

**SECURITIES AND EXCHANGE BOARD OF INDIA
ORDER
UNDER SECTION 11B AND 11(4) (b) OF SECURITIES AND EXCHANGE
BOARD OF INDIA ACT, 1992 IN THE MATTER OF
JAYBHARAT TEXTILE AND REAL ESTATE LTD.**

1. Background

- 1.1. During February–August 2007 the Integrated Market Surveillance System (IMSS) of SEBI generated alerts relating to spurt in prices and trading volumes in the dealings in the shares of KSL and Industries Ltd (KSLIL) and Jaybharat Textile and Real Estate Ltd. (hereinafter referred to as JTREL or company). Preliminary investigation had revealed that related entities of the said company had dealt in the aforesaid scrips in substantial quantity and also contributed towards price rise. Consequently, SEBI had passed an ex-parte interim order dated September 07, 2007 against the following entities who are apparently connected to the promoters of JTREL and KSLIL, directing them not to buy, sell or deal in shares of JTREL and KSLIL directly or indirectly, in any manner, till further directions in this regard and pending investigations.

- EDC Securities Ltd (AAACE9165D)
- Jayshree Petrochemicals Pvt Ltd.(AAACJ0934B)
- Nitish Nayak (ABAPN5330P)
- Avery Procon Pvt Ltd (AAGCA2559M)
- Axon Realpro Private Limited (AAGCA2391H)
- MEGNA Developers Pvt Ltd (AAECM7768A) (mis-spelt as ‘MDGNA’ in the Order dated 7/9/07)

- 1.2. Both JTREL and KSLIL are companies belonging to the Tayal group (refer Annexure A for details).
- 1.3. Subsequently, the aforesaid entities vide letter dated May 21, 2008 had together applied for settlement of the matter under the consent proceedings as contained in the relevant SEBI Circular dated April 20, 2007. After following due process, SEBI did not accept their consent applications, and the same was communicated to the entities on February 19, 2009 . It was observed further that the share price of JTREL had touched levels of Rs.414.15 on December 31, 2009 whereas it had been Rs.191.05 on September 28, 2007. To place this in perspective, the Sensex level on these two dates was 17,291.10 and 17,464.81 respectively. While the Sensex actually fell 1% the share price of JTREL rose 117% over this period September 2007 to December 2009.

2. Details of findings of investigation

- 2.1. A team of SEBI officials had visited Mondkar Computers Pvt., the Registrar (RTA) of JTREL and collected information and records on shareholding of the above entities since September 2006. It is seen that based on the data received from RTA only Jayshree Petrochemicals Pvt Ltd. (AAACJ0934B) among the debarred entities had prior holdings in JTREL. The remaining had indulged in buying and selling, *prima facie*, to bolster trading volumes in the scrip of JTREL. But it was noticed from the data for quarter ended March 2009 that a large block of shares was held mostly in the physical form by 19 entities listed

under public shareholding in the category of 'Individuals holding nominal share capital in excess of Rs. 1 lakh', constituting 27.75% of the share capital of the company. The salient features of the shareholding of these entities are given below:

- i. 13 entities were holding 24.6% of the share capital of JTREL, only in the physical form. The firm had a market capitalization of more than Rs. 4000 crore as per closing price of Rs.465.40 on Feb 08, 2010.
- ii. Out of these 13 entities, 7 entities had addresses located in chawls of Mumbai (defined for the purpose of this order as a collection of predominantly hut or kutch tenements where the residents are largely those with poor economic means).
- iii. The physical share certificate numbers for shares held across these entities run in nearly continuous serial numbers.
- iv. Some of these entities (11 names identified and referred to below) hold shares in the company from dates going as far back as March 2002 as per data on persons holding more than 1% shareholding as available in website of BSE.
- v. Six entities were holding shares in demat form constituting only 3.17% of share capital of JTREL and all of them opened their demat account with one Depository Participant (Keynote Capital Ltd) on the same day i.e. September 17, 2002.
- vi. Several entities have a same address as that of registered offices of different companies of the Tayal group.

2.2. Accordingly, SEBI issued summons dated January 27, 2010 under Section 11C (3) and (5) dated January 27, 2010 to these 19 entities to appear in person, with required documents, before the Investigation Authority on February 10, 2010. In a few cases the SEBI team personally visited these entities at the address available on record and summons was personally delivered to a few of the entities viz. Shri Rupesh Narvekar, Shri Sanjay Gadade and Shri Satish Pusalkar, which were duly acknowledged by relatives of these entities. However the entities to whom summons were delivered did not appear on February 10, 2010 before the Investigation Authority. Further, information and documents with respect to these 19 entities were collected from various other sources like BSE website, MCA records, demat transaction statements, bank KYC documents, demat KYC documents. Analysis was undertaken on the 20 entities which figured in the data of RTA for this category from September 2006 to December 2009 (for a few quarters this data differs on the number of entities as displayed in the website of BSE). The connections or linkages of each entity with the Tayal group are as follows:

1. Nitish Nayak, holding 6,67,071 shares. His address is 151/22 Shipra Path Mansarovar, Jaipur:
 - Shares the same telephone number as that of EDC Securities Pvt. Ltd, which appears in the promoters category of Bank of Rajasthan Ltd., a company of Tayal group.
 - As per KYC form filed with the broker, EDC Securities Pvt. Ltd is shown as his introducer.
 - He has shown KKT as his employer which appears to be the short name of the company of Tayal group viz Krishna Knitwear Technology Ltd (KKT), Silvassa
 - Has shown another residence at Silvassa, where the registered offices of KKT and KSLIL are located.
 - As per the KYC documents received from Andhra Bank, it is found that the introducer/witness signature was that of a member of the Tayal family.
 - As per the Bank statement, on 13/07/07 and on 23/07/07 Nitish Nayak had received Rs.1,43,29,826 and Rs.1,52,31,500 and immediately transferred the entire amount to the account of KSL and Industries Ltd.

- The entity, along with EDC Securities, was debarred by SEBI vide interim order dated 07/09/2007.
2. Hitesh Dodiya, holding 9,22,500 physical shares. His address is Silvassa Police Lane, Bldg No F2, D and N Haveli Silvassa , Gujarat
 - As per RTA data, the address of the entity is also shown as c/o SKPL, Bhilad, Vapi, Gujarat. It appears that SKPL stands for Shri Krishna Polyester Ltd., the old name of Krishna Lifestyle Technologies Ltd, a company of the Tayal group.
 - As per the Bank Statement (with Bank of Rajasthan) on 09/01/04 Hitesh Dodiya had received dividend warrants of Rs.44,872 from Bank of Rajasthan (BOR) and on 12/01/04 transferred the entire amount to M/s Solid Vision, which has a similar address as that of Jayshree Petrochemicals Pvt Ltd and Megna Developers Pvt Ltd., both promoter connected entities that were debarred vide SEBI order September 7, 2007.
 - Similarly on 28/07/04 Dodiya had received Rs.44,872 from BOR and on 29/07/04 transferred an amount of Rs.44,800 to KSL and Industries Ltd.
 3. Dinesh Dongre, holding 6,09,375 physical shares. His address is L-26/11 Ambika Park, Lavachha, Taluka Pardi,Valsad, Gujarat.
 - As per RTA data, the address of the entity is shown as C/o SKPYL, Sambarvani, U.T. It appears that SKPYL stands for Shri Krishna Petro Yarn Ltd., the old name of Esskay K'n'IT (India) Ltd, a company of the Tayal group.
 - As per the KYC documents received from Andhra Bank, it is found that the introducer/witness signature was that of a member of the Tayal family.
 4. Anil Kumar Dubey, holds 43,56,375 shares. His address is C/o Prabhu Dayal, Totla and Sons, 271, M T Cloth Market, Indore, Madhya Pradesh.
 - Was a Director on the Board of JTREL till June 2007.
 - Is a Director of Avery Procon Pvt Ltd., an entity that was debarred by SEBI vide interim order dated 07/09/2007
 - As per the bank account of Mr Dubey (with BOR) it was seen to have only three credit entries in three years and on two occasions it was immediately transferred to another promoter related entity. A dividend from BOR in September 2006 was transferred to an entity, Jyotsana Developers Pvt. Ltd. and a dividend warrant in the next year was transferred to Watergate Mercantile Company Pvt. Ltd., a promoter connected entity.
 5. Mahendra Kumar Panchal, holds 1,05,951 physical shares. His address is D-1-15, Ambika Park Lavachha,Vapi, Gujarat.
 - As per RTA data, the address of the entity is shown as C/o SKPL, Bhilad, Vapi, Gujarat, in which SKPL appears to stand for Shri Krishna Polyester Ltd an old name of Krishna Lifestyle Technologies Ltd.
 - As per the Bank Statement (with BOR) Panchal had received dividend warrants of Rs.46,936 and Rs.12,00,000 from BOR and on 12/01/04 transferred the entire amount to M/s Solid Vision, which has the same address as that of Jayshree Petrochemicals and Megna Developers Pvt Ltd., both promoter connected entities that were debarred from dealing in JTREL and KSLIL vide SEBI order September 7, 2007.

- Similarly Panchal received a dividend of Rs.11,28,000 from BOR on 18/9/2007 and on 20/09/07 transferred Rs. 11,27,000 to account of Starview Mercantile Pvt Ltd, a promoter connected entity.
6. Kishore Patil, holds 54,27,375 physical shares. His address is C/o O P Khandelwal, Gauhati Tea Housing Pvt. Ltd, Dispur G S Road, Gauhati.
 - As per RTA data, the address of the entity is shown as C/o SKPL, Bhilad, Vapi, Gujarat. It appears that SKPL stands for Shri Krishna Polyester Ltd an old name of Krishna Lifestyle Technologies Ltd.
 - As per the KYC documents received from Andhra Bank, it is found that the introducer/witness signature was that of a member of the Tayal Family member.
 7. Gopal Aggarwal, holds 1,70,66,250 physical shares. His address is B /11, 2nd Floor, Gurudev Complex II, Silvassa (UT).
 - He was Managing Director of KSLIL, a company of the Tayal family, for period of 5 years and was appointed to the Board as on October 26, 2006. However on January 16, 2008 Shri Pradeep Soni was appointed as the Managing Director, i.e. after the Interim Order dated 7/9/2007.
 - Presently Managing Director of Eskay KnIT India Ltd , a company of Tayal Group.
 8. Sanjay Gadade, holds 30,75,000 physical shares. His address is Yadav Patil Wadi, 384, V S Marg, Prabhadevi, Mumbai 400025. Mr Gadade is working with the Secretarial Office at KSL and Industries Ltd. as at December 2009, a company of the Tayal group.
 9. Rupesh Narvekar, holds 1,75,12,125 physical shares. His address is Yadav Patil Wadi, 384, V S Marg, Prabhadevi, Mumbai 400025. Mr Narvekar is working with the Secretarial Office at KSLIL as at December 2009, a company of the Tayal group.
 10. Sandip Murkar holds 1,06,08,750 shares in physical form. His address is Gulmore Wadi, S K Bhole Road, Dadar, Mumbai 400028. He was also a Person Acting in Concert (PAC) during the acquisition of BOR by the Tayal group during 2002-03. The entity also figured in an adjudication order of SEBI dated 08/12/06.
 11. Vijay Sawant is holding 75,33,750 physical shares but did not deal in shares of JTREL since 2002-2003. His address is B/302, Siddesh S H Society, Building No 2, Sadguru Nagar, Prabhadevi, Mumbai. He had proposed the appointment of a director related to the Tayal group in the Annual General Meeting of BOR dated 02/08/2008.
 12. Sanjay Sawant, holds 30,75,000 physical shares valuing Rs. 127.35 crore as on December 31, 2009. But he has not dealt in shares of JTREL since 2002-2003. He prima facie appears to be a benami holder of the shares on behalf of the promoters. His address is Gavdevi Chawl, Umesh Nagar Reti Bandar Road,Devi Pada Borivali (W), Mumbai.
 13. Girish Pukale has his residence at S B Saiprasad, Navapad N Subhash Road, Dombivali. Even though he holds 30,75,000 physical shares valuing Rs. 127.35 crore as on December 31, 2009, he has not dealt in shares of JTREL since 2002-2003. He prima facie appears to be a benami holder of the shares on behalf of the promoters.

14. Milind Mhatre, with residence at 15/372 Tata Colony, Bandra (E), Mumbai is working with the Secretarial Office at Eskay KnIT India Ltd as per the information on the BSE website. He holds 91,02,000 physical shares.
 15. Dhananjay Kandhare holds 30,75,000 physical shares and is a resident of BDD Chawl, No 32/45 Jambuli Maidan, Worli, Mumbai. As per letter of offer dated 06/01/2003, he is stated to be a Director on the Board of Jayshree Sarees Ltd., (later changed to JTREL) which had already been acquired by Tayal family to the extent of 57.01% with Shri Saurabh Tayal as the Chairman.
 16. Nandkishore Panchal holds 77,36,250 shares in physical form and lives at Panwala Chawl, Meghwadi, Jogeshwari, Mumbai. He also appeared as a Person Acting in Concert (PAC) during the acquisition of BOR by the Tayal group. The entity has also figured in an adjudication order of SEBI dated 08/12/06.
 17. Pramod Patil with residence at 5/6, Spring Mill Compound, G D Ambedkar Road, Naigaon Dadar, Mumbai. As per letter of offer dated 06/01/2003, he is stated to be a Director on the Board of Jayshree Sarees Ltd., (later changed to JTREL) which had already been acquired by Tayal family to the extent of 57.01% with Shri Saurabh Tayal as the Chairman. He holds 30,75,000 physical shares and has not dealt in shares of JTREL since 2002-2003.
 18. Rajesh Sharma, holds 61,50,000 shares in physical form and has a residence at Yadav Gajraj Sadan, Janu Compound Shantaram Tala, Malad (E), Mumbai. He too appeared as a Person Acting in Concert (PAC) during the acquisition of BOR. The entity figured in an adjudication order of SEBI dated 08/12/06.
 19. Satish Pusalkar, holds 30,75,000 physical shares and resident of 396, V S Marg, Prabhadevi, Mumbai.
 - He has a similar address as that of the corporate address of Eskay KnIT India Ltd.
 - As per records available with SEBI, in connection with application made by Singlepoint Security Solution Pvt. Ltd, for registration as RTA, it is observed that this entity was stated to be an employee of Eskay KnIT (India) Ltd. (reference to SEBI order dated July 2, 2004).
 20. Jayesh V Merchant shares the same address as Satish Pusalkar referred to above i.e. 396, V S Marg, Prabhadevi, Mumbai. He has also given his address the same as that of Eskay KnIT India Ltd., a Tayal group company. As per records available with SEBI, in connection with application made by Singlepoint Security Solution Pvt. Ltd, for registration as RTA, it is observed that Merchant is an employee of Eskay K'niT (India) Ltd. (reference SEBI order dated July 2, 2004).
- 2.3. In view of the above information, it prima facie appears that these 20 entities are linked to the promoters viz. the Tayal family through addresses, by their occupation in one of their or their associated companies or by association. They hold shares only as benamis of the Tayal group. All of them are shareholders listed under the category 'holding by public' and except for the Jayesh V Merchant, they currently appear under the category 'Individuals holding nominal share capital in excess of Rs. 1 lakh'. Jayesh V Merchant transferred his holdings through the off-market to another promoter related entity placed in the category 'Bodies Corporate'. During the investigation, it was observed in the data from RTA that several of the aforesaid entities from 1 to 19 have been holding majority of their shares in physical form. Their holding pattern has remained more or less constant with negligible changes right from the time of allotment of shares to them. Following are the significant observations made on the basis of the visit of the SEBI Investigation team to the given residential

addresses of a few persons to whom summons were delivered in hand (value of shares taken as closing price on February 11, 2010):

- Shri Sanjay Gadade is an employee of KSL and Industries Ltd and is working in the Secretarial office for the last 15 years. He currently stays at Yadav Patil Wadi, 384 V.S. Marg, Prabhadevi, Mumbai-25 located in what is distinctly a chawl. Therefore *prima facie* it appears impossible that a person staying in a chawl could be the beneficial owner of 30,75,000 shares worth Rs. 155.13 Crore. Moreover Shri Gadade has been holding shares in physical form since December 2001 and is appearing in the 'more than 1% holding category' as per the data available on BSE website. Further it is observed during the investigation that in the Annual General Meeting of BOR, another group company of Tayal family, held on August 02, 2008, Sanjay Gadade proposed the name of Shri Dharinder Kumar Tayal as a director on the board of BOR. Therefore it *prima facie* appears that he is a benami holder of shares for the promoter group. As an employee in the secretarial department it is evident *prima facie* that Shri Gadade is used as a front entity, with control over the shares being retained in the hands of promoters.
 - In case of Shri Satish Pusalkar, it is gathered that he is also working in the share department of KSLIL. Shri Pusalkar also stays in the same place as that of Sanjay Gadade and has an identical holding of shares of JTREL. Given that his holding is worth about Rs. 155.13 crore, for the very same reason discussed above it follows that he is also *prima facie* a benami for the promoters. It is also observed during investigation that in the Annual General Meeting of BOR held on August 02, 2008, Satish Pusalkar, as a shareholder, proposed the name of Shri Nitin Narotamdas Goel as director on the Board of BOR.
 - Shri Rupesh Narvekar also works in the share department of KSLIL and also resides near the address of Sanjay Gadade and Satish Pusalkar. Rupesh Narvekar holds shares worth Rs 883.49 crore. As in the case of Shri Gadade and Shri Pusalkar above, it would *prima facie* appear that he is also a benami for the promoters.
 - In case of Shri Milind Mhatre, the residence address is 15/372 Tata Colony, Bandra (e), Mumbai. However during the visit of the inspection team, it was gathered that the entity has shifted to Thane and was not therefore available at the address. It was learnt from neighbours that Shri Mhatre is an employee of Eskay K NIT Ltd. Shri Mhatre has been holding exactly the same number of shares over the entire period as per the records of the RTA (taking into account additions due to bonus shares and share-split). As in the case of the other employees he also *prima facie* appears to be a benami holder of shares since a genuine holder of shares worth over Rs 449.20 crores, would not be likely to be staying in the surroundings observed by the SEBI investigation team. A photograph of the place in the address is attached at Annexure 'B'.
- 2.4. As per data provided by RTA, shareholding pattern of these 20 connected entities in JTREL for a few selected quarters was analysed. This leads to the inference that the level of share holding of the above entities has been constant, except for the increases following the increase of share capital of the JTREL consequent to bonus shares or share split, (refer Table No 1 at Annexure C). From Table 1 it is noted that:
- Out of 19 entities in respect of 13 entities the percentage of shareholdings remains the same since 2002-03 till date and these 13 entities were holding shares in physical form and have not sold any shares in the market. The holding of each of the 19 entities ranges from a minimum of 1,05,951 shares to maximum of 1,75,12,125 shares with value from Rs.5.35 crore to Rs.883.49 crores, respectively. This is incongruous with the material in

evidence on their source of livelihood and occupation as also their addresses many of them being the same as that of companies of Tayal group or are residences usually occupied by persons of only very modest means. In short, their means, occupation and lifestyle evidently do not warrant an inference that they could be millionaires or even multi millionaires who could own a shareholding of the magnitude discussed above

- Between the quarters ended September 2006 and 2007 Dhananjay Kandhare, Dinesh Dongre, Hitesh Dodiya, Nitish Nayak, Satish Pusalkar and Mahendra Kumar Panchal have appeared as new shareholders. Dhananjay Kandhare alone holds shares in physical form and the others are holding shares in demat form. It is noted that all these entities opened their demat account with the same Depository Participant, Keynote Capital Ltd, on the same day i.e. September 17, 2002.
- Another entity Jayesh V Merchant, appeared for the first time at quarter ended September 30, 2007 with a holding of 2,50,000 (0.49%) shares. Subsequently the holdings increased to 12,50,000 (post split/bonus) and he then transferred this entire holding to Envair Realty Pvt Ltd through off-market route on January 12, 2009 (3,02,050 shares), January 13, 2009 (2,47,520 shares), January 21, 2009 (1,75,000 shares), January 21, 2009 (2,79,880 shares), January 22, 2009 (2,45,000 shares). It is gathered that Subashchandra Nigam and Chandrashekhar R Pandey, directors of Envair Realty Pvt Ltd, were earlier directors of JTREL. Further Chandrashekhar R Pandey is also a director in Avery Procon Pvt Ltd, a connected/related entity to JTREL which was barred from dealing in the scrip vide SEBI order September 7, 2007. The shareholding of 0.49% shifted from the hands of a connected entity in the category of 'individuals holding shares of more than Rs 1 lakh' to another connected entity falling under 'bodies corporate', but the total number of shares under the camouflaged control of the Tayal group did not change and remains at 28.24% since September 2006.
- On comparing the RTA data with the data publicly disclosed on BSE website it is observed that in respect of five entities viz, Gopal Aggarwal, Milind Mhatre, Nandkishor Panchal, Rupesh Narvekar and Sandip Murkar, though they have been holding more than 1% of share capital of the company since 2003, their names were not shown on BSE website under that category. Therefore it appears that JTREL has deliberately withheld disclosures to the public thereby giving misleading information.
- As per data of RTA, there are only 20 entities under the public category of 'Individuals holding nominal share capital in excess of Rs. 1 lakh' and their total shareholding remained unchanged at 1,44,14,869 shares constituting 28.24% of share capital. Yet, as on September 30, 2006, the company disclosed to the stock exchange 94,14,869 shares under this category that constituted only 18.44% of share capital and a holding of 9.8% was added under the category of 'Individuals holding nominal share capital upto Rs. 1 lakh', which displayed a holding of 12.33%. Table 1 reveals that even the smallest holding among these 19 persons was greater than 1 lakh shares, therefore for a share of face value of Rs 5/- it is impossible for any of these 20 entities to be shown in the retail investor category. It appears that the company desired to project (falsely) that retail category shareholders had acquired shares in the company for the first time thereby indicating (misleadingly) investor interest.

2.5. Through entities evidently under the control of the promoter group, the promoters have control over 28.24% of share capital of the company. There is a clear attempt on the part of the company to give incorrect disclosures to stock exchange (BSE) by not showing names of

the entities under the category of ‘Individuals holding nominal share capital in excess of Rs. 1 lakh’ though they have such holdings as per the information provided by the RTA.

3. Shareholding Pattern

- 3.1. Given the findings of investigation it was necessary to review the shareholding pattern of JTREL as declared quarter after quarter in public through print media and statutorily on the website of BSE in accordance with the listing agreement. Tables 2 and 3 below, present the information on the shareholding pattern of the company across the Promoter and non-promoter categories and the distribution of shares within the respective categories from March 31, 2003 to December 31, 2009. It is pertinent to note that this information is in the public domain on the website of the exchange (BSE) and is readily available to investors and the public. The data provides the percentage of shareholding of each category and indicates changes in holding, if any, over time. Over this period, the share capital of JTREL has increased several times consequent to positive announcements of bonus shares or share-split (refer Annexure D). The analysis of the data in the tables follows thereafter.

Table No 2: Distribution of Shareholding

Quarterly Shareholdings→ / Categories ↓	% shareholdings for Quarter endings												
	Mar 2003	June 2003	June 2004	Sep 2004	Dec 2004	Sep 2005	Mar 2006	Sep 2006	Mar 2007	Sep 2007	June 2009	Sep 2009	Dec 2009
Shareholding of Promoter and Promoter Group	57.02	68.55	73.37	68.55	68.55	68.55	68.55	68.55	68.55	68.55	67.05	67.05	67.05
Institutions									0.61	0.61	0.61	0.61	0.61
Bodies Corporate			0.02	1.20	1.20	0.72	0.79	0.78	0.16	0.18	0.70	0.71	0.71
Individual shareholders holding nominal share capital up to Rs. 1 lakh	42.98	31.45	26.61	30.24	30.24	30.72	30.66	12.33	2.45	2.41	3.88	3.88	3.88
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh								18.44	28.23	28.25	27.75	27.75	27.75
Total	100	100	100	100	100	100	100	100	100	100	100	100	100

Between March 03 and March-06 Individuals holding up to 1 lakh and in excess of 1 Lakh did not exist as separate categories

Table No 3: Shareholding of Promoters

Quarterly → Shareholdings / Names of Promoters ↓	% shareholding for Quarter endings													
	Mar 2003	Jun 2003	Jun 2004	Sep 2004	Dec 2004	Sep 2005	Mar 2006	Sep 2006	Mar 2007	Sep 2007	Jun 2009	Sep 2009	Dec 2009	Value in cr*.
Bhawana Tayal	11.73	11.73	11.73	9.32	9.32	9.32	9.32	9.32	9.32	9.32	9.32	9.32	9.32	1799.55
Jyotika Tayal	10.82	10.82	10.82	8.41	8.41	8.41	8.41	8.41	8.41	8.41	8.41	8.41	8.41	1625.02
Nina Tayal	12.33	12.33	12.33	12.33	12.33	12.33	12.33	12.33	12.33	12.33	12.33	12.33	12.33	2381.30
Ram Pratap Tayal	--	--	--		--	4.82	4.82	4.82	4.82	4.82	4.82	4.82	4.82	931.58
Rajan Aggarwal	--	--	4.82	4.82	4.82	--	--	--	--	--	--	--	--	--
Saurabh Kumar Tayal	10.64	22.17	22.17	22.17	22.17	22.17	22.17	22.17	22.17	22.17	20.67	20.67	20.67	3992.77

Vandana Tayal	11.49	11.49	11.49	11.49	11.49	11.49	11.49	11.49	11.49	11.49	11.49	11.49	11.49	2219.96
Total	57.02	68.55	73.37	68.55	68.55	68.55	68.54	68.55	68.55	68.55	67.05	67.05	67.05	12,950.18

**Value of holdings as on 11.02.10 at Rs. 504.50*

- Saurabh Tayal, promoter, made a purchase of shares through an open offer to the public consequent to the acquisition by the current promoters in 2003 due to which there was a fall in public holding from 42.98% to 31.45% from March 2003 to June 2003.
- The total promoter holding is 68.55% since June 2003 and from June 2009 it changes to 67.05%. This is dealt with later in this order.
- The total public holding displayed on the website of BSE was 31.44% as on December 31, 2004, which increased to 32.95% as at quarter ended December 2009. This public holding excludes the promoter holding and represents the free-float shareholding in a company. Needless to say, this is a critical factor that influences the price of the shares of the company. The share price has increased from Rs.90 to Rs. 486 during this five year time period. Evidently the promoters and their connected entities stand to gain most from this manifold increase in the price of their shares, obviously resulting in inordinate increase in their personal wealth. The interim order of SEBI dated September 7, 2007 had prima facie brought out a circular trading pattern between entities connected to the promoter.
- As per shareholding pattern of JTREL for June and September 2008, within the categories that describe the Public shareholding, as opposed to promoter holding, it is observed that 20 entities that appear in the category of 'Individuals holding nominal share capital in excess of Rs. 1 lakh' together hold around 28.24% of the share capital of JTREL. The comparable figures as per the latest shareholding pattern on December 31, 2009, for the same category were 19 entities with a shareholding of 27.75 %. As on this date the majority (89%) of these holdings by these 19 entities were in the physical form.
- It is already noted that many of these 19 entities have been holding shares only in physical form (24.6% of capital of JTREL) since the day of their allotment, not dealt in the shares of JTREL and are found to be current or past employees of JTREL or of companies promoted by Tayal, directly or indirectly. Therefore it appears that very high degree of promoter control has been a persistent feature since the present promoters took over, as is evident from shareholding pattern in JTREL.
- Investigation also observed that as on December 31, 2009 the category 'Bodies Corporate' had 73 entities of which Envair Realty Pvt Ltd, Jayshree Petrochemicals Pvt Ltd and Avera Properties Pvt Ltd. were directly or indirectly related to promoters of JTREL. These entities held 26,43,871 shares constituting 0.69% of the capital of the company. Envair had received 0.49% of shareholding from Jayesh Merchant which was under the category 'Individuals holding nominal share capital in excess of Rs. 1 lakh'.
- Since the time of acquisition of shares and control by the current promoters in 2003 the actual level of public shareholding was, at best, never greater than 6.85% but the

disclosures of the public or free-float holding on the exchange website never fell below a level of 31.45% (except in the quarter ended June 2004).

- Shareholding of the company is in the hands of connected entities that are controlled by the promoters with the declared holding of the promoters at 68.55%. The true or actual public holding is very small and works out to 3.01% as on 30, September 2007, of which only a small fraction is in demat form and available for trading on the exchange, as brought out later in this Order.

3.2. Therefore, the investigations have revealed that certain shareholders shown under the Public Holding category of JTREL were actually linked to the promoters of the company. Considering the combined shareholding of such entities with that of the promoters as publicly declared, it prima facie appears that the promoters, directly or indirectly, control as much as 96.99% of the share capital of the company since September 2006. Data prior to September 2006 is not examined as earlier data is not available with RTA, including that of holding of physical shares.

4. Prima facie misrepresentation by Promoters and Company

4.1. The level of promoter holding reduced by 1.5% to 67.05% as at June 30, 2009 owing to reduction of share holdings by Saurabh Kumar Tayal, one of the promoters from 22.17% to 20.67%. However as demonstrated in the Table below, the shareholding of Shri Saurabh Tayal has not actually changed and it appears that the promoter has camouflaged part of his holdings under the category of ‘retail shareholders holding nominal shares up to Rs.1 Lakh’, wherein there is a rise in shareholding by 1.5% from 2.39% to 3.88 %. On comparing the data on the exchange website with that received from RTA it is noted that Saurabh Kumar Tayal actually holds 22.17% shares as on December 31, 2009 under four different names as stated in Table 4 below:

Table No 4: Wrong Disclosures by Promoter

Sr No.	Name	Folio Number / BOID	Number of shares as per RTA	Number of shares disclosed to public
1.	Saurabh Pravin Tayal	1202430000001125	1,53,750	
2.	Saurabh Tayal	1301760000002270	5,35,97,458	
3.	Saurabh Kumar Tayal	00010031	3,11,34,374	7,91,43,093
4.	Saurabh Kumar P Tayal	00012705	73	
	Total		8,48,85,655	7,91,43,093

The above table reveals that other holding of Saurabh Kumar Tayal at serial number 1, 2 and 4 are not available in the public domain. There is a difference of 57,42,562 shares which constitutes 1.5% of the total shares of the company. Under the category of “Individual shareholders holding nominal share capital up to Rs. 1 lakh” (retail category), the data received from RTA indicates holding of only 2.38% of total capital and not 3.88% as disclosed in the public domain. Therefore it appears that promoters are attempting to show additional floating stock than what is actually available in the market. Clearly this conveys a

false impression to the public of the healthy demand for shares of the company by suggesting that more retail investors have become shareholders in the company. The Company, while making the quarterly disclosures, failed to detect the significant variation between the actual and declared holding of Saurabh Kumar Tayal.

4.2 Furthermore, as discussed in Paragraph 2.4. above, it appears that JTREL has withheld disclosures to the public thereby giving misleading information. It also appears, as brought out in Paragraph 2.4, that the company desired to project (falsely) that retail category shareholders had acquired shares in the company for the first time thereby indicating (misleadingly) investor interest.

4.2. From the above facts and observations it is clear that shareholding of promoters as disclosed to the public at large gives a false and misleading impression that the promoters hold only 67.05% as on December 31, 2009, whereas promoters have an effective ownership of 96.99%. This includes their direct ownership over 67.05% under the category of 'promoters' and another 1.5% not shown as promoter holding but included in category of "Individual shareholders holding nominal share capital up to Rs. 1 lakh", indirect control over 27.75% held with benami entities under category of "Individual shareholders holding nominal share capital in excess of Rs. 1 lakh" and 0.69% held in camouflage with three entities that are in the category of 'Bodies Corporate'.

4.3. Investors both current and potential, are under the false impression that promoters hold and control only 67.05% of the share capital. The Company and the Promoters have ostensibly conveyed the impression that their shareholding remain within the maximum permissible limit of 75% for non public shareholding in JTREL. This *prima facie* deception by the promoters has been persistent for long. It is seen from above that promoters holding is actually 68.55% and indirectly they control 27.75% and 0.69% held by front entities, as explained above. Effectively promoters have had control of 96.99% of the shareholding since September 30, 2006 and only 3.01% of share capital is with the public.

5. Shareholding of connected entities as on December 31, 2009 in other Tayal group companies.

It was verified from the RTA as to the extent of shareholding of these connected entities in other companies of the Tayal group. It is apparent that in the two scrips viz. JTREL and KSLIL, wherein *prima facie* promoter related entities were restrained from dealing, have an elaborate web of camouflaged holdings. Apparently, this has been done in order to deceptively hide the level of actual promoter holding and the genuine public holding. A few of the benamis found to be holding shares of JTREL on behalf of the promoters *prima facie* also hold shares of KSLIL - Nitish Nayak, Mahendra Kumar Panchal, Hitesh Dodiya, Dinesh Dongre, Anil Kumar Dubey and Kishore Patil were holding 42,81,848 shares between themselves. I find that the investigation is underway in both scrips and such *prima facie* irregularities would be examined.

6. Dealings by Entities Connected To Promoters

6.1 From the above it can be inferred that the promoters are fully aware that 96.99% of capital is under their control and only 3.01% of the share capital is with public. The findings of investigation suggest that floating stock of the company was only 3.01% and that the promoter related entities were *prima facie* attempting to build up public interest by creating artificial volume resulting in price rise. Even though the non-promoter holding stood at 3.01%, the critical number from the point of view of trading in shares of JTREL is the free-

float shares in demat form. Free float is defined as those shares issued by the company that are readily available for trading in the market and generally excludes promoters' holding, government holding, strategic holding and other locked-in shares that will not come to the market for trading in the normal course (BSE website). This data was called from the RTA and the results are given below in Table 5 below:

Table No. 5: Shares in Demat form

	as at Dec 31, 2009	% of total	as at June 30, 2007	% of total
Category	Number of shares		Number of shares	
Promoters and related entities	1125,20,916	97.876	195,83,191	95.719
Non-promoters-				
Institutions	23,48,576	2.043	781,250	3.818
Of which shares held as security by institution	23,43,750		781,250	
Retail	109500	0.095	94498	0.467
Total shares in demat form	1149,74,166		204,58,939	

6.2 It is pertinent to note that one of the promoters, Shri Saurabh Kumar Tayal has dematerialized 5,35,97,250 shares on November 24, 2009 as a result of which number of shares in the category of Promoters and related entities have gone up considerably. Excluding the said demat, the number of shares of promoters works out to be 5,89,23,666 shares. This leads to the conclusion that the increase in shares between the two quarters compared in the table above is only on account of bonus shares. The same is true of the Institution holding shares as a security. Therefore it can be inferred that even out of its demat shares the promoters have not traded in JTREL over this 30 month period. This is further proved from observing data on trading at BSE for the year 2009 wherein no trades have been entered by any promoter entity or the Institution holding demat shares. The Depository data revealed that the shares with the Institution were received from Jayshree Petrochemicals Pvt Ltd., which is a promoter entity of Eskay K'n'IT, a company of Tayal group. The Institution stated that these shares of JTREL were taken as a collateral security for credit facility extended to Eskay K'n'IT.

6.3 It is observed therefore that the free float available for trading in the market is only 0.467% and 0.095% on the two dates of June 30, 2007 and December 31, 2009. In effect there are about one lakh shares that are tradable. Such a market condition is fraught with the possibility of easy manipulation of prices and volume of trades. It is pertinent to note that SEBI passed an interim order dated September 07, 2007 debarring certain entities connected to the promoters who created artificial volume and contributed to price rise in the scrips of JTREL and KSLIL during February-August 2007. Based on the data received from RTA it appears that only Jayshree Petrochemicals Pvt. Ltd among the debarred entities had prior holdings in JTREL. The dealings of these entities in the two scrips JTREL and KSLIL are recapitulated in Table 6 and 7 below:

Table No 6: Dealing in JTREL by the connected entities during February-August 2007

Sr no	Client Name	(14/02/07 to 25/04/ 07)		(26/04/07 to 28/05/07)		29/05/007 to 28/08/07	
		Qty Bought	Qty Sold	Qty Bought	Qty Sold	Qty Bought	Qty Sold
1	EDC Securities Pvt. Ltd.	5072	5072	3,303	3,294	0	0
2	Jayshree Petrochemicals Pvt. Ltd.	89,864	65,316	69,527	63,099	3,231	4,311
3	Nitish Nayak	1,00,287	1,02,035	75,271	84,073	28,865	32,051
4	Axon Realpro Pvt. Ltd.	0	0	0	0	16,343	18,839
5	Avory Procon Pvt. Ltd.	0	0	0	0	80,999	65,341
6	MEGNA Developers Pvt. Ltd.	0	0	0	0	2,004	2,000
	% of total market volume	72.81%	64.33%	59.3%	60.3%	40%*	40%*

*Approximately

Table No 7 : Dealing in KSLIL by the connected entities during October 2006-August 2007

Sr no	Client Name	(23/10/06 to 18/12/ 06)		(19/12/06 to 29/05/07)		(30/05/07 to 28/08/07)	
		Qty Bought	Qty Sold	Qty Bought	Qty Sold	Qty Bought	Qty Sold
1	EDC Securities Pvt. Ltd.	3,08,986	1,89,0008	19,662	49,413		
2	Jayshree Petrochemicals Pvt. Ltd.	447	5,06,117	4,14,823	3,79,433	1,87,884	1,87,547
3	Nitish Nayak	3,34,717	2,88,311	4,11,824	3,68,084	72,908	68,971
4	Axon Realpro Pvt. Ltd.	0	0	0	0	2,84,904	2,63,183
5	Avory Procon Pvt. Ltd.	0	0	0	0	4,75,121	4,23,473
6	MEGNA Developers Pvt. Ltd.	0	0	0	0	1,905	0
	% of total market volume	16.12	67.18	55.98	50.73	51.18	47.20

6.4 It is therefore not surprising that there are spurts in price when the floating stock in the market is at such low levels and when the volume of trading in the market is dominated to such a high extent by entities that are related to the promoter. Since the above entities were debarred from trading consequent to the SEBI order, it was verified whether other entities of the promoters had become active in trading in the scrip over 2009 as given below in Table 8. The need for such an analysis arises from the facts that the free-float is seen to be low and favourable announcements put out by the company were invariably accompanied by a spurt in price. Price of the scrip doubled from an intra-year low of Rs 225 in April to nearly Rs. 470 in August after a bonus issue was announced in the month of July 2009. Closing market price on February 11, 2009 was Rs 504.50 (refer Annexure E).

Table No 8: Trading by New Entities

	Client Name	PAN	Buy Volume	Buy Value	Sell Volume	Sell Value
1	Inorbit Trading Co Pvt Ltd	AABCI4237M	20	9,771	368	2,24,906
2	Anshul Mercantile Pvt. Ltd.	AAGCA5310E			4,217	26,57,166
3	Beta Trading Private Ltd	AADCB2320G	155	83,511	13,349	87,96,774
4	Avera Properties Pvt. Ltd	AAGCA2390G	58,929	2,79,16,284	17,312	67,43,493
5	Jitendra Kumar Jain	AIMPJ2936J	6,87,682	25,22,05,600	6,87,682	24,99,07,507
6	Rashmi Rameshchandra Gandhi	AKHPG6563D	2,77,048	10,77,73,966	2,77,123	10,80,35,835
7	Soalli Jainuddin Shaikh	BJCPS6572H	1,45,589	5,42,98,539	1,45,583	5,43,99,227

- As pointed out above, the availability of dematted shares is quite negligible. Therefore though the traded quantity of above entities does not appear to be substantial, considering the actual free float of about one lakh shares alone, trading by the above entities would obviously impact price and volume of the scrip of JTREL. As it is observed between the quarters ended September 2009 to December 2009 that as many as 60 new investors were drawn to this scrip and together bought 19,646 shares of JTREL.
- Inorbit Trading Co Pvt Ltd, Anshul Mercantile Pvt. Ltd, Beta Trading Private Ltd and Avera Properties Pvt. Ltd were found to be prima facie connected to promoters of JTREL vide Order of SEBI dated 8th March 2010 in the matter of Bank of Rajasthan, another group company of Tayal group.
- The maximum volumes, across all investors, were contributed by the group at Sl. Nos. 5 to 7 in the Table above. It is pertinent to note that SEBI vide its order dated 20/02/2010 debarred Jitendra Kumar Jain and Rashmi Rameshchandra Gandhi from trading in several scrips, including JTREL, for creating artificial volume in them. The role of aforesaid entities and their linkage and connection with JTREL will be examined during the course of that investigation since they have also traded in large quantity in the scrip of KSLIL.
- Subsequent to the SEBI order dated 20/02/2010, the volumes of trading in JTREL reduced to a tenth of what it was prior to the date of Order. As on 19/02/2010 and 22/02/2010 the volume was 22,046 and 20,197 shares respectively while on 23/02/2010 it was merely 2115 shares. This only lends credence to the logical inference that the identified entities were prima facie trading among themselves in order to generate artificial volumes.

7. Past Regulatory Actions Taken Against Tayal Group of entities

- 7.1. There is a fairly long list of regulatory actions for omissions and commissions observed on the part of the promoters of JTREL (refer Annexure F on Directors and Promoters of JTREL) on account of various group companies. The promoters and other connected entities have been debarred in different cases by SEBI in the past.
- 7.2. The following illustrates various actions by SEBI against the Tayal group.
 - SEBI vide its order dated February 17, 2004 issued directions under section 11B of SEBI Act, 1992 to M/s Akash Fabrics Private Ltd, a promoter entity of Eskay K'nIT India Ltd, a Tayal group company, and prohibited it from dealing in securities for a period of two

years for creating false or misleading appearance of trading in the scrip of KSL and Industries Ltd.

- SEBI vide its order dated July 02, 2004 rejected the application of Single Point Security Solutions Pvt. Ltd., for certificate of Registration as a Share Transfer Agent. It was found that the company had been promoted by, or connected with or is under the control and management of KSL and Industries Ltd and its promoters who had debarred from accessing capital markets by SEBI order dated June 18, 2003.
- SEBI vide its order dated December 08, 2006 imposed penalty under section 15(i) of SEBI Act against P.K.Tayal and persons acting in concert viz Nandkishore Panchal, Sandeep Murkar, etc on account of failure to make disclosures in respect of their holding in Bank of Rajasthan Ltd. This was subsequently set aside by Hon'ble SAT in regard to Shri P.K. Tayal.
- SEBI vide its order dated September 07, 2007 issued directions under section 11B and 11(4)(B) of SEBI Act, 1992 to few entities who were connected to promoters of JTREL and KSL and Industries Ltd for creating artificial volume and contributing to price rise in the scrip of JTREL and KSL and Industries Ltd.
- SEBI vide order dated March 08, 2010 issued directions under section 11B and 11(4)(B) of SEBI Act, 1992 to 100 entities including those connected to promoters of Bank of Rajasthan and refrain them from accessing securities market and prohibit them from buying, selling or dealing in securities market till further directions.

8. Assessment of evidence presented in the investigation report and need for intervention by the Regulator

8.1. The body of facts collected during the investigation and laid out above in this order leads to the following *prima facie* deductions.

1. The promoters of the Company along with their connected entities with the common understanding have acquired and actually hold shares in JTREL which is far in excess of what has been declared by them publicly.
2. The promoters have been able to disguise the extent of the shareholding in their company in a devious manner through the artifice of holding the shares of their company to their benamis, in most cases their employees or workers.
3. The promoters and their related entities could not have held such substantial extent of shares without abiding by the Takeover Regulations.
4. The extent of their shareholding in JTREL violates the requirement of the minimum threshold mandated for public shareholding to be eligible to be a company listed on stock exchanges in India.
5. The Company has *prima facie* failed abjectly to disclose true and accurate information about the shareholding in the company and neither has it apparently exercised any due diligence in preventing spurious and false data to be disseminated to the public.

8.2. The basic premise underlying the management and governance of listing and trading of companies on exchanges is that investors are given all necessary information about the company, including on the ownership structure of the company. There is an elaborate legal framework drawn up that forms the edifice on which the entire securities market is built up. This legal framework derives its sanctity and spans across several acts promulgated by Parliament and the rules and regulations made thereunder. Specifically, in this case, the

Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules framed thereunder provide for a minimum threshold of public holding. The requirement of minimum public shareholding is the first level safeguard for investors in any scrip. It gives them the confidence that their money is invested in an asset that is reasonably widely held, that the price discovery on the exchange will be real and will actually track the intrinsic worth of the company assessed on the basis of available information about the company and finally offers the necessary protection that no scheming promoter or majority shareholder or group of individuals can manipulate the prices of the company with impunity and abandon. These safeguards are further reinforced in the listing agreement entered into between a company and the exchanges on which the said company is listed and provides for an elaborate scheme of disclosures that is designed to ensure that all information relevant to the investor is always available in the public domain. Broadly put, a company that cannot conform to this requirement of maintaining the minimum level of public shareholding in it, as mandated in the listing agreement, does not retain the right to be listed and has to delist from the exchange under the provisions of delisting in the legal framework, which currently is the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2009. Furthermore, every time a promoter or any entity along with their persons acting in concert acquires any substantial quantum of shares of a company over and above these defined thresholds, at any price, the acquirer is mandated, under the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 to provide a fair opportunity to sell their shares to such an acquirer.

- 8.3. What stands out distinctly is that at the heart of the architecture discussed above lies the fact that overriding importance is attached to protecting the investor from the greed and avarice of scheming promoters and individuals who might want to lure investors into investing in their companies while they themselves would seek to derive undue advantage from this. Over the years of evolution of Securities Market Laws in jurisdictions across the world, the information in the various disclosures mandated, has assumed a sacrosanct status and is part of the basic rights available to any investor. Any artifice or scheme employed by the promoter or any other entity whatsoever in concealing the true picture of the company would unambiguously constitute fraud as laid down in the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices) Regulation 2003.
- 8.4. In the light of the *prima facie* findings in the investigation in the matter of dealing in the scrips of JTREL scrip and KSLIL, I observe that there is an alarming situation on hand, where there is total misinformation on the basic levels of shareholding of the promoters, disseminated in a blatantly fraudulent manner. Only a miniscule volume of shares of JTREL are available for trades on the exchanges. This clearly does not guarantee any protection to investors and completely impedes price discovery and transparency in the market. In the light of the fraud perpetrated *prima facie* by the promoters and their connected entities in concealing their shareholding, I have to surmise that we have a potentially dangerous situation where the market in these shares is easily vulnerable to manipulation. An inflated share price on account of the *prima facie* manipulative activity by entities connected to the promoters of the company leading to artificial levels of market capitalization could be potentially damaging to shareholders and stakeholders of the company. Without delving into the details of past and pending quasi-judicial actions against the promoter group and their related entities, I merely note here that the apprehensions of SEBI as a regulator get further strengthened by their rather seemingly dubious record of past violations.
- 8.5. I cannot also remain oblivious to the fact that all capital raising by promoters and the company is based on the valuation of their shares based on the price of the shares of a company and often involve use of shares of the promoters as security to the lenders, banks

and other financial institutions. Needless to say, these institutions and their stakeholders are also imperilled and run the risk of loss since their decisions too would be based on false information publicly disclosed by the promoters. It is already confirmed from a lending institution that shares of JTREL were taken as collateral security from a company of the Tayal group. In this regard, the following recent developments become very pertinent:

- On September 8, 2009 the shareholders have passed the resolution pursuant to Section 81(1A) of the Companies Act, 1956 for the issue of QIP of Rs. 5000 Crores.
- On October 22, 2009 JTREL had made an announcement of passing of Special Resolution u/s. 293 (1) (a) of the Companies Act, 1956, for mortgaging and/or charging all or any of the immovable or movable properties of the Company for obtaining loans or advances including issue of Debentures or any other instruments aggregating to Rs. 8000 crore (including the existing amount of charges or mortgages already created) from any financial institutions/banks/ insurance Companies.
- Further, a Special Resolution u/s. 372 A of the Companies Act, 1956, was passed to make Loan(s), give Guarantee(s), provide security(ies) and make investments in Securities of various Bodies Corporate of a sum not exceeding Rs. 6000 Crore by way of subscription and/ or purchase of securities at par or at such premiums on such terms as may be decided by the Board of Directors. Linking the pattern of their announcement and examination of data available on records, it prima facie gives an impression that the promoters of JTREL may pledge shares or go for QIP placement to Financial Institution. This will have severe impact on public money with these financial institutions/Banks.
- The possibility of company resources being used to acquire shares in various front entities also arises given the general sweep of the resolution passed in the name of shareholders but as seen from earlier findings the company has been reduced to a 'Private Company' of the promoters.

9. Prima facie violations

The acts of company and entities under the control of promoters, discussed above in this Order are prima facie in violation of the following;

- *Conditions of listing agreement under Section 21 of SCRA including conditions for continuous listing.*
- *Regulation 3 and 4 of SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulation 2003*
- *Regulation 7, 8, 10 and 11 of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997*

Order

10. I am of the view that this is without doubt a fit case, where I need to effectively and expeditiously use the powers given to SEBI to prevent any further harm to investors and to thwart any further designs on the part of the promoters and connected entities which are *prima facie* fraudulent. Therefore, in order to protect the interest of investors and the integrity of the securities market, I, in exercise of the powers conferred upon me in terms of Section 19 read with Section 11(1), Section 11(4) (b) and Section 11B of SEBI Act, 1992, pending investigation and passing of further order, hereby issue the following directions, by way of ad interim, ex-parte order:

10.1. The company, Jaybharat Textile and Real Estate Ltd. is restrained from accessing the securities market and further prohibited from buying, selling or dealing in shares directly or indirectly in any manner whatsoever, till further orders.

10.2. Further, the following entities in the Table below are prohibited from buying, selling or dealing in shares directly or indirectly in any manner whatsoever, till further orders.

Sr. No	Name of the entity	Address	RTA Folio No	PAN No
1	Anil Kumar Dubey	C/O Prabhu Dayal, Totla & Sons, 271, M T Cloth Market, Indore, Madhya Pradesh	--	AIBPD9829P
2	Dhananjay Kandhare	BDD Chawl, No 32/45 Jambuli Maidan, Worli, Mumbai	00010154	--
3	Dinesh Dongre	C/o Shri Krishna Petro Yarn Ltd (SKPYL), Sambarvani, U.T. L-26/11 Ambika Park, Lavachha, Taluka Pardi, Valsad, Gujarat		AGMPD8768J
4	Girish Pukale	S B Saiprasad, Navapad N Subhash Road, Dombivali, Mumbai.	00010120	
5	Gopal Aggarwal	B /11, 2nd Floor, Gurudev Complex II, Silvassa (UT)	00010057	
6	Hitesh Dodiya	C/o Shri Krishna Polyester Ltd (SKPL), Bhilad, Vapi, Gujarat. Silvassa Police Lane, Bldg No F2, D & N Haveli Silvassa , Gujarat		ANWPD9977E
7	Kishore Patil	C/o Shri Krishna Polyester Ltd (SKPL), Bhilad, Vapi, Gujarat. C/o O P Khandelwal, Gauhati Tea Housing Pvt. Ltd, Dispur G S Road, Gauhati,		ATMPP6578P
8	Mahendra Kumar Panchal	C/o Shri Krishna Polyester Ltd (SKPL), Bhilad, Vapi, Gujarat. D-1-15, Ambika Park Lavachha, Vapi, Gujarat		AQNPP1369G
9	Milind Mhatre	15/372 Tata Colony, Bandra (E), Mumbai	00010138	
10	Nandkishor Panchal	Panwala Chawl, Meghwadi, Jogeshwari, Mumbai	00010171	
11	Nitish Nayak	151/22 Shipra Path Mansarovar, Jaipur		ABAPN5330P
12	Pramod Patil	5/6, Spring Mill Compound, G D Ambedkar Road, Naigaon Dadar,	00010197	

Sr. No	Name of the entity	Address	RTA Folio No	PAN No
		Mumbai		
13	Rajesh Sharma	Yadav Gajraj Sadan, Janu Compound Shantaram Tala, Malad (E), Mumbai	00010227	
14	Rupesh Narvekar	Yadav Patil Wadi, 384, V S Marg, Prabhadevi, Mumbai 400025	00010065	
15	Sandip Murkar	Gulmore Wadi, S K Bhole Road, Dadar, Mumbai 400028	00010073	
16	Sanjay Gadade	Yadav Patil Wadi, 384, V S Marg, Prabhadevi, Mumbai 400025	00010090	
17	Sanjay Sawant	Gavdevi Chawl, Umesh Nagar Reti Bandar Road,Devi Pada Borivali (w), Mumbai	00010111	
18	Satish Pusalkar	396, V S Marg, Prabhadevi, Mumbai	00010286	
19	Vijay Sawant	B/302, Siddesh S H Society, Building No 2, Sadguru Nagar, Prabhadevi, Mumbai	00010103	AMHPS5372A
20	Beta Trading Private Ltd	Block No 2, 3rd Floor, Abbas Manzil, Opp. Cigaratte Factory, Chakala Andheri(East), Mumbai-99		AADCB2320G
21	Anshul Mercantile Pvt. Ltd.	305, 3rd Floor, Trinity Co-Op Housing Society Ltd, A.P. Market, S.G. Gaikwad Marg, Dhobi Talao, Mumbai-02		AAGCA5310E
22	Inorbit Trading Co Private Limited	H-157, Dr. Babasaheb Ambedkar Nagar, S. M. Road, Kokari Agar, Sion Koliwada, Mumbai-37		AABCI4237M
23	Avera Properties Pvt. Ltd	Flats No.303,Silver Park,Plot No.5 Of Survey No.6, Vanmali Park,Silvassa-Khanvel Main Road,Samarvani, Silvassa-396230		AAGCA2390G
24	Bhawana Tayal	Raghuvanshi Mills Compound, 11/12 Senapati Bapat Marg, Lower Parel (W) Mumbai-400013	00010081	
25	Jyotika Tayal	22 NCPA Complex, Nariman Point, Mumbai-400021	00010014	AABPT2949Q
26	Nina Tayal	22 NCPA Complex, Nariman Point, Mumbai-400021	00010022	AACPT3436B

Sr. No	Name of the entity	Address	RTA Folio No	PAN No
27	Ram Pratap Tayal	101-102 Happy House, Tata Press Lane, Prabhadevi, Mumbai-400025	00010287	
28	Saurabh Kumar Tayal	22, NCPA Building, 2nd Floor, 'A' Block, Nariman Point, Mumbai-400021	00010031 & 00012705	AABPT2950R
29	Vandana Tayal	22 NCPA Complex, Nariman Point, Mumbai- 400021	00010049	AAEPT9212D
30	Jayesh V Merchant	3 New Jitendra Society, Dadabhai Road No 1, Vile Parle (W), Mumbai-56		AALPM9050F

10.3. In addition, the following directions are issued:

- The Depositories shall not give effect to any transfer of shares lying in the beneficial owner accounts of the entities mentioned in para above.
- The RTA is directed not to effect transfer of the folio numbers stated above in the Table.
- Depositories and Stock Exchanges are advised to keep a watch on the aforesaid entities listed in Table above and report any suspicious activities to SEBI.
- National Stock Exchange of India Limited and the Bombay Stock Exchange Limited are advised to square off any existing open positions in the Futures and Options Segment, if any, for the persons/entities mentioned in Paragraph 10.2 above. Further, the concerned stock exchanges should also ensure that no fresh positions are created for the said persons/entities. The said persons/entities would not be allowed to take fresh positions or increase their open positions or execute trades.

11. This order shall be forwarded to the Ministry of Corporate Affairs for their information and necessary action if any.

12. The above order is without prejudice to any other action that may be initiated against these entities for the said violations.

13. This order shall come into force with immediate effect.

14. The entities/persons against whom this order is issued may file their objections, if any, to this order within twenty one days from the date of this order at the Securities and Exchange Board of India, SEBI Bhavan, C4-A, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai-400 051.

Dr. K.M.ABRAHAM
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA

PLACE: MUMBAI
DATE: MARCH 12, 2010