

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

CORAM: MADHABI PURI BUCH, WHOLE TIME MEMBER

ORDER

**UNDER SECTIONS 11, 11(4), 11A AND 11B OF THE SECURITIES AND
EXCHANGE BOARD OF INDIA ACT, 1992**

IN THE MATTER OF INDIAN INFOTECH & SOFTWARE LIMITED

IN RESPECT OF

Sl. No.	NAME	PAN
1	Jayanti Prime Software Advisory Private Limited	AACCI5543N
2	Mahamaya Financial Consultants Private Limited	AAHCM3999A
3	Generosity Share Trading Private Limited	AAECG4210F
4	Dhanvarsha Advisory Services Private Limited	AADCD9541R

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1. Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”), in the interest of investors, vide its letter dated August 7, 2017 to Stock Exchanges, took the pre-emptive interim measures under section 11(1) of SEBI Act, 1992, in respect of listed companies notified as shell companies by Ministry of Corporate Affairs (hereinafter referred to as “**MCA**”) including Indian Infotech & Software Limited (hereinafter referred to as “**IISL**” / “**Company**”). SEBI placed trading restrictions, on the promoters/directors so that they do not exit the company at the cost of innocent shareholders. In view of the said objective, SEBI vide the said letter dated August 7, 2017 also placed the scrip in the trade to trade category with limitation on the frequency of trade and imposed a limitation on the buyer by way of 200% deposit on the trade value, so as to alert them trading in the scrip. The said measures were initiated by SEBI pending final determination after verification of credentials and fundamentals by the exchanges, including by way of audit and forensic
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Order in the matter of Indian Infotech & Software Limited

audit, if necessary. The measures also envisaged, on final determination, delisting of companies from the stock exchange, if warranted. By virtue of these measures, trading in the scrip was not suspended but allowed under strict monitoring so that investors could take informed investment decisions, till SEBI and Exchanges completed their detailed examination of such companies.

2. Aggrieved by the aforesaid letter dated August 7, 2017 issued by SEBI, IISL filed an appeal No. 200 of 2017 before the Hon'ble Securities Appellate Tribunal (hereinafter referred to as "SAT"). The Hon'ble SAT vide order dated August 24, 2017, directed SEBI to dispose of the representation made by IISL as expeditiously as possible and in any event within a period of four weeks from the date of the Order. The Hon'ble SAT also held that the said order shall not come in the way of SEBI as well as the stock exchanges to investigate the case of IISL and initiate proceedings if deemed fit.
3. Thereafter, SEBI vide Interim Order dated September 21, 2017 (hereinafter referred to as "**Interim Order**"), had modified, subject to paragraph 24 (iv) of the interim order, the actions envisaged in SEBI's letter dated August 07, 2017 and the consequential actions taken by Stock Exchanges, against IISL as under:
 - i. *"The trading in securities of IISL shall be reverted to the status as it stood prior to issuance of letter dated August 7, 2017 by SEBI.*
 - ii. *Exchange shall appoint an independent forensic auditor inter alia to further verify:*
 - a. *Misrepresentation including of financials and/or business of IISL, if any;*
 - b. *Misuse of the funds / books of accounts of the company, if any.*
 - iii. *The promoters and directors in IISL are permitted only to buy the securities of IISL. The shares held by the promoters and directors in IISL shall not be allowed to be transferred for sale, by depositories.*
 - iv. *The other actions envisaged in SEBI's letter dated August 07, 2017 in para 1 (d), as may be applicable, and the consequential action taken by Stock Exchanges shall continue to have effect against M/s Indian Infotech & Software Limited".*

4. SEBI vide order dated February 08, 2018 (hereinafter referred to as “**Confirmatory Order**”) had confirmed the directions mentioned in the interim order dated September 21, 2017 against IISL and its promoters and directors.
5. Pursuant to the interim order and confirmatory order, BSE had appointed M/s. Chokshi & Chokshi LLP (“Auditor”) as auditors for conducting forensic audit of IISL from December 26, 2017. However, I note from the correspondence between auditor and IISL that IISL vide letter dated January 06, 2018 raised objection to interim order dated September 21, 2017 and accordingly, forensic audit of IISL was kept on hold. Thereafter, BSE vide emails dated May 13, 2018 and July 27, 2018 advised IISL to provide required documents/clarifications. Subsequently, SEBI sought certain information/clarification from BSE, NSDL and CDSL and the same were provided by them. BSE also submitted its report to SEBI vide e-mail dated October 23, 2018. Thereafter, BSE furnished its final submissions/observations to SEBI on October 25, 2018.
6. From the perusal of submissions/observations and report of BSE along with annexures, I note that, no evidence / supporting documents is available to substantiate the role of promoters viz., Jayanti Prime Software Advisory Private Limited, Mahamaya Financial Consultants Private Limited, Generosity Share Trading Private Limited and Dhanvarsha Advisory Services Private Limited (“**promoter entities**”) with respect to misuse / misrepresentation in financials of IISL. Hence, violation of provisions of securities laws were not observed in respect of the said promoter entities. I note that none of the said entities were directors of IISL.
7. Considering the fact that there are no adverse findings/materials against the aforementioned promoter entities with respect to their role in misuse / misrepresentation in financials of IISL, I am of the considered view that the directions issued vide interim order dated September 21, 2017 which were confirmed vide order dated February 08, 2018 qua the aforementioned promoter entities need not be continued.

8. In view of the foregoing, I, in exercise of the powers conferred upon me under Section 19 of the Securities and Exchange Board of India Act, 1992 read with Sections 11, 11(4) and 11B of the SEBI Act, hereby revoke the directions issued vide interim order dated September 21, 2017 and confirmatory order dated February 08, 2018 *qua* below mentioned promoter entities with immediate effect:

Sl. No.	NAME	PAN
1	Jayanti Prime Software Advisory Private Limited	AAC CJ5543N
2	Mahamaya Financial Consultants Private Limited	AAH CM3999A
3	Generosity Share Trading Private Limited	AAE CG4210F
4	Dhanvarsha Advisory Services Private Limited	AAD CD9541R

9. The revocation of the directions issued is only in respect of the promoter entities mentioned at paragraph 8 of this order in the matter of IISL. As regards the remaining entities in the matter of IISL, violations under Securities Laws were observed and SEBI shall continue its proceedings against them. Hence, the directions issued vide interim order dated September 21, 2017 as confirmed vide order dated February 08, 2018 against remaining entities shall continue.
10. Copy of this Order shall be forwarded to the recognized stock exchanges and Depositories for information and necessary action.
11. A copy of this Order shall also be forwarded to the Ministry of Corporate Affairs and Serious Fraud Investigation Office for their information.

OCTOBER 07, 2019
MUMBAI

MADHABI PURI BUCH
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA