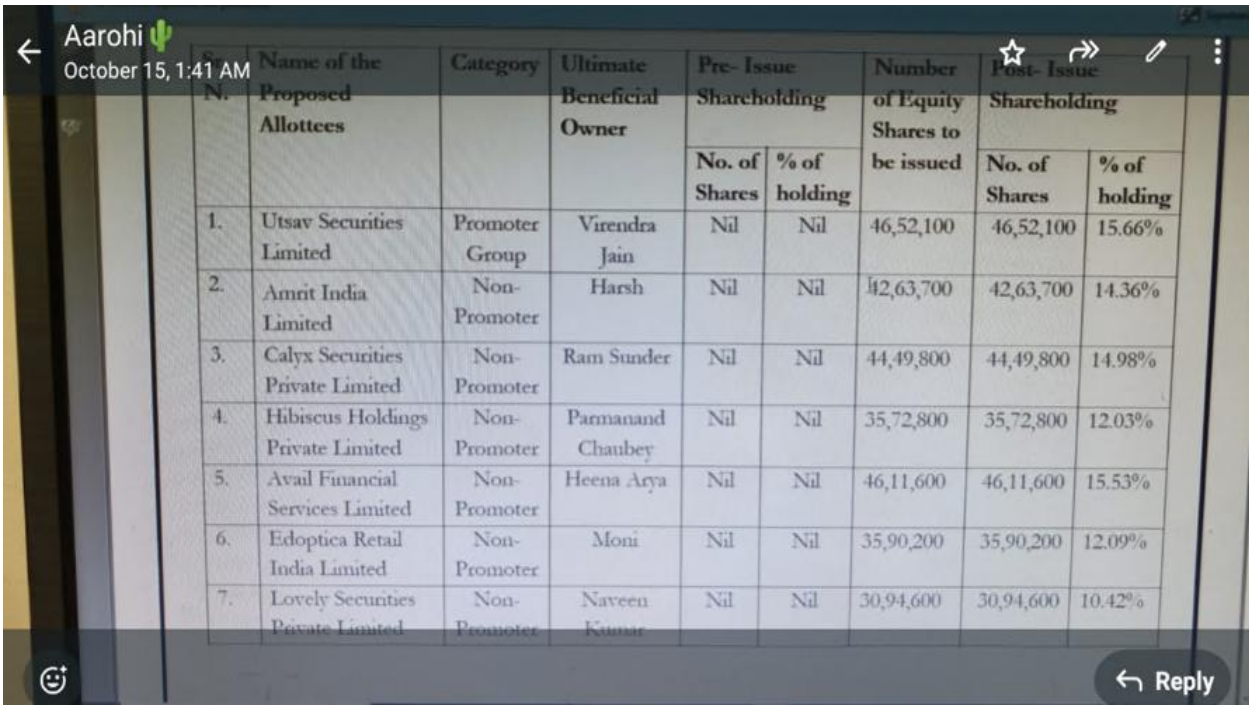
Screenshot 26: From the below screenshot dated October 14, 2024, it is observed that Aarohi has forwarded a list of name of allottees in Alstone with 13 companies to Deepak Bhojak wherein Shanta and Twinkle were also mentioned. Deepak Bhojak is also asking Aarohi to send the list of Pacheli and Abhijit Trading also.



S.no.	Name of allottees	UBO	PAN of UBO
1	Blue Bell Finance Limited	Moni	AZHPM8164H
2	Calyx Securities Private Limited	Ram Sunder	EZCPS0818H
3	Carewell Exim Private Limited	Naveen Kumar	CGMPK4555N
4	Dewan Motors Investment and Finance Limited	Anil	BNYPA3972M
5	India Solomon Holdings Limited	Listed	Not applicable
6	KDG Properties & Construction Private Limited	Bharat Bhushan	AMVPB5907A
7	Lavender Holdings Private Limited	Dharmendra Gupta	BOOPG4998G
8	Legend Infoways (India) Limited	Geeta Sethi	PQCPS1299L
9	Microland Developers Private Limited	Parmanand Chaubey	AYJPO1587D
10	Trans Globe NKS Holdings Limited	Deepu Singh	EVNPS1878A
11	Shanta Agencies Private Limited	Bharat Bhushan	AMVPB5907A
12	Sulphur Securities Private Limited	Pankaj Saxena	[illegible]
13	Twinkle Mercantiles & Credits Private Limited	Sanjay Bhatnagar	[illegible]

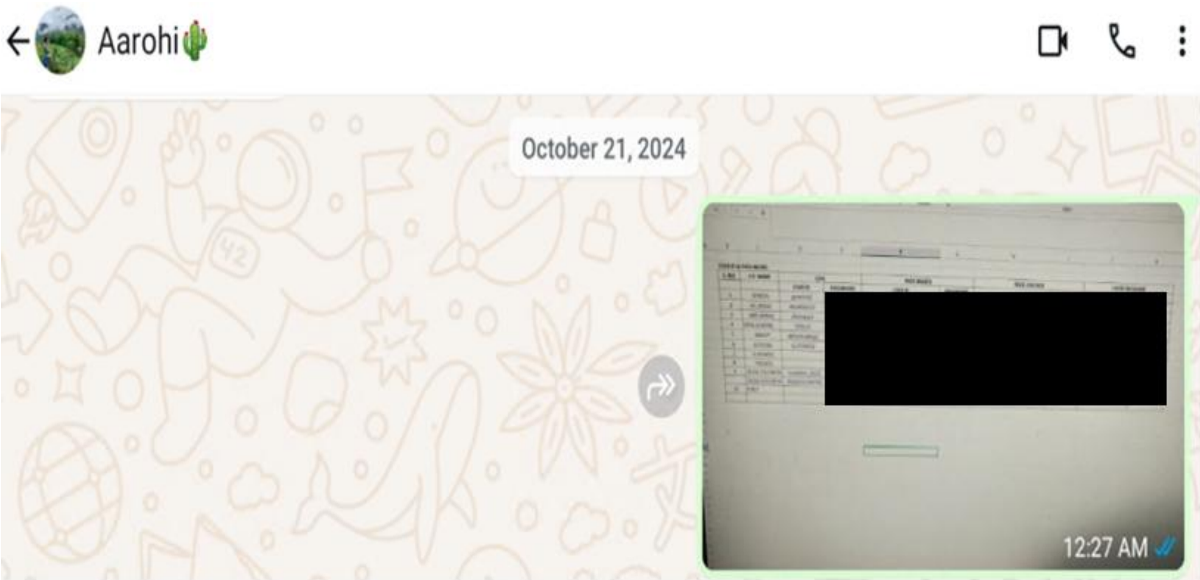
Screenshot 27 & 28: From the below screenshot dated October 14, 2024, it is observed that Aarohi has forwarded the details of list of proposed allottees to Deepak Bhojak which includes the companies Utsav and Edoptica also.

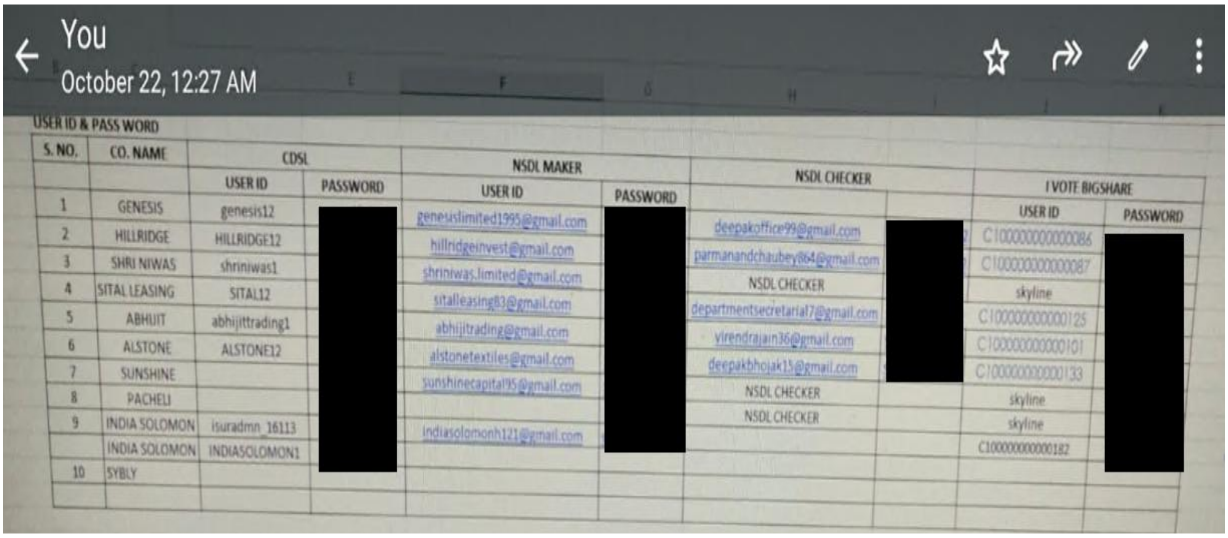




Sr. N.	Name of the Proposed Allottees	Category	Ultimate Beneficial Owner	Pre- Issue Shareholding		Number of Equity Shares to be issued	Post- Issue Shareholding	
				No. of Shares	% of holding		No. of Shares	% of holding
1.	Utsav Securities Limited	Promoter Group	Virendra Jain	Nil	Nil	46,52,100	46,52,100	15.66%
2.	Amrit India Limited	Non-Promoter	Harsh	Nil	Nil	42,63,700	42,63,700	14.36%
3.	Calyx Securities Private Limited	Non-Promoter	Ram Sunder	Nil	Nil	44,49,800	44,49,800	14.98%
4.	Hibiscus Holdings Private Limited	Non-Promoter	Parmanand Chaubey	Nil	Nil	35,72,800	35,72,800	12.03%
5.	Avail Financial Services Limited	Non-Promoter	Heena Arya	Nil	Nil	46,11,600	46,11,600	15.53%
6.	Edoptica Retail India Limited	Non-Promoter	Moni	Nil	Nil	35,90,200	35,90,200	12.09%
7.	Lovely Securities Private Limited	Non-Promoter	Naveen Kumar	Nil	Nil	30,94,600	30,94,600	10.42%

Screenshot 29 & 30: From the below screenshot dated October 22, 2024, it is observed that Deepak Bhojak has shared a list wherein user id and password of various companies are mentioned which includes Genesis, Hillridge, Shri Niwas, and Abhijit Trading also.



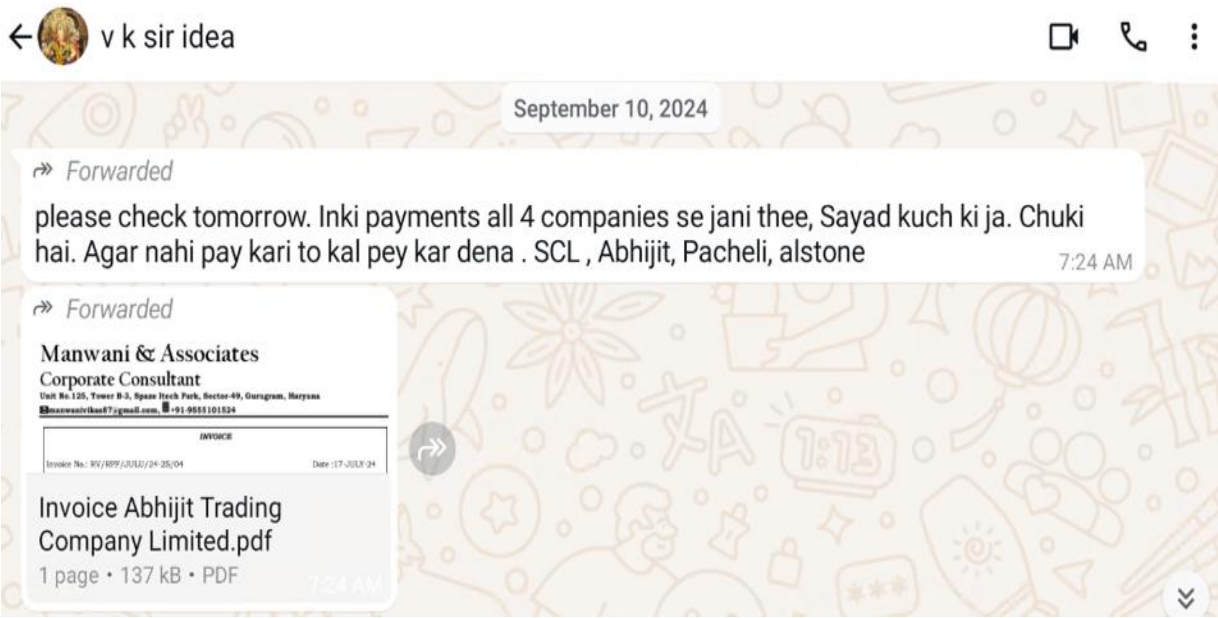


USER ID & PASS WORD

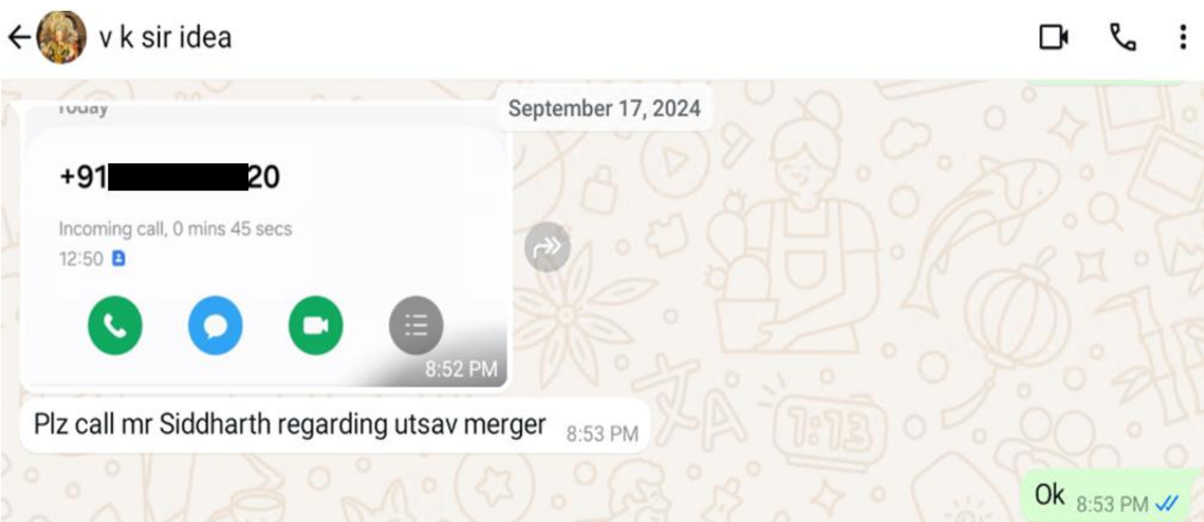
S. NO.	CO. NAME	CDSL		NSDL MAKER		NSDL CHECKER		I VOTE BIGSHARE	
		USER ID	PASSWORD	USER ID	PASSWORD			USER ID	PASSWORD
1	GENESIS	genesis12	[redacted]	geneuslimited1995@gmail.com	[redacted]	deepakoffice99@gmail.com	[redacted]	C1000000000000086	[redacted]
2	HILLRIDGE	HILLRIDGE12		hillridgeinvest@gmail.com		parmanandchaubey864@gmail.com		C1000000000000087	
3	SHRI NIWAS	shriniwas1		shriniwas.limited@gmail.com		NSDL CHECKER		skyline	
4	SITAL LEASING	SITAL12		sitalleasing83@gmail.com		departmentsecretarial7@gmail.com		C1000000000000125	
5	ABHIJIT	abhijittrading1		abhijitrading@gmail.com		virendrajain36@gmail.com		C1000000000000101	
6	ALSTONE	ALSTONE12		alstonetextiles@gmail.com		deepakbhojak15@gmail.com		C1000000000000133	
7	SUNSHINE			sunshinecapital95@gmail.com		NSDL CHECKER		skyline	
8	PACHELI					NSDL CHECKER		skyline	
9	INDIA SOLOMON	isuradmn_16113		indiasolomonh121@gmail.com				C100000000000182	
	INDIA SOLOMON	INDIASOLOMON1							
10	SYBLY								

52. From the WhatsApp chats between Deepak Bhojak having mobile no. XXXXXX4382 (Vivo 1804) and Virendra Jain having mobile no. XXXXXX5232 extracted from the device of Deepak Bhojak (**Screenshots 31-37**), the following is observed:

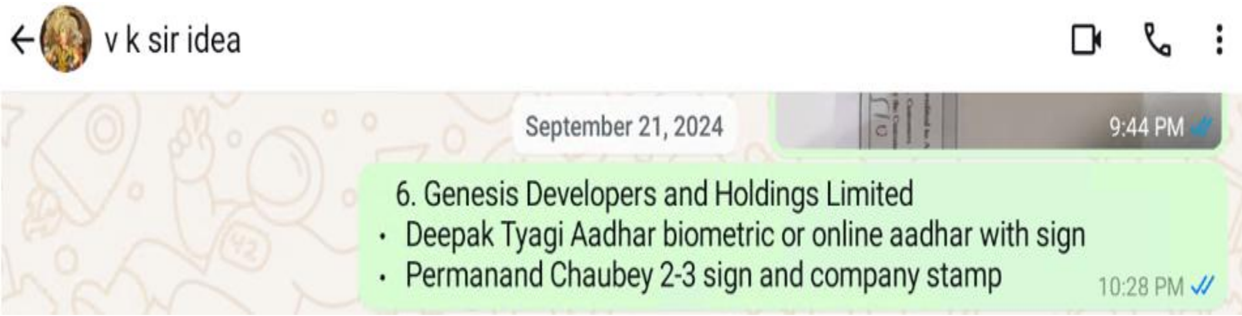
Screenshot 31: Based on the screenshot dated September 10, 2024, it is observed that Virendra Jain has forwarded a message instructing Deepak Bhojak to verify the status of pending payments from four companies the following day. He noted that while some payments might have already been processed, any remaining balances should be paid the next day from SCL, Abhijit Trading, Pacheli, and Alstone.



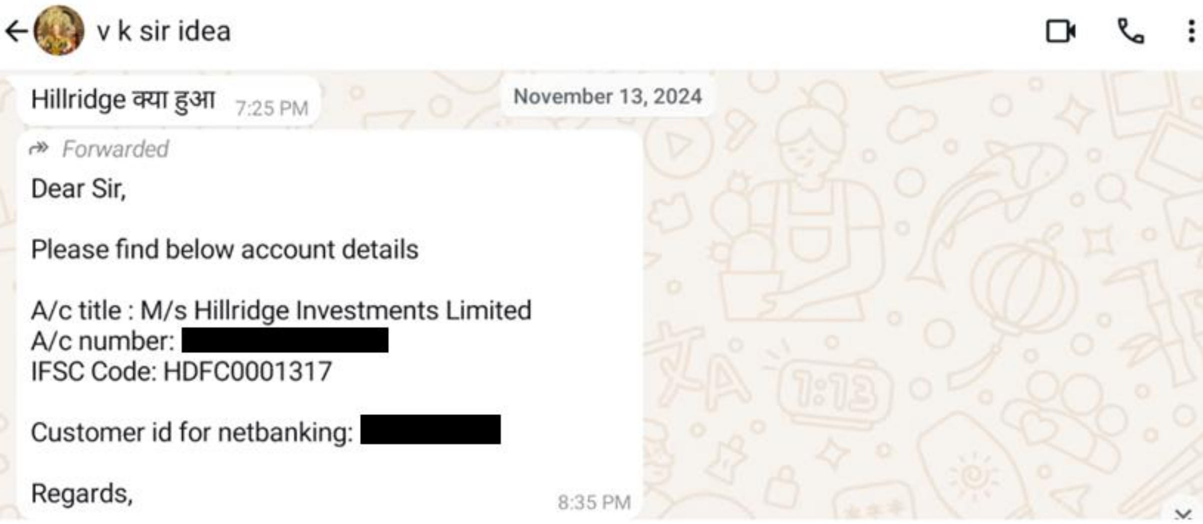
Screenshot 32: Based on the screenshot dated September 17, 2024, it is observed that Virendra Jain has shared a contact number with Deepak Bhojak and instructed him to call Siddharth regarding the merger of Utsav.



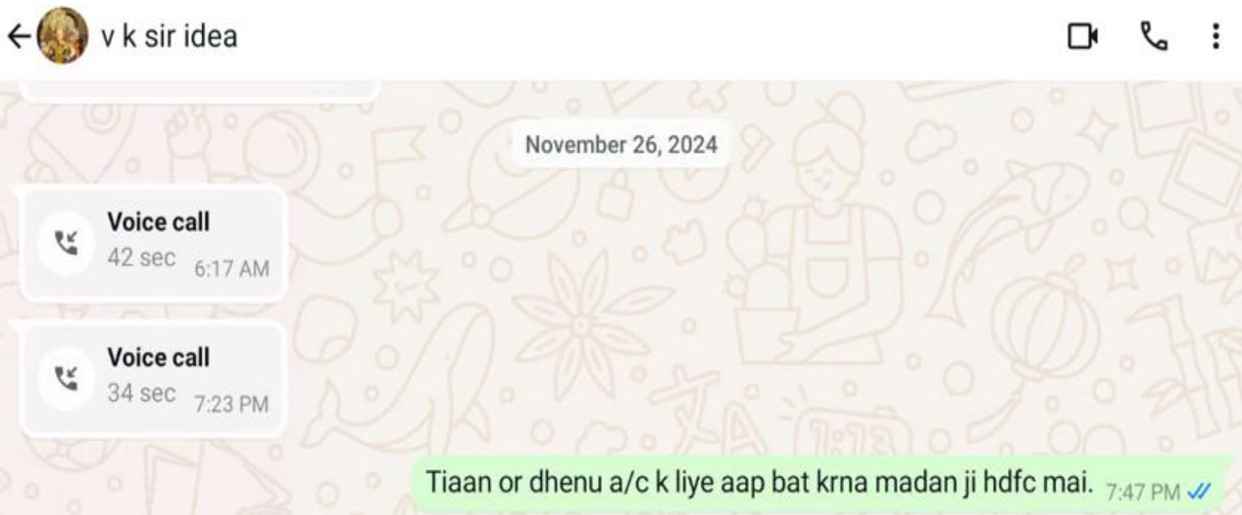
Screenshot 33: Based on the screenshot dated September 21, 2024, it is observed that Deepak Bhojak has sent a message to Virendra Jain outlining the requirements for Genesis Developers. These included either Deepak Tyagi's Aadhaar biometric verification or signed online Aadhaar, along with Permanand Choubey's 2-3 signatures and Company Stamp.



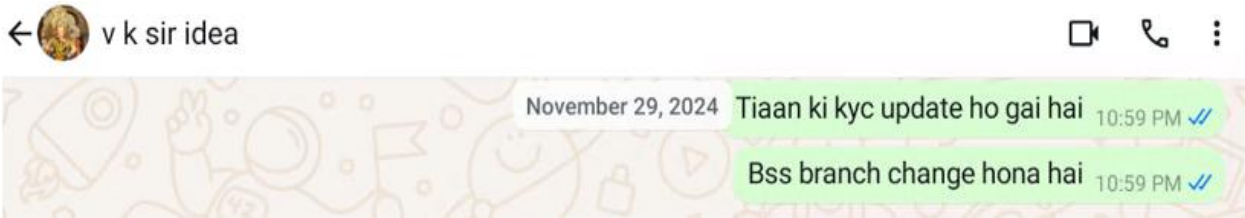
Screenshot 34: Based on the screenshot dated November 13, 2024, it is observed that Virendra Jain has inquired with Deepak Bhojak regarding the status of Hillridge and forwarded the company's bank account details to him.



Screenshot 35: Based on the screenshot dated November 26, 2024, it is observed that Deepak Bhojak has requested Virendra Jain to speak with Madan Ji at HDFC Bank regarding the accounts for Tiaan and DBIL.



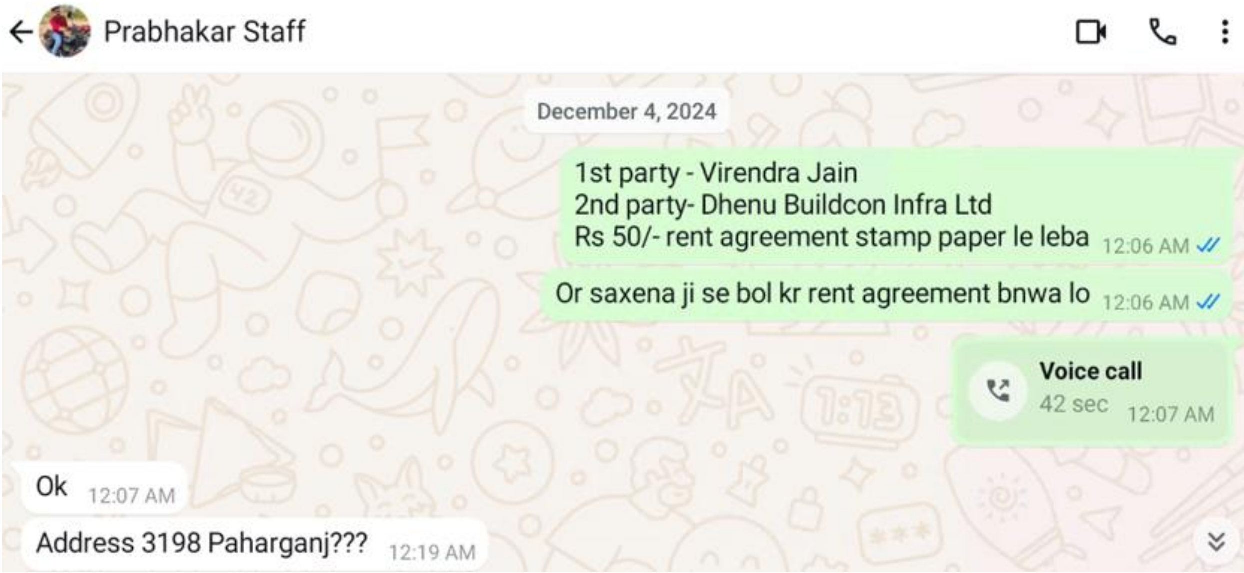
Screenshot 36: Based on the screenshot dated November 29, 2024, it is observed that Deepak Bhojak has informed Virendra Jain that KYC for Tiaan has been updated, noting that only the branch needs to be changed.



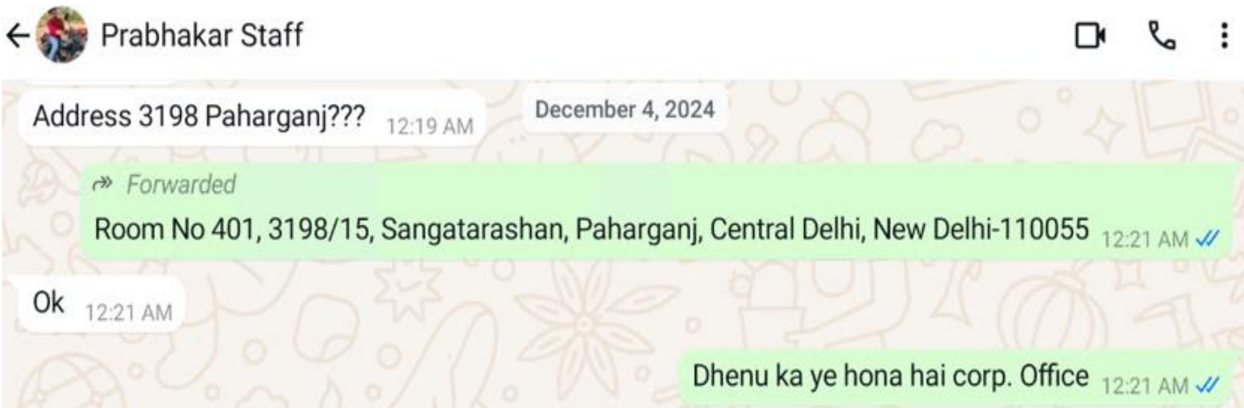
Screenshot 37: Based on the screenshot dated December 02, 2024, it is observed that Deepak Bhojak is informing Virendra Jain that a cheque needs to be issue for Abhijit Trading to PB.

53. From the Whatsapp chats between Deepak Bhojak having mobile no. XXXXXX4382 and Prabhakar Kumar having mobile no. XXXXXX2034, as extracted from the device of Deepak Bhojak (Screenshots 38-39), the following is observed:

Screenshot 38: Based on the screenshot dated December 04, 2024, it is observed that Deepak Bhojak is informing Prabhakar Kumar to buy a INR 50/- stamp paper for rent agreement mentioning first party as Virendra Jain and second party as DBIL.

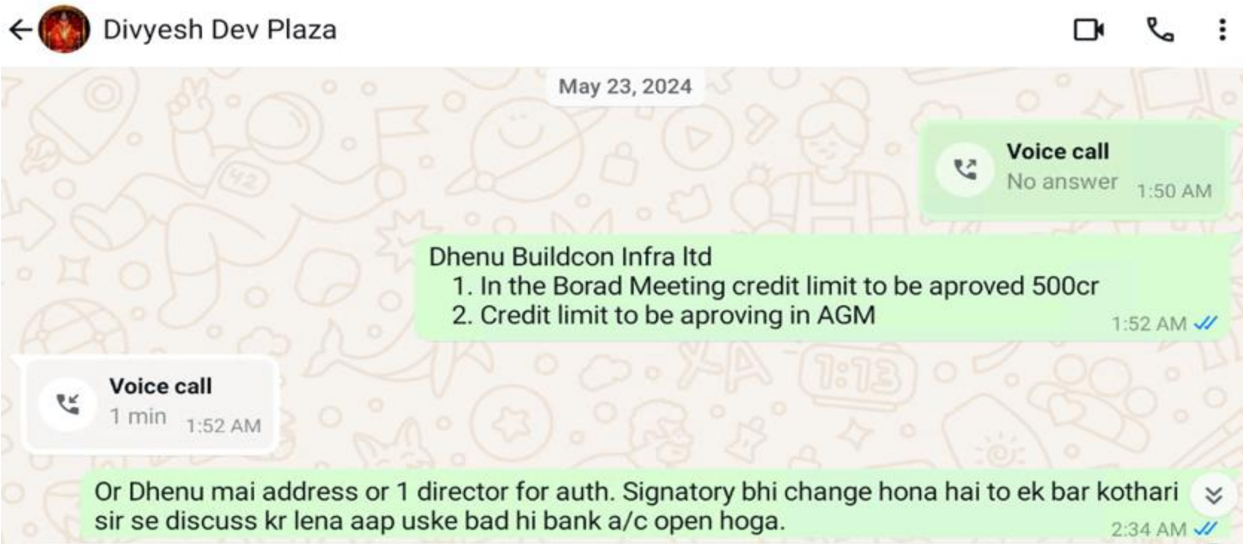


Screenshot 39: Based on the screenshot dated December 04, 2024, it is observed that Prabhakar is confirming address from Bhojak saying "***Address 3198 Paharganj???***", for which Bhojak forwarded the full address *"**Room no 401, 3198/15, Sangatarashan, Paharganj, Central Delhi, New Delhi – 110055**"* and informing him that this will be the corporate office of DBIL. It is observed that as per corporate announcement dated April 11, 2025 made by DBIL, the books of accounts of the company were kept and maintained at the same address prior to March 11, 2025.



54. From the Whatsapp chats between Deepak Bhojak having mobile no. XXXXXX4382 and Divyesh Kishor Bhanushali having mobile no. XXXXXX0904 (entity stays in Mumbai) extracted from the device of Deepak Bhojak (**Screenshots 40-43**), the following is observed:

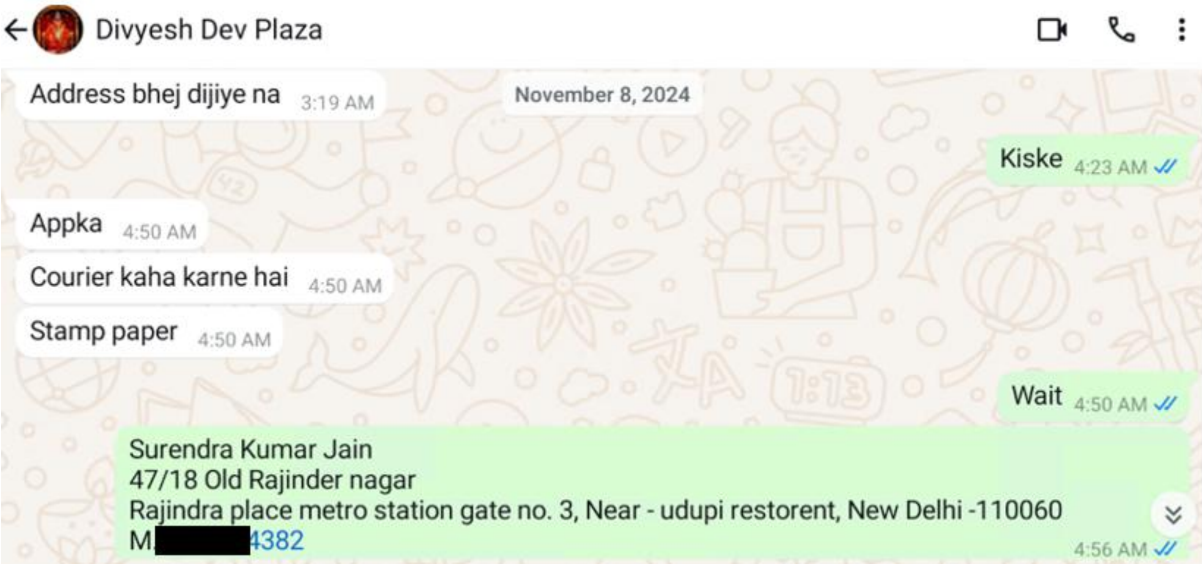
Screenshot 40: Based on the screenshot dated May 23, 2024, it is observed that Deepak Bhojak has instructed Divyesh regarding the necessary compliance steps for DBIL. Specifically, he has stated that a credit limit of INR 500/- crore is to be approved during the board meeting, followed by subsequent approval in the Annual General Meeting (AGM). Additionally, Bhojak informed that DBIL's address and the authorized signatory director needed to be changed; he advised Divyesh to discuss these changes with Kothari before proceeding for opening of the bank account.



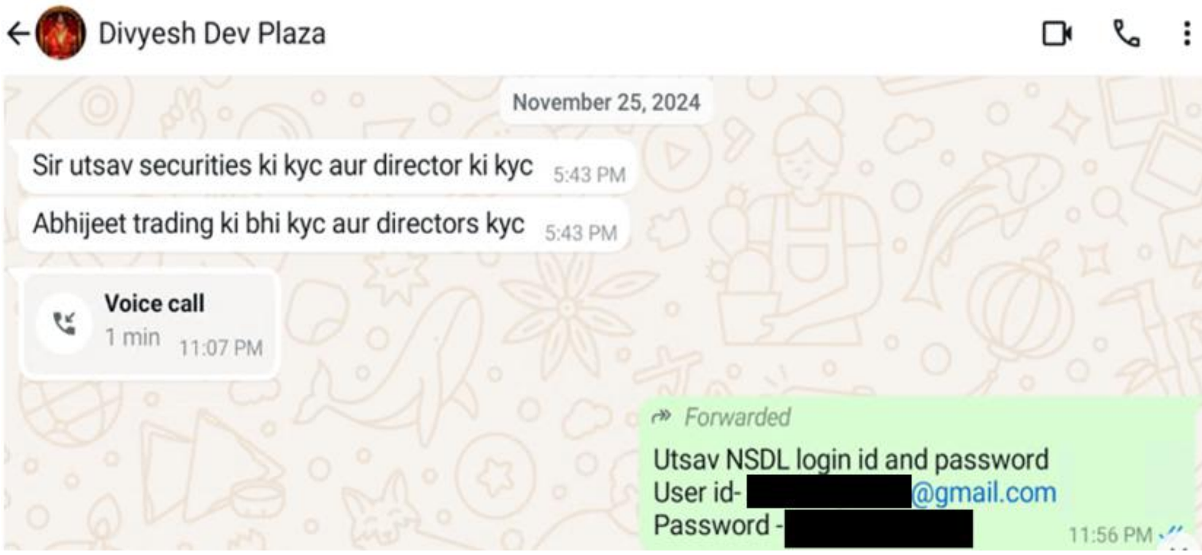
Screenshot 41: Based on the screenshot dated November 08, 2024, it is observed that Deepak Bhojak has messaged Divyesh asking him to get the necessary stamp papers for DBIL and Hillridge for loan agreement.

Screenshot 42: Based on the screenshot dated November 08, 2024, it is observed that Divyesh has messaged Deepak Bhojak to request the delivery address where the courier containing the stamp papers should be sent. Bhojak send the address of

Surendra Kumar Jain ***"47/18 Old Rajinder nagar, Rajindra place metro station gat no. 3, Near – Udupi restorent, New Delhi – 110060 M. 9643924382"*** for the delivery of stamp papers.



Screenshot 43: Based on the screenshot dated November 25, 2024, it is observed that Divyesh has messaged Deepak Bhojak to request the KYC documents for Utsav and Abhijit Trading, along with the KYC details of their respective directors. In response, Bhojak provided the NSDL login credentials for Utsav.



55. I have considered the aforesaid communications along with the banking and corporate records. The WhatsApp communications are relevant particularly because many of these communications pre-date the December 2024 round

tripping transactions and concern the establishment, banking arrangements, documentation and operational requirements of entities which subsequently feature in the fund-flow network. At some places in these screenshots, redaction has been carried out to hide password, bank account no. or mobile number.

56. **<u>Communications concerning preferential allotment</u>:** From WhatsApp exchange dated September 20, 2024 between Surendra Jain and Tilokchand Kothari, I note that they discussed arranging papers relating to DBIL and transfer of an account and specifically referred to the same as being for “pref”/preferential allotment.

57. The significance of these communications lies in their timing since the communications pre-date the purported receipt of the ₹1,000 crores loans in December 2024 and the eventual preferential allotment in December 2025. This evidence is relevant in conjunction with the other material because it indicates that matters concerning DBIL and a preferential allotment were being discussed even before execution of purported loan transactions which were subsequently converted into equity.

58. I *prima facie* find that the aforesaid communication strongly corroborates the fact that purported borrowing and subsequent preferential allotment formed part of a pre-arranged sequence.

59. **<u>Communications concerning banking arrangements</u>**: The WhatsApp communications further contain discussions concerning the opening, verification and operation of bank accounts of several entities involved in the present matter. For instance, on September 10, 2024, a communication between Surendra Jain and Deepak Bhojak contained a document listing companies under the heading “HDFC Bank a/c list”, which included, *inter alia*, Abhijit Trading, Hillridge, Genesis, Golkonda, Shri Niwas and DBIL. The same exchange also concerned the requirement for additional HDFC bank accounts.

60. On September 21, 2024, Deepak Bhojak informed Surendra Jain regarding the requirement of Aadhaar biometric/online Aadhaar with signature in HDFC Bank for Genesis. On October 18, 2024, stamp papers relating to Hillridge were shared in the communication, while on November 4, 2024, Surendra Jain sought the status of the accounts of Hillridge, Genesis, Twinkle, Tiaan and DBIL. On November 16, 2024, Surendra Jain sought information regarding the list of shareholders of Tiaan, the bank accounts of Tiaan and Twinkle and the status of verification of DBIL's account. On November 21, 2024, he shared a list containing fund transfers amongst several entities, including Abhijit Trading, Hillridge, Shri Niwas, Golkonda, Edoptica, Genesis, Intellectual and Shanta. These communications are particularly relevant because they precede the December 2024 transactions and concern several of the same entities which subsequently appear in the bank-account tracing undertaken in the present examination.

61. **<u>Communication concerning rotation of funds</u>**: One of the communications assumes particular significance in the context of the banking evidence. On October 11, 2024, Surendra Jain communicated with Deepak Bhojak regarding the requirement of stamp papers for making accounting entries and "rotate funds".

62. The expression used in the aforesaid communication is relevant when viewed alongside the subsequent banking evidence, which independently demonstrates repeated movement of funds amongst the same network of entities. I am conscious that the communication cannot, by itself, establish that the December 2024 ₹1,000 crores transactions were the transactions contemplated in the October communication. However, when considered together with the synchronous communications concerning bank accounts, documentation and fund transfers, and the subsequent bank-account evidence, it provides corroborative material supporting the *prima facie* inference that the movement of funds amongst the entities was being coordinated rather than arising incidentally from ordinary commercial dealings.

63. **<u>Communications concerning absence of genuine business</u>**: On November 6, 2024, Deepak Bhojak informed Surendra Jain that verification of DBIL would

be undertaken at its Mumbai address and that Kothari should be instructed to install the Company's name board and ensure the presence of one staff at the site.

64. The aforesaid communication is significant in the context of the subsequent site-visit findings, which revealed absence of genuine business operations at several of the relevant premises.

65. The above communication indicates active coordination concerning bank verification and physical representation of DBIL. Further it also, *prima facie*, indicates that there was no physical presence of the Company and staff at given address. Therefore, it has evidentiary relevance when considered with the other material.

66. **Communications concerning Utsav and Abhijit Trading**: On November 27, 2024, Deepak Bhojak asked Surendra Jain to have the agreements of Utsav and Abhijit Trading completed and sent.

67. The significance of this communication is that both entities i.e. Utsav and Abhijeet trading, subsequently feature in the financial transactions examined by SEBI. Utsav was one of the seven entities shown as having advanced funds to DBIL, while Abhijit Trading was one of the entities through which the funds were routed and which received substantial amounts from DBIL. The communication therefore provides additional evidence of coordination concerning documentation relating to entities that subsequently feature prominently in the fund-flow structure.

68. Having examined the aforesaid communications, I observe that the communications demonstrate that even prior to the December 2024 fund movements, following was being discussed over WhatsApp chats:
    (i) discussions concerning DBIL and preferential allotment;
    (ii) preparation and verification of bank accounts of several entities;
    (iii) preparation of loan documentation;
    (iv) discussions concerning movement/rotation of funds;

(v) coordination concerning the accounts and shareholders of entities subsequently involved in the fund flows; and
(vi) coordination concerning agreements and documentation of entities which subsequently participated in the transactions.

69. These communications are therefore *prima facie* corroborative of the finding that the entities involved in the present matter were being managed and coordinated through common persons and that their banking, documentation and operational affairs were not being conducted independently. Further, the WhatsApp communications assume particular significance when placed alongside the chronology established through the banking records. The sequence emerging from the material presently available is broadly:
   (i) September–November 2024: coordination concerning DBIL, bank accounts, documentation and entities;
   (ii) December 2024: ₹1,000 crores purportedly received by DBIL through 46 transactions where funds are routed amongst the same network of entities;
   (iii) July 2025: proposal to convert approximately ₹840 crore of purported loans into equity which was preconceived even prior to receipt of purported loan;
   (iv) December 27, 2025: allotment of 5,91,54,92,940 shares to six entities;
   (v) February 12, 2026: shares admitted for trading; and
   (vi) August 15, 2026: expiry of the lock-in period.

70. Considering the aforesaid, and the chronology and co-relation amongst the events forming part of these transactions, I am of the view that there is sufficient *prima facie* evidence to treat the purported loans, the circular fund flows and the preferential allotment as components of an interconnected to defraud the investors.

B.3.2 ROLE OF SURENDRA JAIN AND VIRENDRA JAIN

71. The material available on record has *prima facie* found that various entities, including DBIL, Genesis, Hillridge, Abhijit Trading, Utsav, Golkonda, Tiaan, Alstone, Sunshine and Pacheli were being managed or controlled by Virendra Jain along with connected persons/entities. The examination of WhatsApp

communication between Deepak Bhojak and Virendra Jain dated September 10, 2024, reveals that Virendra Jain forwarded instructions to Deepak Bhojak concerning pending payments from various companies, including SCL, Abhijit Trading, Pacheli and Alstone, and instructed that outstanding amounts be paid from the respective entities.

72. The aforesaid communication is significant because Virendra Jain was not merely receiving information concerning the affairs of these entities. He was giving operational instructions concerning payments between entities forming part of the network. The communication provides evidence supporting the *prima facie* inference that Virendra Jain exercised practical control over the financial operations of entities which subsequently formed part of the fund-flow network.

73. Further, on November 29, 2024, Deepak Bhojak informed Virendra Jain that the KYC of Tiaan had been updated, with only the branch requiring change. On December 2, 2024, Bhojak informed Virendra Jain that a cheque was required for Abhijit Trading. The relevance of these communications lies in their timing and subject matter as they occurred shortly before the December 2024 transactions through which the purported ₹1,000 crore loans were shown as having been received by DBIL. The communications *prima facie* show that Virendra Jain was involved in the maintenance and operation of bank accounts and payment mechanisms of entities forming part of the network, rather than being a passive or distant associate.

74. A particularly significant communication is the photograph of a handwritten note concerning fund transfers among multiple companies, which was sent by Deepak Bhojak to Virendra Jain on September 27, 2024. The examination found that on November 13, 2024, Virendra Jain sought the status of Hillridge and forwarded its bank-account details to Bhojak. These communications, read with the subsequent bank-account analysis provide *prima facie* corroboration for the finding that the entities were being operated as a coordinated network rather than as independent commercial counterparties.

75. In another communication dated December 4, 2024, Deepak Bhojak informed Prabhakar Kumar that a ₹50 stamp paper was required for a rent agreement in which Virendra Jain was to be the first party and DBIL the second party. The aforesaid material, when considered together with the corporate and banking records, *prima facie* indicates that Virendra Jain had operational linkages with DBIL and several other entities forming part of the network.

76. From the aforesaid material, it is gathered that Virendra Jain:
    (i) exercised operational and financial control over multiple entities forming part of the network;
    (ii) directed or participated in payment-related activities of those entities;
    (iii) was involved in their banking and KYC arrangements;
    (iv) received and reviewed information concerning bank accounts and fund transfers;
    (v) was connected with DBIL's management through his staff and associated persons;
    (vi) maintained operational linkages with DBIL; and
    (vii) was involved in the broader network through which funds were layered and circulated.

77. Upon consideration of the aforesaid material, I am of the *prima facie* view that Virendra Jain was a key participant and facilitator who coordinated the arrangement in managing the affairs of DBIL, the preferential allottees and other connected entities, and not merely a person whose name happened to occur in the corporate records of some of the entities.

78. The material indicates, *inter alia*, involvement in matters concerning bank-account opening, documentation, fund transfers, physical verification and other administrative requirements of the entities. Virendra Jain maintained operational linkages with DBIL's management through staff and connected entities, while Surendra Jain was involved in broader administrative, financial and physical operations of the network.

79. With respect to Surendra Jain, the material available on records indicates that Surendra Jain directed the broader group's administrative, financial and physical operations, while persons employed/associated with him acted as coordinators in managing DBIL, the preferential allottees and other connected entities. The network included DBIL and entities such as Utsav, Abhijit Trading, Genesis, Hillridge, Shanta, Twinkle, Edoptica, Shri Niwas, Golkonda and Tiaan.

80. On September 10, 2024, Surendra Jain communicated with Deepak Bhojak concerning the requirement for additional bank accounts with HDFC Bank. The material shared in the conversation included an HDFC bank-account list containing, amongst others, Abhijit Trading, Hillridge, Genesis, Golkonda, Shri Niwas and DBIL. The significance of this communication is not merely that Surendra Jain possessed information about these companies. The communication indicates his active involvement in arranging the banking infrastructure of multiple entities which subsequently formed part of the fund-flow network.

81. The examination of WhatsApp communications reveals that on September 17, 2024, Surendra Jain shared a blank Yes Bank cheque of Tiaan with Deepak Bhojak. Further, on October 18, 2024, Surendra Jain instructed Kothari to ask a Mumbai source to contact CDSL in relation to Utsav, and on November 5, 2024, he shared an HDFC Bank cheque of Utsav amounting to ₹80 lakh with Kothari. These communications, *prima facie*, indicate that Surendra Jain had access to and exercised operational control over the banking and financial affairs of multiple entities within the network.

82. On September 28, 2024, Kothari informed Surendra Jain about the requirement to appoint an independent director in DBIL from October 2 for board composition. On November 7, 2024, Kothari sent Surendra Jain a photograph of the installed name board of DBIL. All these communications are relevant because they indicate that Surendra Jain was involved in matters relating to board composition and physical corporate infrastructure of DBIL. The evidence therefore supports the *prima facie* inference that his involvement extended to the functioning and corporate presentation of DBIL itself.

83. On a cumulative assessment of the material available on record, I am satisfied that there is sufficient *prima facie* basis to conclude that Virendra Jain and Surendra Jain were key conspirators in the fraudulent scheme concerning DBIL, and that their role extended beyond mere association with the entities involved. Their conduct included, *prima facie*, the establishment and maintenance of a network of connected entities, operational and financial control over such entities, coordination of banking arrangements and payments, involvement in fund transfers and corporate documentation, and participation in the broader arrangement through which purported loans were created and subsequently converted into securities. The scheme was orchestrated by these individuals through a complex network of entities employing layered financial transactions and cross-shareholdings, with the objective of generating unlawful gains at the cost of public investors. I find that their conduct, on a *prima facie* basis, attracts the provisions of securities laws.

B.4 FINANCIAL CAPACITY, COMMERCIAL SUBSTANCE AND PHYSICAL EXISTENCE OF THE ENTITIES

84. The details relating to DBIL, preferential allottees and other connected companies, including their listing status, is as under:

Table 11
Basic details of DBIL, preferential allottees and other connected companies

S. No.	Name	CIN	Date of Incorporation	Registered Address	Listed on	Listing Date	Directors during the Examination period
1	DBIL (The Hingir-Rampur Coal Company Limited)	L10100MH1909PLC000300	21/08/1909	204, Aar Pee Centre, 11th Road, MIDC, Andheri East, Chakala Midc, Mumbai, Mumbai, Maharashtra, India, 400093	BSE	11-04-1985	Samira Vikash Maharishi Jenifer John Machado Nitesh Singh Priyanka Singh Himanshu Agarwal Poonam Somaram Gehlot Amit Bajaj Bhavesh Chandrakant Mehta Kalpesh Kanaiyalal Bhanushali

S. No.	Name	CIN	Date of Incorporation	Registered Address	Listed on	Listing Date	Directors during the Examination period
2	Golkonda Aluminium Extrusions Limited	L74999DL1988PLC330668	22/08/1988	1003, 10th Floor , Vikram Tower, Rajendra Place, Patel Nagar West, Central Delhi, New Delhi, Delhi, India, 110008	BSE	10-12-1990* **Vide notice no. 20260428-22 dated April 28, 2026, BSE suspended the trading*	Dharmendra Gupta Suresh Rai Apra Sharma Namrata Sharma Geeta Sethi
3	Shanta Agencies Private Limited	U74899MH1991PTC351819	14/06/1991	Chl No. 350/2801, Motilal Nagar 2 Opp. Shankar Temple, Goregaon (W), Mumbai City, Mumbai, Maharashtra, India, 400062	NA	NA	Bharat Bhushan Parmanand Chaubey
4	Shri Niwas Leasing and Finance Limited	L65993DL1984PLC019141	26/09/1984	47/18, RAJENDRA PLACE METRO STATION, Central Delhi, NEW DELHI, Delhi, India, 110060	BSE	16-01-2015	Surendra Kumar Jain Rajni Tanwar Vivek Sharma Promila Sharma Rekhaben Sanjay Bhanushali Ravindra Dilip Davrung
5	Tiaan Consumer Limited	L66301GJ1992PLC017397	27/03/1992	I-460, Forth Floor, Titanium City Centre Mall, Near Sachin Tower, Anand Nagar Road, Satellite, Ahmedabad, Manekbag, Ahmedabad, Ahmadabad City, Gujarat, India, 380015	BSE	23/09/2016* ** Vide notice no. 20260424-18 dated April 24, 2026, BSE suspended the trading in securities*	Bharat Bhushan Parmanand Chaubey Ajay Kumar Sanchit Malhotra Raghav Gujral Munesh Kumar Iroda Ochilova Alloyorovna Geeta Devi Narender Divyesh Kishor Bhanushali Bhoomi Girish Bhadra

S. No.	Name	CIN	Date of Incorporation	Registered Address	Listed on	Listing Date	Directors during the Examination period
6	Twinkle Mercantiles & Credits Private Ltd	U65921DL1995PTC064774	30/01/1995	564, A-1, P.NO. 2/59, AF/F BHIM GALI, VISHWAS NAGAR, SHAHDRA, North East, NEW DELHI, Delhi, India, 110032	NA	NA	Sanjay Bhatnagar Pankaj Saxena
7	Utsav Securities Limited	L65993DL1995PLC063997	03/01/1995	1208, 12th floor, Vikrant Tower, Rajendra bPlace, Patel Nagar (Central Delhi), Central Delhi, New Delhi, Delhi, India, 110008	Metropolitan Stock Exchange of India Limited ("**MSE**")	12/05/2015	Virendra Jain Deepu Singh Anil. Prem Keshri Anjali Kishor Gajra
8	Edoptica Retail India Limited	U24240MH1998PLC351462	29/01/1998	Chl No. 350/2801, Motilal Nagar 2 Opp. Shankar Temple, Goregaon (W), Mumbai City, Mumbai, Maharashtra, India, 400062	NA	NA	Deepak Tyagi Moni . Pankaj Saxena
9	Genesis Developers and Holdings Limited	L67190DL1995PLC069768	14/06/1995	R-815 NEW RAJINDER NAGAR, North East, NEW DELHI, Delhi, India, 110060	MSE	30/03/2015	Deepak Tyagi Parmanand Chaubey Tushar Rai Sharma Geeta Devi Narender Divyesh Kishor Bhanushali Bhoomi Girish Bhadra
10	Hillridge investments Limited	L65993MH1980PLC353324	12/08/1980	Chl No. 350/2801, Motilal Nagar 2 Opp. Shankar Temple, Goregaon (W), Mumbai City, Mumbai, Maharashtra, India, 400062	MSE	11/05/2016	Parmanand Chaubey Moni . Prem Keshri Tushar Rai Sharma Narender Divyesh Kishor Bhanushali

S. No.	Name	CIN	Date of Incorporation	Registered Address	Listed on	Listing Date	Directors during the Examination period
11	Intellectual Finvest Private Limited (Intellectual Builders Private Limited)	U41001DL2007PTC160800	20/03/2007	R-815 New Rajinder Nagar North East, New Delhi, Rajender Nagar, Central Delhi , New Delhi, Delhi	NA	NA	Ramesh Kumar Sanjay Bhatnagar Suresh Rai
12	Malt Land Distilleries Limited (earlier Abhijit Trading Company Limited)	L11011MH1982PLC351821	03/12/1982	SHOP NO. 79 01ST FLOOR MOKSH, PLAZA S V ROAD BORIVALI WEST MUMBAI, Borivali West, Mumbai, Borivali West, Maharashtra, India, 400092	BSE	14-01-2016	Virendra Jain Babita Jain Bhupendra Kaushik Luv Sharma Promila Sharma Sanjay Tulsidas Bhanushali Asutosh Arun Sahu
13	Victory Software Private Limited	U72400DL2007PTC159925	28/02/2007	564 A-1, P. No. 2/59 AF/F, Bhim Gali, Vishawas Nagar, Shahdra, North East, New Delhi, India, 110032	NA	NA	Sanjay Bhatnagar Suresh Rai

85. DBIL had a relatively small operational and financial profile during the relevant period. The examination of its financial statements revealed negligible revenues and profits, notwithstanding the purported receipt of ₹1,000 crores in unsecured loans within a period of eight days. The quarterly financial performance of the Company during the Examination Period is as under:

Table 12
Quarter-wise Financial Performance of DBIL

Qtr ended	Revenue (in Cr)	Profit (in Cr)	Profit after Tax (in Cr)
Sep-24	0	-0.23	-0.23
Dec-24	0	-0.02	-0.02

Mar-25	0.01	-0.03	-0.03
Jun-25	0.31	0.30	0.30
Sep-25	0.51	0.24	0.24
Dec-25	0.84	0.81	0.81
Mar-26	-0.94	-1.02	-2.65

(Source: BSE Website)

86. The annual financial performance of the Company, during the last four years, is illustrated in the below table:

Table 13
Year-wise Financial Performance of DBIL

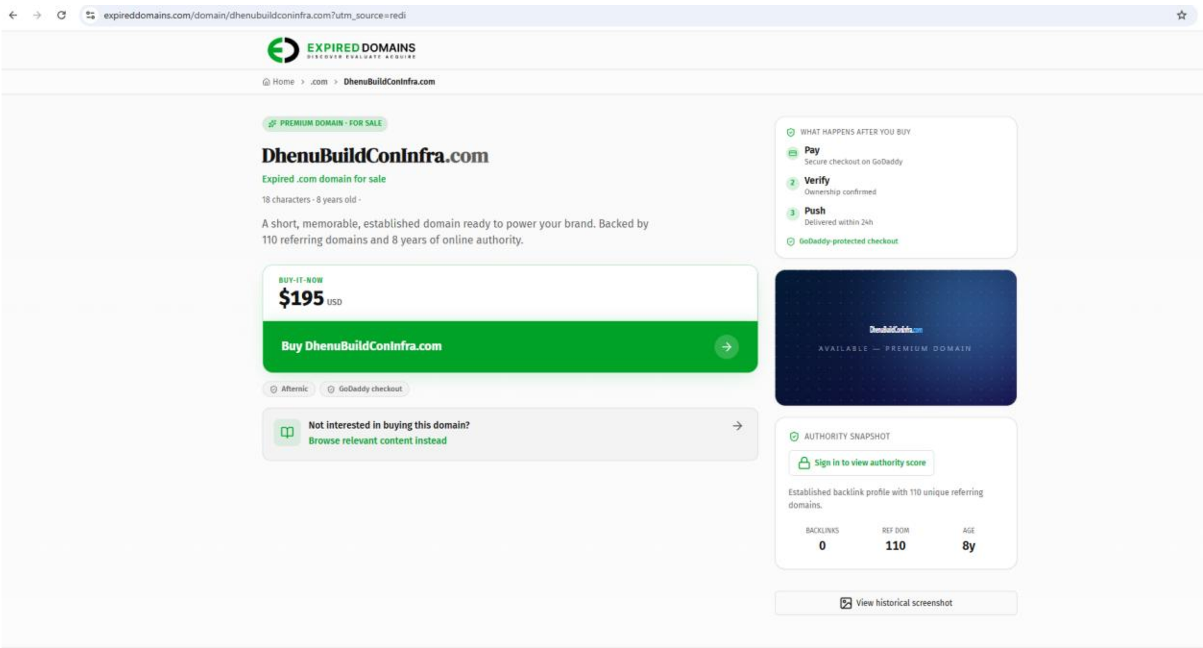
Year ended	Revenue (in Cr)	Profit (in Cr)	Profit after Tax(in Cr)
Year Ending March 2026	0.83	0.44	-1.20
Year Ending March 2025	-0.06	-0.40	-0.40
Year Ending March 2024	0	-0.13	-0.10
Year Ending March 2023	0	-0.43	-0.33

(Source: BSE Website)

87. From the aforesaid tables, I note that the revenue from operations was Nil in the FY ending on March 31, 2023 and March 31, 2024. Further, revenue remained marginal at less than ₹1 crore during the financial years ending March 31, 2025, and March 31, 2026. I observe that the disclosures made by the Company about its financial performance on quarterly and annual basis are inconsistent since the quarterly amounts don’t exactly add up with the yearly amounts. Furthermore, the examination found that the annual report for FY 2025-26 has not been published publicly by the company as on date of this Order.

88. As per the Annual Report of 2024-25 of DBIL, the website of the Company is www.dhenubuildconinfra.com. However, the website was found to be non-operational and the said domain name is available for sale as seen from the screenshot below:

Figure 4
Status of Website of DBIL



89. The major corporate announcements (apart from those related to financial results) made in the scrip of DBIL during the examination period are as under:

Table 14
Major Corporate Announcements during the examination period

Announcement date	Category / type	Summary of announcement
14-08-2024 15:34:51	KMP/Director	Board approved Appointment of Bhavesh ChandraKant Mehta as Chief Financial Officer & Director of the company w.e.f. 14.08.2024 and Resignation of Mrs. Samira Maharishi from post of Chief Financial Officer & Director w.e.f 17.08.2024.
21-08-2024 13:47:20	KMP/Director	Resignation of Himanshu Agarwal from post of Independent Director pursuant to resignation letter dated 21st August 2024
23-09-2024 19:26:05	Change in Registered Office	Board approved shifting of the registered office of the Company. From: - Office No. C-4 D Wing, Sunder Park CHS LTD, Jeevan Nagar, Near Sai Baba Temple, Andheri West, Mumbai- 400053. To:- B-17, Plot B31, Shree Siddhivanayak Plaza, Off Lane Opp. Citi Mall,, New Link Rd, Veera Desai Industrial Estate, Andheri West, Mumbai, Maharashtra 400053 with effect from 23rd September, 2024.
28-09-2024 17:38:42	KMP/Director	Resignation of Mrs. Poonam Gehlot from post of Independent Director w.e.f 01st October 2024
09-10-2024 17:17:43	KMP/Director	Board approved Appointment of Nitesh Singh and Mrs. Priyanka Singh as Non-Executive Independent Directors w.ef. 09th October 2024; Resignation of Ms. Jennifer Machado from the Post of Chief Financial Officer and Director

Announcement date	Category / type	Summary of announcement
21-12-2024 13:15:07	Increase of Borrowing Limit	Board approved Increase of the Borrowing Limit of the Company upto ₹1,000 Crore
11-04-2025 16:54:09	Maintenance of books of accounts	Board approved to keep and maintain the books of accounts of the company from No 401, 3198-15, Sangatarashan Paharganj, Central Delhi, Delhi-110055 to B-17, Shree Siddhivinayak Plaza, Plot No: 31, Off Link Road, Andheri (West), Mumbai-400053 w.e.f. Friday, 11th March, 2025
12-05-2025 16:40:37	KMP/Director	Ms. Aryamba Taluja, Company's Secretary and Compliance officer tendered resignation letter and will cease to act as compliance officer of the company with effect from Closure of Business Hours of 12th May,2025
20-05-2025 21:33:40	KMP/Director	Board approved the Appointment of Amit Bajaj as an additional Non-Executive Independent Director with Immediate Effect for term of 5 years
02-07-2025 15:08:05	KMP/Director	Ms.Drishti Sidhwa had been appointed as Company Secretary and Compliance Officer of the Company With Effect From July 02, 2025
21-07-2025 19:28:15	Capital Structure/ Preferential Allotment, KMP/Director, Auditor	• Increase of Authorised Share Capital of the Company from existing ₹2,25,00,000/- to ₹10,00,00,00,000/-. • Issuance of upto 5,91,54,92,940 Equity Shares of face value of ₹1/- each at a price of ₹1.42/- per equity share, on preferential basis to Non-Promoter category, by conversion of their existing unsecured loans in the Company, subject to the approval of the shareholders. • Board approved Appointment of Kalpesh Bhanushali as an Additional Executive Director of the Company w.e.f. July 21st, 2025 • The Board has appointed Asutosh Sahu as Internal Auditor of the company for the 5 consecutive years from the Financial Year 2025-2026. • The Board has appointed M/s Ramesh Chandra Bagdi & Associates as Secretarial Auditor for the one term for the Five Year from the Financial Year 2025-2026 • Resignation of M/s Subramanium Bengali & Associates, Chartered Accountants as Statutory Auditors of the Company vide resignation letter dated 21st July 2025.
12-09-2025 17:09:01	KMP/Director, Auditor	• Board approved appointment of M/s. Rajesh H Gupta & Co, Chartered Accountants, as the Statutory Auditors of the Company, for a period of 05 consecutive years commencing from F.Y. 2025-26 • Resignation of Bhavesh Chandrakant Mehta as Chief Financial Officer & Executive Director of the company.
27-12-2026 12:39:56	Preferential allotment	Board approved allotment of 5,91,54,92,940 Equity Shares of Face Value of INR 1/- each on preferential basis to persons belonging to non-promoter category towards conversion of outstanding unsecured loan into equity shares to the extent INR 8,39,99,99,974.80/- at an issue price of INR 1.42/- per Equity Share
14-03-2026 17:50:29	Change in MoA	Board approved alteration in object clause of Memorandum of Association of the Company by inserting varied horizon of Multiple Business Opportunities foreseen by Board, with respect to changing main object clause of the company as Investment activity.
21-05-2026 14:06:25	Change in Registered Office	Board approved shifting of Registered Office of the company to 204,Aar pee Centre, 11th Road, Andheri East, Mumbai-400093

90. From the aforesaid table, it is gathered that throughout the examination period, the corporate announcements issued by the Company primarily pertained to changes in Key Managerial Personnel (KMPs) or directors, alterations to the registered office, modifications to the Memorandum of Association, change in capital structure and preferential allotment. These corporate announcements (except change in capital structure and allotment of preference shares by DBIL) do not reflect any discussions or events concerning the company's actual operations and functions. Over the span of two years, there appear to have been no announcements regarding the company's actual business operations, thereby casting *prima facie* doubts on whether the company is engaged in any substantial operations.

91. The examination has also analysed the statutory audit reports of the Company which indicates that the auditors highlighted concerns casting significant doubt about the company's ability to continue as a going concern company. By FY 2025-26, the records reflect departures from standard accrual accounting, specifically regarding the provisioning for income taxes and interest expenses on a ₹160 crore loan, alongside the recording of uncollected interest income. Furthermore, the auditors explicitly cited non-compliance with Ind AS 109 wherein company failed to properly conduct fair valuations of its investments. As per the reports, the operational dormancy of its primary accounts at IDBI, HDFC, and Yes Bank prevented the auditors from obtaining independent balance verifications, creating an accounting hurdle that required thorough reconciliation.

92. The financial capacity of the seven purported lenders of DBIL and the five entities to whom funds were transferred by DBIL was also examined. Tabular representation of the same is as below:

Table 15

Financials of purported lenders and transferees

Sr. No.	Name	FY 2023-24		FY 2024-25		FY 2025-26	
		Revenue	Profit after tax	Revenue	Profit after tax	Revenue	Profit after tax
1	Golkonda Aluminium Extrusions Limited	0	1.44	0.27	0.07	0.44	-0.03
2	Shanta Agencies Private Limited	0.04	14.9	0.06	-0.08	NA	NA
3	Shri Niwas Leasing and Finance Limited	0.47	-1.38	0.53	-1,163.61	1.49	1,059.65
4	Tiaan Consumer Limited	0.03	-0.11	0.01	0.00	0.02	-0.01
5	Twinkle Mercantiles & Credits Private Ltd	19.14	19.06	0.26	-0.14	NA	NA
6	Utsav Securities Limited	55.04	-36.02	44.55	35.98	11.01	62.72
7	Edoptica Retail India Limited	45.95	45.76	0.01	-0.25	NA	NA
8	Genesis Developers and Holdings Limited	0	0.01	0.51	0.05	1.77	-0.35
9	Hillridge investments Limited	0.11	0.02	0.04	0.02	0.29	-0.13
10	Intellectual Finvest Private Limited (Intellectual Builders Private Limited)	1.27	-0.04	1.52	0.26	NA	NA
11	Malt Land Distilleries Limited (earlier Abhijit Trading Company Limited)	0.081	0.003	0.071	0.03	0.078	0.023
12	Victory Software Private Limited	2076.53	-0.08	123.81	-0.07	NA	NA

(Source: For listed entities - respective Exchanges and for unlisted entities - MCA filings)

93. From the aforesaid table, it is observed that Tiaan, Hillridge Investments, Genesis Developers, and Abhijit Trading (now known as Malt Land Distilleries Ltd.) operated on marginal revenues across all three fiscal years while Shanta, Twinkle, and Edoptica saw their revenue streams collapse. Shri Niwas, which recorded a staggering net loss of ₹1,163.61 crore on nominal revenue in FY 2024-25, increased its net profit to ₹1,059.65 crore on just ₹1.49 crore of revenue in FY 2025-26. Similarly, Utsav posted a disproportionately high net profit of ₹62.72 crore in FY 2025-26 despite its revenue shrinking to ₹11.01 crore. Thus, I find that these entities had limited net worth and negligible or low operating

activity, which appears disproportionate to the amounts purportedly advanced by them to DBIL or received by them from DBIL.

94. I note that the material circumstances surrounding the actual movement of funds, including the upstream tracing as discussed earlier, indicate that the purported lenders did not independently deploy funds corresponding to the amounts shown as loans to DBIL. The financial capacity analysis therefore provides an additional circumstance which, when considered with the banking trail, raises a *prima facie* concern regarding the genuineness and commercial substance of the purported loans.

95. I further note that examination has not found any corresponding commercial activity of DBIL which would reasonably explain the receipt and deployment of unsecured loans aggregating to ₹1,000 crores within such a short period. The Company was not shown to have undertaken business activities of a scale commensurate with the purported borrowing. The subsequent deployment of approximately ₹996 crores to five entities also did not, on the material presently available, correspond to an identifiable commercial requirement disclosed by DBIL in its regulatory filings or annual report. As stated earlier, none of the five entities to whom the transfer was made hold valid GST registrations as on August 14, 2026 which *prima facie* indicates lack of genuine commercial operations at the end of these entities, thereby raising material concerns regarding the legitimacy and underlying economic substance of these fund flows.

96. The absence of an identifiable commercial rationale assumes significance because the purported loans were subsequently converted into equity. Thus, the transactions had consequences extending well beyond ordinary short-term financing. The purported lenders acquired substantial equity in a listed company by virtue of conversion of the loan receivables, ultimately resulting in the six entities holding approximately 99.70% of DBIL's diluted equity share capital. I find that, the purported loans, their subsequent conversion and the resultant change in ownership appear, *prima facie*, to have been interconnected for the purpose of perpetrating fraud on the investors.

97. **<u>Physical existence of the entities</u>:** The examination also included site visits to the registered offices and other relevant premises associated with DBIL and the entities involved in the transactions. The details of site-visits are reproduced in the ensuing paragraphs:

98. <u>Site-visit of DBIL-</u>

i. **Registered Office:** According to the latest corporate announcements on the BSE website dated May 21, 2026, the company's registered office is located at ***204, Aar Pee Centre,11th Road, MIDC, Andheri East, Mumbai, Maharashtra – 400093***.

ii. A site visit at the aforementioned address was undertaken on July 24, 2026, to verify the operational status of the company. Images captured during the site visit are placed below:

Figure 5

Pictures from site visit at the Registered office of DBIL

iii. During the site visit, it was observed that a signboard of DBIL was displayed at the said address, but the entrance of the building and the name board at the entrance did not mention the name of DBIL against unit 204. Instead, the entrance name board mentioned the name of Syed Mohamed Faisal A. Sattar.

iv. Furthermore, the office was found to be functionally inactive, with no business or corporate work being conducted at the time of site visit. The location lacked proper administrative and regulatory oversight, as only a single staff member was present on-site, and no Key Managerial Personnel (KMP) or Compliance Officer was available at the premises.

v. **Corporate Office:** As per 117th Annual Report 2024-25 dated July 21, 2025 and MCA website, the company's corporate office is located at ***B-17, Shree Siddhivinayak Plaza, Plot No. 21, Off Link Road, Andheri West, Mumbai, Maharashta – 400093***.

vi. A site visit at the aforementioned address was undertaken on July 24, 2026, to verify the operational status of the company. Images captured during the site visit are placed below:

Figure 6

Pictures from site visit at the Corporate office of DBIL

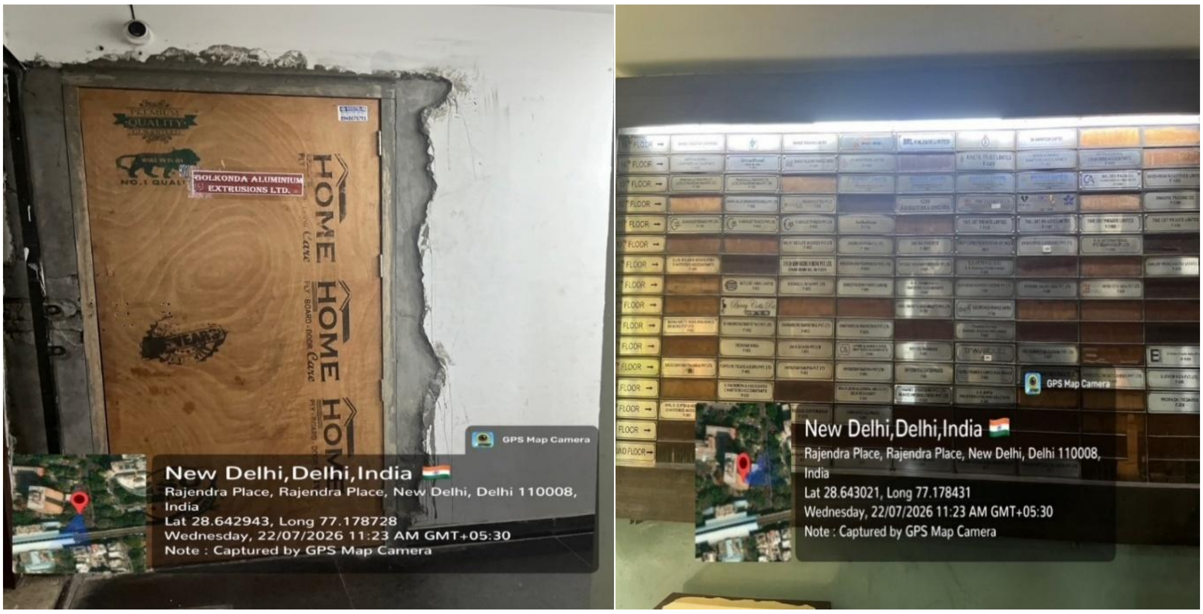
vii. During the site visit, no office or signage related to DBIL were found at the said address. Furthermore, from the society's display board specifically a Form E-3 (1) notice dated August 4, 2025, indicated that Unit B-17 was occupied by Visagar Textiles Private Limited (the company in which Tilokchand Kothari was the past director).

99. <u>Site-visit of Golkonda Aluminium Extrusions Limited -</u>

i. **Registered Office** at ***1003, 10th Floor, Vikram Tower, Rajendra Place, New Delhi, Delhi – 110008*** *(Source: MCA website)*. A site visit at the aforementioned address was undertaken on July 22, 2026, to verify the operational status of the company. Images captured during the site visit are placed below:

Figure 7

Pictures from site visit at the Registered office of Golkonda



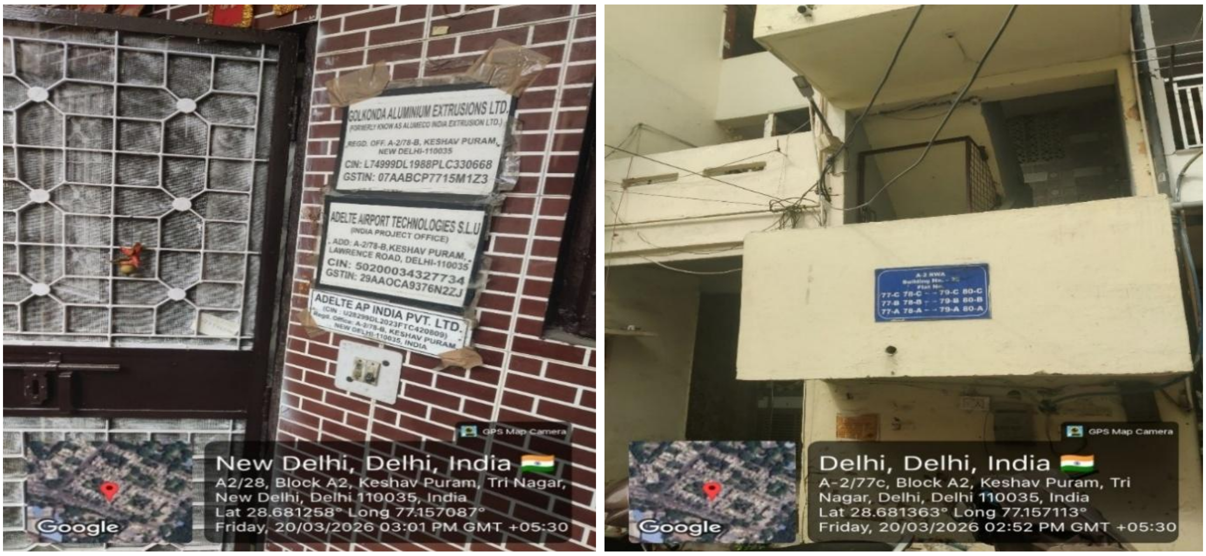
ii. During the site visit, a Golkonda signboard was observed on the 10th floor but, the company name was missing from the building entrance directory.

iii. Additionally, the office bearing Golkonda's name featured a closed door with no handle or visible entrance, indicating that no business or corporate work was being conducted at the said address.

iv. **Site Visit by BSE: Prior to May 09, 2026,** the registered office of Golkonda was located at ***A-2/78-B Keshav Puram, Northwest, New Delhi, Delhi – 110035*** *(Source: BSE website).* As informed by BSE vide email dated July 28, 2026, the said address was visited by BSE on March 20, 2026, which was a surprise site visit. Images captured during the site visit are placed below:

Figure 8

Pictures from site visit at the Registered office of Golkonda



v. BSE informed that during the said visit, it was observed that the company's signboard was displayed at the said address along with other multiple signboards. Further, the said address was a residential address. However, the person who was present during the site visit had no information about the company. Additionally, a person who identified himself as a freelancer accountant for the company stated that the company had no business. Further, no KMP was available during the site visit.

vi. Vide notice no. 20260428-22 dated April 28, 2026, BSE suspended the trading in securities of Golkonda. The reason mentioned was that during the site visit conducted by BSE, the company was not in existence at its registered office address.

100. <u>Site-visit of Shanta Agencies Private Limited –</u>

i. **Registered Office** at ***No. 401 3198-15 Sangatrashan Paharganj, Delhi – 110055*** *(Source: MCA website).* A site visit at the aforementioned address was undertaken on July 22, 2026, to verify the operational status of the company. Images captured during the site visit are placed below:

Figure 9

Pictures from site visit at the Registered office of Shanta

ii. During the site visit, a signboard for Shanta was observed at the entrance along with signboards of multiple companies. While the registered address specifies Unit No. 401, no fourth floor or corresponding specific office of Shanta was found at the premises.

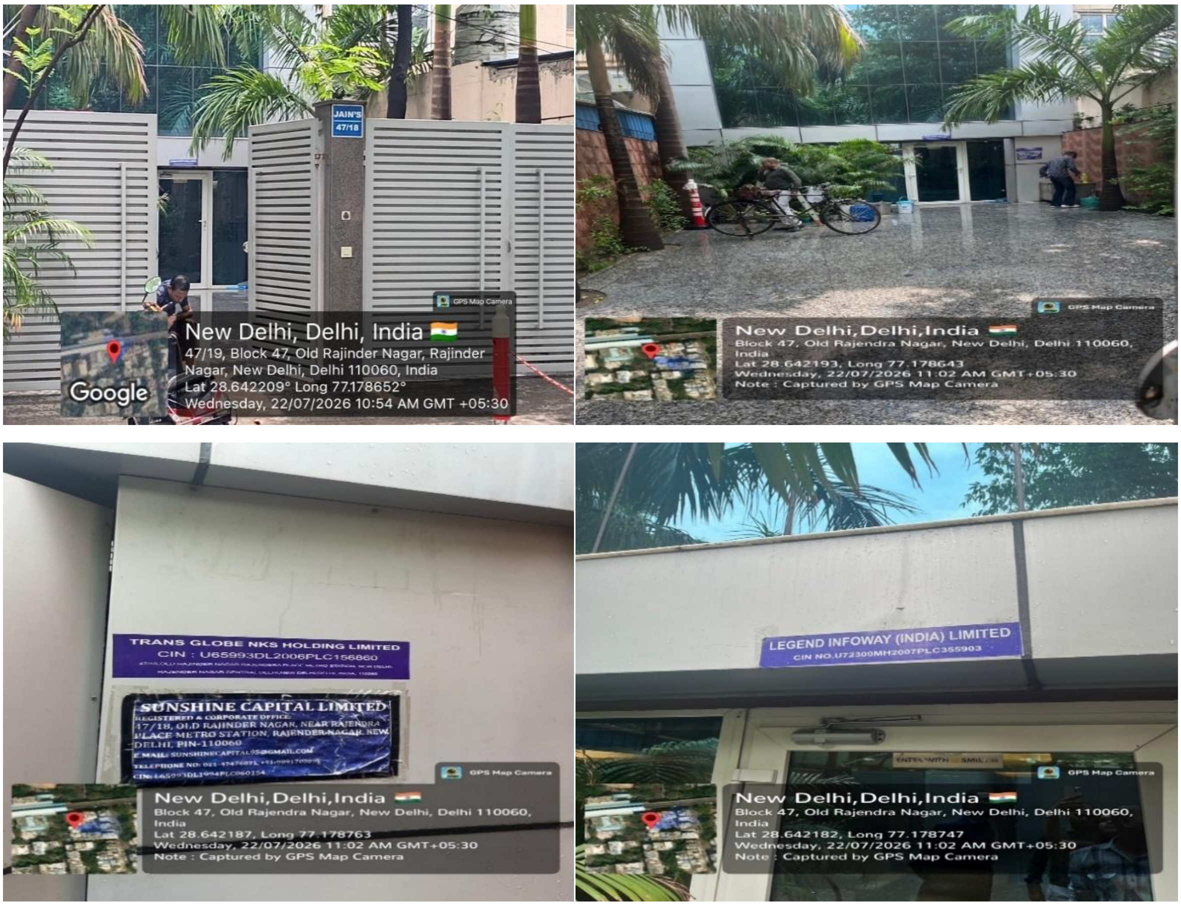
iii. The abovementioned location also serves as the office for DBIL*(Source - HDFC Bank KYC records)*.

101. <u>Site-visit of Shri Niwas Leasing and Finance Limited -</u>

i. **Registered Office** at ***47/18, Rajendra Place, Metro Station, New Delhi, Delhi – 110060*** *(Source: MCA website).* A site visit at the aforementioned address was undertaken on July 22, 2026, to verify the operational status of the company. Images captured during the site visit are placed below:

Figure 10

Pictures from site visit at the Registered office of Shri Niwas



ii. During the site visit, no signboard for Shri Niwas was observed at the premises. Instead, signboards of other companies, namely, Legend Infoway (India) Limited, Trans Global NKS Holding Limited, and Sunshine Capital Limited were displayed at the location.

102. <u>Site-visit of Tiaan Consumer Limited (Site visited by BSE) -</u>

i. **Registered office** at ***405, Patel Ashwamegh Complex, Jetalpur Road, Near Dairy Den Circle, Sayajigunj, Vadodara, Gujarat, 390005*** *(Source: BSE website).* As informed by BSE vide email dated July 28, 2026, a site visit at the aforementioned address was undertaken by BSE on March 23, 2026, which was a surprise site visit. Images captured during the site visit are placed below:

Figure 11

Pictures from site visit at the Registered office of Tiaan

ii. During the site visit, it was observed that no signboard of Tiaan was displayed at the said address. Upon enquiry, the staff present at the address informed that the premises have been rented and occupied by a chartered accountant firm, namely H.P. Dave & Associates, for the past 3-4 years. It was further stated the neighbouring premises (i.e. office no. 404) also belonged to the same CA firm. Further, they informed that they were unaware about Tiaan.

iii. **Corporate Office** at ***J-71, Lower Ground Floor, Block Paryavaran Complex, Ignou Road, Neb Sarai, New Delhi, South Delhi, Delhi – 110068*** (Source: MCA Website). As informed by BSE vide email dated July 28, 2026, a site visit at the aforementioned address was undertaken by BSE on March 23, 2026, which was a surprise site visit. Images captured during the site visit are placed below:

Figure 12

Pictures from site visit at the Corporate office of Tiaan

iv. During the site visit, it was observed that the signboard of Tiaan was displayed at the said address along with other multiple signboards. Further, it was observed that only one office boy was present at the premises during the visit. No KMP was available during the site visit.

v. Vide notice no. 20260424-18 dated April 24, 2026, BSE suspended the trading in securities of Tiaan. The reason mentioned was that during the site visit conducted by BSE, the company was not in existence at its registered office address.

103. <u>Site-visit of Twinkle Mercantiles & Credits Private Ltd –</u>

i. **Registered** Office at ***564, A-1, P.No. 2/59, AF/F Bhim Gali, Vishwas Nagar, Shahdra, North East, New Delhi, Delhi, India, 110032*** *(Source: MCA website).* A site visit at the aforementioned address was undertaken on July 22, 2026, to verify the operational status of the company. Images captured during the site visit are placed below:

Figure 13

Pictures from site visit at the Registered office of Twinkle

ii. During the site visit, the signboard for Twinkle was observed at the said address alongside multiple other signboards of around 20 companies, including Shanta (a preferential allottee) and Edoptica (connected entity). On enquiry, the persons residing at the address informed that they are living on rent since last 2-3 years and that there have been no office work or business operations in the said premises during their stay. They were unaware of the list of companies mentioned on the signboard.

104. <u>Site-visit of Utsav Securities Limited -</u>

i. **Registered Office** at ***1208, 12th Floor, Vikrant Tower, Rajendra Place, Patel Delhi – 110008*** *(Source – MCA website)*. A site visit at the aforementioned address was undertaken on July 22, 2026, to verify the operational status of the company. Images captured during the site visit are placed below:

Figure 14

Pictures from site visit at the Registered office of Utsav

ii. During the site visit, the signboard for Utsav was observed at the said address alongside multiple other signboards. Primarily the office was of V. Singhi & Associates under which the signboard of Utsav was also mentioned. However, no staff members from the company were found at the time of the visit.

105. <u>Site-visit of Intellectual Builders Private Limited –</u>

i. **Address** at ***564 A-1, P. No. 2/59 AF/F, Bhim Gali, Vishwas Nagar, Shahdra, New Delhi – 110032*** *(Source: Corporate filings FY 2022-23).*

The address was same as that of Twinkle Mercantiles & Credits Private Ltd, details of the site visit are noted above. No signboard of Intellectual was found at the location.

106. <u>Site-visit of Genesis Developers and Holdings Limited -</u>

i. **Registered Office** at ***203, Aman Chamber, Pusa Road, Rajendra Place Metro Station, New Delhi – 110060*** *(Source: MyCorporateInfo).* A site visit at the aforementioned address was undertaken on July 22, 2026, to verify the operational status of the company. Images captured during the site visit are placed below:

Figure 15

Pictures from site visit at the Registered office of Genesis

ii. During the site visit, the signboard for Genesis was not found at the registered address. Instead, the premise was occupied by Aloft Holdings Pvt Ltd, Lagun Holidays India Pvt Ltd and Lagun5 Realty indicating that Genesis has no physical presence or business operations at the said location.

107. <u>Site-visit of Hillridge Investments Limited, Edoptica Retail India Ltd and Abhijit Trading Company Ltd –</u>

i. Hillridge Investments Limited, Edoptica and Abhijit Trading have common registered office at ***Chl No. 350/2801, Motilal Nagar 2, Opp. Shankar Temple, Goregaon (W), Mumbai*** *(Source: MCA website and BSE filings)*. A site visit at the aforementioned address was undertaken on July 24, 2026, to verify the operational status of the said companies. Images captured during the site visit are placed below:

Figure 16

Pictures from site visit at the common Registered office of Hillridge, Edoptica and Abhijit Trading

ii. During the site visit, the signboards for Hillridge, Edoptica and Abhijit Trading were not found at the registered address. Instead, the premises were occupied by SDI Education Center indicating that Hillridge, Edoptica and Abhijit Trading, has no physical presence or business operations at the said location.

108. <u>Site-visit of Victory Software Private Limited –</u>

i. Address at 564 A-1, P. No. 2/59 AF/F, Bhim Gali, Vishwas Nagar, Shahdra, New Delhi – 110032 (Source: *MCA website*). The address was same as that of Twinkle Mercantiles & Credits Private Ltd, details of the site visit are noted above. The name of Victory was seen amongst the list of companies mentioned at the signboard present at the entrance of the building. As stated earlier at paragraph 99, the persons residing at the address informed that they are living on rent since last 2-3 years and that there have been no office work or business operations in the said premises during their stay. They were unaware of the list of companies mentioned on the signboard.

109. The aforesaid site-visit findings, indicate that a number of these premises did not display characteristics commensurate with the scale of financial transactions purportedly undertaken by the respective entities. In several cases, the examination found absence of meaningful business activity, inadequate staffing or other circumstances inconsistent with the apparent scale of operations reflected in the banking records. In fact the entities were non-operational on the stated address.

110. The findings from the site visits are relevant because several of the entities involved in the fund-flow network were purportedly undertaking transactions of very substantial value despite having little or no apparent physical or operational presence at their registered addresses. In the present matter, the site-visit findings assume significance because the same entities which displayed limited or negligible apparent operational activity were involved in transactions involving hundreds of crores of rupees, and several of them appeared repeatedly in the circular fund-flow chains.

111. I note that the absence of commensurate operational substance provides *prima facie* support to the conclusion that the transactions may not represent ordinary arm’s-length commercial dealings, when considered together with the following evidences:
(i) the limited financial capacity of several entities;
(ii) the round tripping of funds;
(iii) the commonality of directors/authorised persons and addresses;

(iv) the contemporaneous WhatsApp communications; and

(v) the subsequent conversion of purported loans into equity.

112. **<u>Common addresses and common operational infrastructure</u>:** The examination has identified instances where multiple entities involved in the transactions shared common addresses or premises. The examination also found instances of common directors, authorised persons and banking relationships amongst entities which appeared at different stages of the fund-flow chains. A table indicating common addresses, bank branches, directorship, authorised signatories is produced below:

Table 16
Commonalities among companies

S. No.	Entity name	Basis of commonalities
1.	DBIL	a) Common address "**No. 401 3198-15 Sangatrashan Paharganj, Delhi, 110055**" with Shanta b) Common Bank Branch of all 12 entities at **HDFC Bank Ltd, Karol Bagh Gurudwara Road Ground Floor and First Floor, 6 87, Wea Karol Bagh, New Delhi 110005** c) Common Authorised Signatory of Bank account of DBIL and Abhijit Trading –**Virendra Jain**
2.	Golkonda Aluminium Extrusions Limited	a) Common directorship or KMP - "**Dharmendra Gupta**" director at Golkonda and CFO at Abhijit Trading b) Common Directorship – **"Narender"** director at Golkonda, Tiaan, Genesis and Hillridge c) Common directorship or KMP - "**Ajay Kumar**" CFO at Golkonda and director at Tiaan d) Common Auditor – **"M/S VRSK & Associates"** at Golkonda, Shri Niwas, Tiaan, Utsav, Hillridge and Intellectual

S. No.	Entity name	Basis of commonalities
3.	Shanta Agencies Private Limited	a) Common directorship - "**Bharat Bhushan** – director at Shanta and Tiaan b) Common directorship – **"Parmanand Chaubey"** director at Shanta, Tiaan, Genesis and Hillridge c) Common Authorised Signatory of Bank account of Shanta, Tiaan and Hillridge –**Parmanand Chaubey**
4.	Shri Niwas Leasing and Finance Limited	a) Common address "**47/18, Rajendra Place Metro Station, Central Delhi, NEW DELHI, Delhi, India, 110060"** with Abhijit Trading b) Common directorship – **"Promila Sharma"** director at Shri Niwas and Abhijit Trading c) Common Auditor – **"Aggarwal Meeshu and Associates"** at Shri Niwas, Victory and Twinkle
5.	Tiaan Consumer Limited	a) Common directorship – **"Geeta Devi and Bhoomi Girish Bhadra"** director at Tiaan and Genesis
6.	Twinkle Mercantiles & Credits Private Ltd	a) Common address "**64, A-1, P.NO. 2/59, AF/F Bhim Gali, Vishwas Nagar, Shahdra, North East, New Delhi, Delhi, India, 110032"** with Edoptica b) Common directorship – **"Pankaj Saxena"** director at Twinkle and Edoptica c) Common Authorised Signatory of Bank account of Twinkle and Edoptica –**Pankaj Saxena**
7.	Utsav Securities Limited	a) Common directorship – **"Virendra Jain"** director at Utsav and Abhijit Trading b) Common directorship – **"Prem Keshri"** director at Utsav and Hillridge
8.	Edoptica Retail India Limited	a) Common address – "**Chl No. 350/2801, Motilal Nagar 2 Opp. Shankar Temple, Goregaon (W), Mumbai City, Mumbai, Maharashtra, India, 400062**" with Hillridge and Intellectual

S. No.	Entity name	Basis of commonalities
		b) Common directorship – **"Deepak Tyagi"** director at Edoptica and Genesis c) Common directorship – **"Moni"** director at Edoptica and Hillridge
9.	Genesis Developers and Holdings Limited	a) Common address – "**R-815 New Rajinder Nagar North East, New Delhi, Rajender Nagar, Central Delhi, New Delhi, 110060**" with Hillridge and Intellectual
10.	Hillridge investments Limited	a) Common directorship – **"Tushar Rai Sharma and Divyesh Kishor Bhanushali"** director at Hillridge and Genesis b) Common Auditor - **"M/S Tiwari & Mishra"** at Shri Niwas and Hillridge
11.	Intellectual Finvest Private Limited (Intellectual Builders Private Limited)	a) Common directorship – **"Suresh Rai"** director at Golkonda, Victory and Intellectual
12.	Malt land Distillers Limited (Abhijit Trading Company Limited)	a) Common directorship – **"Babita Jain"** director at Abhijit Trading and Genesis
13.	Victory Software Private Limited	a) Common directorship – "**Sanjay Bhatnagar**" director at Twinkle, Victory and Intellectual

113. From the aforesaid table, I *prima facie* find that these commonalities indicate various direct and indirect links across all companies, as well as Virendra Jain and Surendra Kumar Jain, through shared registered addresses, identical bank branches, common authorized bank signatories, overlapping directorships, and a common statutory auditor.

114. I find this commonality particularly significant in the present case because the entities were ostensibly independent corporate persons and were represented as independent lenders, borrowers or counterparties in the transactions. However, the existence of common infrastructure and common persons across several entities, in conjunction with the WhatsApp evidence concerning their banking and documentation requirements, *prima facie* indicates a degree of common management and coordination.

B.5 WRONGFUL GAINS MADE BY NOTICEES

115. The examination found that pursuant to expiry of lock-in of preferential shares, the preferential allottees have sold shares on August 17, 2026 and August 18, 2026 as detailed below:

Table 17

Trade data of sale by Preferential Allottees

NAME	Sum of TRADED_QTY	Sum of TRADE_VALUE	Average Value
Sale trade data for 17.8.26			
Golkonda Aluminium Extrusions Limited	7389	58299.21	7.89
Shanta Agencies Pvt Ltd	200	1502	7.51
Twinkle Mercantiles And Credits Private Limited	100	751	7.51
Utsav Securities Limited	100	751	7.51
Shri Niwas Leasing And Finance Limited	50	375	7.5
Total	**7839**	**61678.21**	**7.87**
Sale trade data for 18.8.26			
Name	**Sum of TRADED_QTY**	**Sum of TRADE_VALUE**	**Average Value**
UTSAV SECURITIES LIMITED	9605	72614.59	7.56
Total	**9605**	**72614.59**	**7.56**
	Quantity	**Value**	
Total for 2 days	**17444**	**134292.8**	

116. From the aforesaid table, it is noted that pursuant to expiry of lock-in, the Noticees have cumulatively sold a total of 17,444 shares valued at ₹1,34,292.80/- within a period of two days. Thus, I note that the aforesaid entities have *prima facie* made an unlawful gain of ₹1,34,292.80/-

C. SUMMARY OF FINDINGS

117. Having examined the material available on record, I find it necessary to consider the evidence cumulatively rather than examine each circumstance in isolation. The following features emerge from the material presently available:

(i) DBIL purportedly received ₹1,000 crores from seven entities through 46 transactions within eight days.

(ii) The underlying banking trail reveals repeated and circular movement (round tripping) of funds through multiple entities, including entities which subsequently purportedly lent money to DBIL.

(iii) The examination indicates that the initial identifiable pool of approximately ₹25.05 crore was repeatedly routed through the network and returned to DBIL, while the ultimate original source of the amount remained unverified.

(iv) DBIL's bank balance did not exceed approximately ₹26 crores during the said period of eight days, notwithstanding the purported receipt of ₹1,000 crores.

(v) Approximately ₹996 crores were transferred by DBIL to five entities forming part of the same broader network during these eight days.

(vi) The entities involved displayed various commonalities in terms of persons, addresses, banking arrangements, operational linkages, shareholder, directors, etc.

(vii) Entities found to be connected through CDR.

(viii) WhatsApp communications preceding the December 2024 transactions contain discussions concerning DBIL, bank accounts, documentation, loan agreements, movement/rotation of funds and preferential allotment.

(ix) The financial and operational profiles of several entities appear disproportionate to the scale of transactions attributed to them.

(x) Approximately ₹840 crores of the purported loan liabilities were subsequently converted into equity shares of DBIL.

(xi) The resulting preferential allotment gave six entities approximately 99.70% of DBIL's diluted equity share capital.

(xii) Entities were not found to have any operations or physical presence on site visits.

118. The aforesaid circumstances, viewed cumulatively, give rise to a strong *prima facie* inference that the transactions under examination constituted a coordinated and interconnected arrangement involving round tripping of funds, creation of purported unsecured loan liabilities and subsequent conversion of a substantial portion of such liabilities into equity shares of DBIL, with Surendra Jain and Virendra Jain being key conspirators.

119. It is emphasised that this conclusion is based upon the cumulative effect of all the circumstances detailed above. No single circumstance is being treated as independently determinative. It is also made clear that the present finding does not amount to a final determination regarding the ultimate source of the funds or the precise role played by every person/entity involved. Those aspects require further investigation.

120. Having considered the factual material presently available, I now proceed to examine whether the aforesaid conduct attracts the provisions of the SEBI Act and the PFUTP Regulations and, consequently, whether the circumstances warrant exercise of SEBI's powers to issue immediate preventive directions.

D. RELEVANT LAW AND *PRIMA FACIE* VIOLATIONS

121. The material discussed hereinabove raises, *inter alia*, the question whether the conduct of *Noticees* falls foul of provisions of the securities laws. In this regard, the relevant provisions of law are produced in **Annexure-A**.

122. Section 12A of the SEBI Act prohibits, *inter alia*, the use of manipulative or deceptive devices, schemes or artifices in connection with the issue, purchase or

sale of securities, and prohibits any act, practice or course of business which operates as a fraud or deceit upon any person, in connection with the issue, dealing in or trading in securities. Regulation 3 of the PFUTP Regulations prohibits a person from directly or indirectly committing or engaging in fraudulent or unfair trade practices in the securities market. Regulation 4 further prohibits fraudulent or unfair trade practices and specifies, *inter alia*, certain conduct which shall be deemed to be manipulative, fraudulent or unfair.

123. The main question that arises for my consideration is whether the creation of the purported ₹1,000 crores unsecured loan transactions, through the round tripping of funds without commercial substance, as described hereinabove, constituted a device or arrangement which created false or misleading appearance of trading in the securities market or whereby false information concerning the financial position and affairs of DBIL was published/reported. In this regard, I find that the material presently available indicates that:

(i) DBIL purportedly received ₹1,000 crores from seven entities;
(ii) the amounts were received through 46 transactions over a period of eight days;
(iii) the bank-account analysis traced the funds through multiple entities and identified 28 routing variations;
(iv) the underlying funds originated from DBIL were repeatedly routed amongst entities and returned to DBIL;
(v) approximately ₹996 crores were transferred by DBIL to five entities forming part of the broader network which finds its way back to DBIL within eight days;
(vi) approximately ₹840 crores of the purported loan liabilities were subsequently converted into equity shares;
(vii) all these entities were found to be connected to each other and controlled by Surendra Jain and Virendra Jain;
(viii) on site visits, these entities were not found to have operation presence at the given address; and
(ix) five entities to whom ₹996 crores were advanced by DBIL was not found to be registered with GST.

124. The effect of the aforesaid transactions was to create appearance of substantial unsecured borrowing and a corresponding liability of ₹1,000 crores in the books and financial position of DBIL, notwithstanding the *prima facie* finding that the underlying funds were repeatedly circulated through the network. The transactions had the effect of creating an apparent financial position which was disproportionate to the Company's actual business and financial profile as the Company had negligible revenues and profits, while its balance-sheet size increased approximately hundred-fold following the purported borrowing.

125. Considering the aforesaid, I am of the *prima facie* view that the aforesaid arrangement was not merely a series of independent financial transactions, but constituted a device or scheme designed to create a misleading appearance concerning the financial position and capital structure of DBIL.

126. Further, the preferential allotment cannot, in the circumstances of the present case, be considered independently of the purported loans. Approximately ₹840 crore of the purported loan liabilities was converted into 5,91,54,92,940 equity shares at ₹1.42 per share and the shares were allotted to six of the seven purported lenders, and the six allottees collectively came to hold approximately 99.70% of DBIL's diluted equity share capital. If the underlying loan transactions were, as the bank-account analysis *prima facie* indicates, generated through round tripping of funds rather than genuine independent lending, the subsequent conversion of such purported liabilities into equity would have the effect of converting the apparent financial liability into securities without any consideration.

127. Considering the aforesaid and other evidence, I am of the *prima facie* view that the preferential allotment was the second stage of the same arrangement and the purported loans created the basis for the debt conversion, while the debt conversion resulted in the acquisition of virtually the entire equity capital of DBIL without consideration.

128. As discussed earlier, DBIL did not disclose material details concerning the purported loans such as nature and purpose of the loans, terms of the loans,

repayment timelines or cost of financing in its financial statements, annual report or to the stock-exchange. The aforesaid details were disclosed only in July 2025 when DBIL proposed to convert the purported loans into equity and that too was a wrong declaration. It disclosed the purpose of loan as working capital, but used it for round tripping. The examination found serious disclosure lapses regarding non-disclosure of loan agreements, wrong disclosure of loan for working capital, non-disclosure of cancellation of NBFC license and non-operational website. The absence of disclosure and wrong disclosure is significant because the purported loans constituted a transaction of an extraordinary magnitude in relation to the financial scale of DBIL.

129. In this regard, I deem it appropriate to refer to the judgment of Hon’ble Supreme Court of India in the matter of ***N. Narayanan v. Adjudicating Officer, SEBI [AIR 2013 SC 3191]*** wherein while dealing with the importance of disclosures, issue of market manipulation, following was *inter alia*, held by the Hon’ble Court:

> *“35. .....Securities market is based on free and open access to information, the integrity of the market is predicated on the quality and the manner on which it is made available to market. 'Market abuse' impairs economic growth and erodes investor's confidence. Market abuse refers to the use of manipulative and deceptive devices, giving out incorrect or misleading information, so as to encourage investors to jump into conclusions, on wrong premises, which is known to be wrong to the abusers...........*
>
> *43. SEBI, the market regulator, has to deal sternly with companies and their Directors indulging in manipulative and deceptive devices, insider trading etc. or else they will be failing in their duty to promote orderly and healthy growth of the Securities market. Economic offence, people of this country should know, is a serious crime which, if not properly dealt with, as it should be, will affect not only country's economic growth, but also slow the inflow of foreign investment by genuine investors and also casts a slur on India's securities market. Message should go that our country will not tolerate "market abuse" and that we are governed by the "Rule of Law". Fraud, deceit, artificiality, SEBI should ensure, have no place in the securities market of this country and 'market security' is our*

motto. People with power and money and in management of the companies, unfortunately often command more respect in our society than the subscribers and investors in their companies. Companies are thriving with investors' contributions but they are a divided lot. SEBI has, therefore, a duty to protect investors, individual and collective, against opportunistic behavior of Directors and Insiders of the listed companies so as to safeguard market's integrity."

130. The provisions of regulations 3(a), (b), (c) and (d) of the PFUTP Regulations are attracted, *prima facie*, where the conduct involves fraudulent or unfair devices, schemes or artifices or where the conduct is intended to operate as fraud or deceit or where the conduct involves use of manipulative or deceptive devices. In the present case, there is round tripping of funds without commercial substance where the same pool of funds was routed through several entities and returned to DBIL, thereby creating the appearance of repeated fresh funding. Even the purported lenders were not independent third parties and the subsequent conversion of approximately ₹840 crore of the purported liabilities into equity compounded the effect of the arrangement by transforming the purported loan claims into securities representing approximately 99.70% of DBIL's diluted equity capital. I am therefore of the *prima facie* view that the aforesaid conduct falls within the ambit of the fraudulent and unfair practices prohibited by Regulation 3(a), 3(b), 3(c) and 3(d) of the PFUTP Regulations.

131. The provisions of regulation 4(1) of the PFUTP Regulations prohibits a person from engaging in a fraudulent or unfair trade practice in securities. The conduct described in this order involves a sequence of transactions which, *prima facie*, had the effect of creating an artificial financial and capital structure of a listed company. The purported loan transactions had no corresponding economic substance and that the preferential allotment resulted in the newly introduced allottees acquiring virtually the entire equity capital of DBIL. The aforesaid conduct, taken cumulatively, provides sufficient *prima facie* basis to conclude that the *Noticees* engaged in conduct falling within Regulation 4(1) of the PFUTP Regulations.

132. The provisions of regulation 4(2)(a) is concerned with a person inducing another person to deal in securities with the intention of securing an advantage for himself or another person by misleading such person. In the present case, the creation of an artificial financial position and the subsequent alteration of the Company's capital structure are relevant to assessing the information and appearance presented to persons dealing in DBIL's securities. The purported ₹1,000 crores borrowing substantially altered the balance sheet of DBIL, while the subsequent preferential allotment increased the paid-up equity capital from approximately ₹1.83 crore to approximately ₹593 crores. The material presently available therefore provides a *prima facie* basis to conclude that the transactions had the potential to create a misleading appearance regarding the financial position, capital structure and underlying value of DBIL, thereby influencing persons dealing in its securities. I accordingly find, *prima facie*, that the conduct attracts Regulation 4(2)(a) of the PFUTP Regulations.

133. The provisions of regulation 4(2)(f) of the PFUTP Regulations prohibits publishing misleading information, making false statements, or fabricating financial records to influence investment decisions. In the instant matter, DBIL did not disclose material details concerning the purported loans when they were initially received. No details regarding the nature and purpose of the loans, terms of the loans, repayment timelines or cost of financing were disclosed by the Company through stock-exchange disclosures, financial statements or its annual report. Details were disclosed only in July 2025 when DBIL proposed to convert the purported loans into equity. That too was a wrong disclosure as discussed at para 128. The absence of disclosure and wrong disclosure is significant because the purported loans constituted a transaction of an extraordinary magnitude in relation to the financial scale of DBIL. Since material information concerning the suspicious transactions was withheld and presented in a manner which created a misleading picture of the Company's financial affairs, the conduct of *Noticees*, *prima facie*, falls within the prohibition contained in Regulation 4(2)(f) of the PFUTP Regulations. Further, the findings of examination regarding non-disclosure of loan agreements, wrong disclosure of loan for working capital, non-disclosure of cancellation of NBFC license and non-operational website require further

investigation to ascertain possible violations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**LODR Regulations**").

134. In this context, I also note that the Hon'ble Supreme Court of India has recently passed a judgement in the matter of ***Reliance Industries Limited and others vs. SEBI (2026 INSC 585)***, *inter alia*, clarifying the interpretation of term "fraud" in the context of the PFUTP Regulations. The Hon'ble Supreme Court has reconciled various judgements on this issue and laid down a clear guideline for classifying a violation as fraud. The relevant extract is as under:

> *"209. ………………… We find it apposite to purposively interpret Regulation 2(1)(c). In our considered view, both intention and act cannot be made into irrelevant factors for deciding fraud. Therefore, we may outline the following scenarios:*
>
> *i. in situations where injury due to wrongful act is established, i.e, inducement to deal in securities has caused the other person to be adversely affected and allowed the party accused of fraud to gain unlawful profits or avert ordinary losses at the former's expense, there would be no requirement on the respondent authority to prove deceitful intention. In other words, where injury is impossible to be proved, the requirement of wrongful intention becomes mandatory.*
>
> *ii. Secondly, similarly, in situations where deceitful or mala fide intention to defraud and manipulate the securities market is clear from the blatant misconduct or attending circumstances that cogently establish wrongful intention, then injury would not be required."*

135. In the aforesaid judgement, the threshold laid down by the Hon'ble Court to determine "fraud" has been tested in this case before holding Noticees prima facie liable for the alleged violations. The instant case falls in both first and second scenario as mentioned in the aforesaid judgment. In the instant matter, some preferential allottees have already started selling their shares and made

unlawful profits at the expense of gullible investors. Further the circumstances, as summarised in this Order, *prima facie* establish wrongful intention of *Noticees* to induce the investors to deal in shares of the Company, by giving them a patently incorrect picture about the financial status of the Company.

136. The aforesaid findings are *prima facie* in nature and required detailed investigation on various aspects including the following:
    (i) the ultimate original source of the initial ₹25 crores;
    (ii) the precise role of each of the seven purported lenders, five entities who received funds from DBIL and intermediate entities involved in round tripping of funds;
    (iii) the role and extent of control exercised by the persons associated with the entities;
    (iv) enquiry into the existence of business operations of all these entities;
    (v) the utilisation of the funds;
    (vi) the precise circumstances in which the purported loan agreements were entered into;
    (vii) the role of the statutory auditors and other professionals, if any;
    (viii) the circumstances surrounding the preferential allotment;
    (ix) the trading activity in the scrip and the role of particular persons/entities therein; and
    (x) potential violations under the LODR Regulations, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("**ICDR Regulations**") and SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("**SAST Regulations**").

137. Having recorded the *prima facie* findings hereinabove, I now proceed to consider whether the circumstances warrant issuance of interim directions without providing a prior opportunity of hearing to the *Noticees*.

E. NEED FOR INTERIM ORDER

138. It is a settled law that an order having civil consequences should ideally be preceded by an opportunity of hearing. However, where the circumstances

demonstrate an immediate and real possibility of the subject matter of the proceedings being dissipated or the regulatory process being frustrated, an interim preventive order may be warranted, subject to appropriate safeguards including an opportunity of post-decisional hearing.

139. In the present matter, the requirement for immediate intervention arises from the combination of the nature of the *prima facie* findings. The material presently available reveals a transaction of an extraordinary magnitude relative to the financial and operational profile of DBIL. Within a period of only eight days, from December 24, 2024 to December 31, 2024, an aggregate amount of ₹1,000 crores was shown as having been received by DBIL from seven lending entities through 46 transactions. The examination of the bank accounts has, however, revealed that the aforesaid ₹1,000 crores was not supported by corresponding fresh inflow of funds from independent external sources. Rather, an initial amount of approximately ₹25 crores was repeatedly circulated through multiple entities and returned to DBIL through different routes, thereby creating the appearance of aggregate receipts of ₹1,000 crores from the seven purported lending entities.

140. The market value of the entire block of preferentially allotted shares at approximately ₹5,667.04 crores, based on the three-month VWAP prior to July 31, 2026. I clarify that this figure is an indicative market value of the securities presently held by the six allottees and does not represent any amount of gain or profit alleged to have been realised by them. However, the magnitude of the shareholding and its estimated market value demonstrate the potential scale of consequences that could follow if the securities are permitted to be freely transferred before the regulatory examination is completed.

141. The preferential allotment of 5,91,54,92,940 equity shares was made on December 27, 2025. The shares were admitted to trading with effect from February 12, 2026, and the lock-in period has just expired on August 15, 2026. The six preferential allottees collectively hold approximately 99.70% of the diluted equity share capital of DBIL. The regulatory concern is not a remote or hypothetical possibility that the securities may eventually be dealt with. As

detailed earlier, it is *prima facie* found that the Company is not having any substantial business operations and its financial performance is also not commensurate to its current market capitalisation. Further, it is *prima facie* found that the shares were allotted to preferential allottees without any actual consideration and if they are allowed to sell the securities at the prevailing market price (which is near ₹8 per share as on date), gullible investors may buy these shares at inflated price and the preferential allottees may make wrongful gains of approximately ₹5,667.04 crores at the cost of those investors. Further, such transfers could substantially complicate the ability of SEBI to preserve the status quo and to implement any eventual directions concerning the impugned securities. As noted in the instant matter, some of the preferential allottees have just started selling their shares pursuant to expiry of lock-inand they have cumulatively sold a total of 17,444 shares valued at ₹1,34,292.80/- within a period of two days. Hence, it is not necessary for SEBI to wait for these shares to be dumped on gullible investors and preferential allottees need to be restrained from selling these shares immediately before further shares are dumped in the market. Considering very small amount of wrongful gains made by Noticees till now, I do not find it necessary to direct disgorgement at this stage.

142. As narrated in this order, Virendra Jain and Surendra Jain are found to be the key participants in the fraudulent scheme concerning DBIL, and that their role included, *prima facie*, the establishment and maintenance of a network of connected entities, operational and financial control over such entities, coordination of banking arrangements and payments, involvement in fund transfers and corporate documentation, and participation in the broader arrangement through which purported loans were created and subsequently converted into securities. The scheme was orchestrated by these individuals through a complex network of entities employing layered financial transactions and cross-shareholdings, with the objective of generating unlawful gains at the cost of public investors. In view of the same, I find that there is sufficient *prima facie* material which warrants interim preventive directions against Virendra Jain and Surendra Jain.

143. I also note that SEBI had issued an interim order dated January 16, 2025 in the matter of Pacheli Industrial Finance Limited wherein Abhijit Trading Company Ltd. and Edoptica Retail India Ltd. are also seen to be involved. Further, SEBI has also issued an interim order dated June 30, 2026 in the matter of Ashok Dilipkumar Jain (which is being investigated by SEBI) wherein Surendra Jain is a suspected entity who was allegedly involved in a manipulation scheme to operate the scrip, handle shareholder distributions, fund company expenses, and coordinate via informal Angadia channels. It is learnt from public sources that Virendra Jain and Surendra Jain are also being investigated by SFIO and Enforcement Directorate in relation to other matters. Thus, I am of the view that the *Noticees* in the present matter are also allegedly involved in other violations across different regulators.

144. The immediate concern before me is not merely whether the preferential allotment was validly undertaken. The more immediate concern is whether securities which, *prima facie*, arose out of the suspicious transactions under examination should be permitted to enter unrestricted circulation. The concern is aggravated by the sheer scale of the shareholding. The six allottees collectively hold approximately 99.70% of DBIL's diluted equity share capital. A transfer of even a portion of this holding could therefore materially alter the ownership and trading profile of the scrip. The number of securities involved is 5,91,54,92,940 equity shares.

145. The interim directions proposed herein are proportionate to the violations alleged against the *Noticees* since the directions are preventive in nature. The proposed restraint is directed specifically at the 5,91,54,92,940 preferentially allotted shares which are directly connected with the transactions under examination. The proposed directions do not, at this stage, amount to a final determination. The purpose of the restraint is to preserve the status quo and ensure that the securities remain available for giving effect to such further orders as may be passed after completion of the proceedings. I am therefore of the view that the proposed measure is proportionate to the regulatory risk identified through material available on record.

146. Having regard to the totality of the matter, I am satisfied that the circumstances warrant immediate ex parte interim directions in order to protect the interests of investors and the integrity of the securities market. I deem it appropriate to reiterate that the observations and findings contained in this order are *prima facie* findings based on the material presently available. Nothing contained herein shall be construed as a final determination of the allegations against any *Noticee* and they shall have an opportunity to produce relevant material and make submissions in accordance with law.

147. The interim restraint is being imposed solely to preserve the subject matter of the proceedings and prevent the regulatory process from being rendered ineffective by any transfer, disposal or encumbrance of the securities before the matter is fully investigated.

F. INTERIM DIRECTIONS

148. In view of the foregoing, in order to protect the interest of the investors and the integrity of the securities market, I, in exercise of the powers conferred upon me in terms of section 19 read with sections 11 and 11B of the SEBI Act,1992, hereby issue the following directions: –

(i) *Noticee* no. *1* is directed to not undertake any corporate actions namely name change, alteration in capital structure, bonus issue, rights issue, stock split, dividends, etc. until further order.

(ii) *Noticee* nos. *2 to 7* are restrained from disposing off shares of DBIL held by them, directly or indirectly, in any manner whatsoever, until further order.

(iii) *Noticee* nos. *8 and 9* are restrained from buying, selling or dealing in securities 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 3 months from the date of order or at the expiry of such contracts, whichever is earlier. 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.

(iv) Considering the *Noticee nos. 2 and 5* have been suspended by BSE with effect from April 28, 2026 and April 24, 2026 respectively, BSE may proceed independently in terms of Rule 21(b) of the Securities Contracts (Regulation) Rules, 1957 and any other applicable laws within their jurisdiction.

(v) Considering that some entities involved in the round tripping of funds as mentioned in Table 11 of this Order are listed on BSE and MSE and are not found operational at their address, action as appropriate in accordance with the law may be taken by these exchanges.

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

150. 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.

151. This order is without prejudice to the right of SEBI to take any other action that may be initiated against the *Noticees* in accordance with law.

152. A copy of this Order shall be forwarded to the *Noticees*, Stock Exchanges, Depositories and Registrar and Share Transfer Agents to ensure necessary compliance. A copy of this Order shall also be forwarded to HDFC Bank, SFIO, Enforcement Directorate for their information and necessary action, if any.

KAMLESH CHANDRA VARSHNEY

Digitally signed by KAMLESH CHANDRA VARSHNEY
Date: 2026.08.19 17:11:16 +05'30'

PLACE: MUMBAI **KAMLESH CHANDRA VARSHNEY**

DATE: AUGUST 19, 2026 **WHOLE TIME MEMBER**

SECURITIES AND EXCHANGE BOARD OF INDIA

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ANNEXURE-A

PROVISIONS OF SECURITIES LAWS REFERRED IN THE ORDER

"A. SEBI Act, 1992

Functions of Board.

Section 11

(1) Subject to the provisions of this Act, it shall be the duty of the Board to protect the interests of investors in securities and to promote the development of, and to regulate the securities market, by such measures as it thinks fit.

(2) Without prejudice to the generality of the foregoing provisions, the measures referred to therein may provide for—

….

(ia) calling for information and records from any person including any bank or any other authority or board or corporation established or constituted by or under any Central or State Act which, in the opinion of the Board, shall be relevant to any investigation or inquiry by the Board in respect of any transaction in securities;

….

(4) Without prejudice to the provisions contained in sub-sections (1), (2), (2A) and (3) and section 11B, the Board may, by an order, for reasons to be recorded in writing, in the interests of investors or securities market, take any of the following measures, either pending investigation or inquiry or on completion of such investigation or inquiry, namely: —

(a) suspend the trading of any security in a recognised stock exchange;
(b) restrain persons from accessing the securities market and prohibit any person associated with securities market to buy, sell or deal in securities;
(c) suspend any office-bearer of any stock exchange or self-regulatory organisation from holding such position;
(d) impound and retain the proceeds or securities in respect of any transaction which is under investigation;

(e) attach, for a period not exceeding ninety days, bank accounts or other property of any intermediary or any person associated with the securities market in any manner involved in violation of any of the provisions of this Act, or the rules or the regulations made thereunder:

Provided that the Board shall, within ninety days of the said attachment, obtain confirmation of the said attachment from the Special Court, established under section 26A, having jurisdiction and on such confirmation, such attachment shall continue during the pendency of the aforesaid proceedings and on conclusion of the said proceedings, the provisions of section 28A shall apply:

Provided further that only property, bank account or accounts or any transaction entered therein, so far as it relates to the proceeds actually involved in violation of any of the provisions of this Act, or the rules or the regulations made thereunder shall be allowed to be attached;

(f) direct any intermediary or any person associated with the securities market in any manner not to dispose of or alienate an asset forming part of any transaction which is under investigation:

Provided that the Board may, without prejudice to the provisions contained in sub-section (2) or sub-section (2A), take any of the measures specified in clause (d) or clause (e) or clause (f), in respect of any listed public company or a public company (not being intermediaries referred to in section 12) which intends to get its securities listed on any recognised stock exchange where the Board has reasonable grounds to believe that such company has been indulging in insider trading or fraudulent and unfair trade practices relating to securities market:

Provided further that the Board shall, either before or after passing such orders, give an opportunity of hearing to such intermediaries or persons concerned.

Power to issue directions and levy penalty.

Section 11B

(1) Save as otherwise provided in section 11, if after making or causing to be made an enquiry, the Board is satisfied that it is necessary, —

(i) in the interest of investors, or orderly development of securities market; or

(ii) to prevent the affairs of any intermediary or other persons referred to in section 12 being conducted in a manner detrimental to the interest of investors or securities market; or

(iii) to secure the proper management of any such intermediary or person, it may issue such directions, —

(a) to any person or class of persons referred to in section 12, or associated with the securities market; or

(b) to any company in respect of matters specified in section 11A, as may be appropriate in the interests of investors in securities and the securities market.

Explanation. — For the removal of doubts, it is hereby declared that the power to issue directions under this section shall include and always be deemed to have been included the power to direct any person, who made profit or averted loss by indulging in any transaction or activity in contravention of the provisions of this Act or regulations made thereunder, to disgorge an amount equivalent to the wrongful gain made or loss averted by such contravention.

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

Section 12A

Section 12A of the SEBI Act, 1992, inter alia, provides as under:

"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 recognised 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."

Delegation.
Section 19.
The Board may, by general or special order in writing delegate to any member, officer of the Board or any other person subject to such conditions, if any, as may be specified in the order, such of its powers and functions under this Act (except the powers under section 29) as it may deem necessary.

B. SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003

Regulation 3

"No person shall directly or indirectly—

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

(b) 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 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 any dealing in or issue of securities which are listed or proposed to be listed on a recognised stock exchange;

(d) engage in any act or practice which is fraudulent or deceptive or is likely to manipulate the price of any security listed or proposed to be listed on a recognised stock exchange."

Regulation 4(1)

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

*Explanation***:** *For the removal of doubts, it is clarified that any act of diversion, misutilisation or siphoning off assets or earnings of a company whose securities are listed or any concealment of such act or device to manipulate the books of accounts or financial statements of such company that would directly or indirectly manipulate the price of securities of that company shall be and shall always be deemed to have been considered as manipulative, fraudulent and an unfair trade practice in the securities market.*

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

…

(a) Knowingly indulging in an act which creates false or misleading appearance of trading in the securities market;

…

(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, and 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;"