

## SECURITIES AND EXCHANGE BOARD OF INDIA

## INTERIM ORDER

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

In respect of:

Sr. No.	Name of the Noticee	PAN
1	LS Industries Limited	AAACL1987E
2	Jahangir Panikkaveetil Perumbarambathu	ASHPM4547P
3	Profound Finance Pvt. Ltd.	AACCC2700J
4	Suresh Goyal	AANPG7006M
5	Alka Sahni	ABLPS8090C
6	Shashi Kant Sahni HUF	ABEHS1674K

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

### In the matter of LS Industries Limited

#### Background

1. LS Industries Limited ("**LSIL**"/ "**Company**") is a public limited company engaged in the textiles business. A snapshot of the relevant details of LSIL are as under:

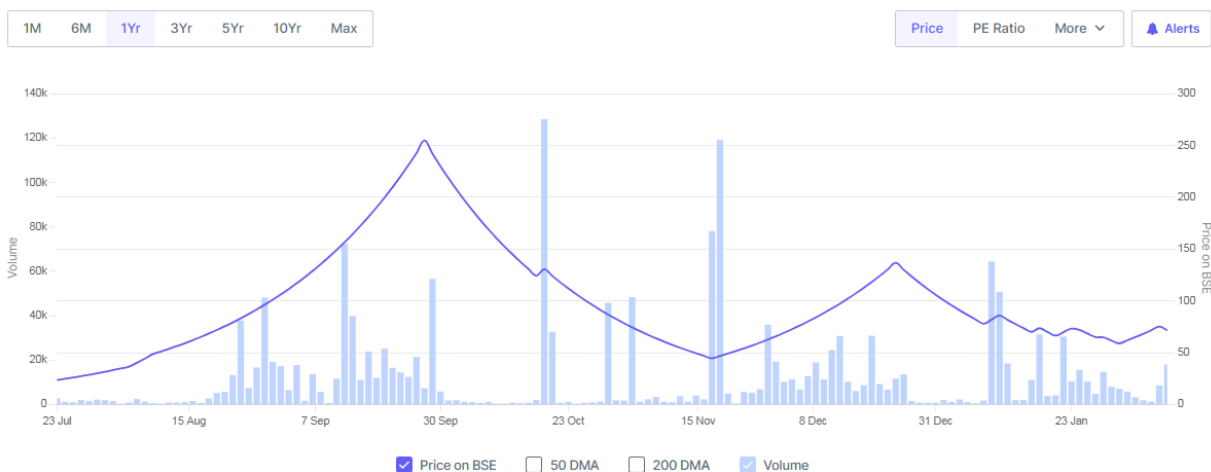
Name of Company	LS Industries Limited (previously known as "Lifestyle Fabrics Ltd." till 2009)
Date of incorporation	November 26, 1993
Registered address	Village Bairsen, P.O. Manjholi, Solan, Tehsil Nalagarh, Himachal Pradesh, India - 174101
Listed on	BSE Ltd. (BSE)

<b>Date of Listing on BSE</b>	November 17, 1994 (Trading suspended on December 30, 2013 due to penal reasons, suspension revoked on July 23, 2024)
<b>Paid-up equity capital (as at end of Dec 2024 quarter)</b>	Rs. 84.88 crore
<b>Shareholding pattern</b>	Promoters: 74.28% Public: 24.39% FII: 1.32% DII: 0.02%
<b>Market capitalization (as on February 10, 2025)</b>	Rs. 5768 crore
<b>Closing price per share (as on February 10, 2025)</b>	Rs. 67.95 (Face value: Re. 1/- per share)

2. Based on an article titled “*Mystery of A Zero Revenue Company With Rs. 5500 Crore Market Valuation*” published in NDTV Profit on February 3, 2025, SEBI decided to examine the matter. A quick check on screener.in suggested that something was amiss. As the price movement in the scrip of LSIL did not appear consistent with the reported financials of the company, the matter was taken up for examination in order to ascertain whether there was any violation of the provisions of securities laws including the SEBI Act, 1992 (“**SEBI Act**”), SEBI (Prohibition of Fraudulent and Unfair Trade Practices in Securities Markets) Regulations, 2003 (“**PFUTP Regulations**”) and the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (“**LODR Regulations**”).

***Price movement in the scrip***

3. It was observed that post revocation of suspension of trading in the scrip of LSIL, the share price moved from Rs. 22.50 to a high of Rs. 267.50 between July 23, 2024 and September 27, 2024, i.e., an increase of 1089% within a period of just over two months. Thereafter, the share price started falling and touched a low of Rs. 42.39 on November 21, 2024, a fall of 84.15% from its high. The price again started increasing and within one month rose to Rs. 136.87 on December 23, 2024, i.e., an increase of 223% from its recent low of Rs. 42.39. The aforesaid fluctuation in the price of the scrip is pictorially represented as follows:



(Source: [www.screener.in](http://www.screener.in))

### Findings of the examination

4. As per the financial statements of LSIL as published on the BSE website, it was observed that the company reported negligible revenue in the last three financial years and last three quarters ending on June 30, 2024 (Q1 FY25), September 30, 2024 (Q2 FY25) and December 31, 2024 (Q3 FY25). A brief summary of the financial results of LSIL from FY22 onwards, as available on the BSE website, are as under:

*(Amounts in Rs. crore)*

Particulars	FY 2021-22	FY 2022-23	FY 2023-24
Sales/Revenue from Operations (A)	0.43	0.45	0.45
Other Income (B)	0.08	0.08	0.13
<b>Total Income (A+B)</b>	<b>0.51</b>	<b>0.53</b>	<b>0.58</b>
Cost of material consumed (C)	0.00	0.00	0.00
Purchase of Inventory (D)	0.00	0.00	0.00
Other Expenses (E)	2.20	9.03	3.62
<b>Total Expenses (C+D+E)</b>	<b>2.20</b>	<b>9.03</b>	<b>3.62</b>
Profit (Loss) Before Tax	(1.69)	(8.50)	(3.04)
Profit (Loss) After Tax	(2.04)	(8.83)	(3.32)

For the three quarters ended June/September/December 2024, the key financials were as under:

Particulars	Q.E. June 2024	Q.E. September 2024	Q.E. December 2024
Sales/Revenue from Operations (A)	0.00	0.01	0.00
Other Income (B)	0.13	0.10	3.50
<b>Total Income (A+B)</b>	<b>0.13</b>	<b>0.11</b>	<b>3.50</b>
Cost of material consumed (C)	0.00	0.00	0.00
Purchase of Inventory (D)	0.00	0.00	0.00
Other Expenses (E)	22.53	0.61	0.30
<b>Total Expenses (C+D+E)</b>	<b>22.53</b>	<b>0.61</b>	<b>0.30</b>
Profit Before Tax	(22.40)	(0.50)	3.20
Profit After Tax	(22.40)	(0.50)	3.20

5. From the table above, it was noted that LSIL reported negligible revenue and NIL cost of material consumed and purchase of inventory during the period from FY22 to FY24 as also for Q1, Q2 and Q3 of FY25. Thus, it appeared that the Company was not doing any business during this period. The Company also consistently reported losses, except for QE December 2024, wherein the Company reported a profit, on account of 'Other Income'.
6. Further, it was also observed that as against negligible revenues reported by LSIL, its balance sheet comprised of huge amounts of trade receivables, its 'debtor days' increased from 118 days in FY11 to 58,416 days in FY24 and its cash from operating activities was either NIL or negative from FY16 to FY24. However, despite such poor health of the financials of LSIL, its market capitalization peaked to Rs. 22,700 crore on September 27, 2024, highlighting the stark disconnect between the market capitalization and the fundamentals of the company.

#### ***Corporate announcements by LSIL***

7. As the financials of LSIL did not seem to explain the dramatic rise in the scrip price, corporate announcements made by LSIL were also analysed during the period from July 23, 2024 to February 04, 2025. A summary of the major corporate announcements by the Company is as follows:

- (a) Venturing into 'AI Tech' industry and approval for change of name of the Company as "AI Tech Limited" on October 7, 2024;
  - (b) Appointment of foreign nationals on the LSIL Board, viz., Mr. Bartlomiej Zbigniew Szczudlowski and Ms. Tan Chiew Kek on October 7, 2024;
  - (c) Incorporation of a foreign subsidiary in Dubai in the field of Robo Chefs, AI Tech and Hydroponics Farming on November 14, 2024;
  - (d) Acquisition of 75% equity share in an Indian company, viz., Robochef India Private Limited that deals in Robotic chefs and AI enabled machines, technology, Hydroponic Farming, etc. on November 14, 2024;
  - (e) Alteration in Object clause of the company to carry on the business of research, design, develop and manufacture of robotic and AI-enabled machines for the food and beverages sector, setting up sustainable farms across India, UAE, Singapore, and Europe using the advanced agricultural technologies, etc. on November 14, 2024;
  - (f) Approval for providing an inter-corporate loan of Rs. 25 crore to M/s SB Infosoft India Private Limited on December 2, 2024.
8. It was observed that majority of the aforesaid corporate announcements were made by LSIL in the months of October, November and December 2024. The price of the scrip of LSIL, however, had already touched its peak of Rs. 267.50 on September 27, 2024. It was observed that the scrip price was not influenced either by the financials or by the positive corporate announcements and therefore, the trade data of shares of LSIL was analysed.

***Analysis of trade data***

9. The trading data of the Company was analysed in following patches:

Patch	Period From	Period To	Type	Price at the Start	Price at the End
I	23/07/2024	27/09/2024	Price Rise	Rs.22.50	Rs.242.10
II	30/09/2024	21/11/2024	Price Fall	Rs.230.00	Rs.46.85
III	22/11/2024	23/12/2024	Price Rise	Rs.49.19	Rs.136.87
IV	24/12/2024	04/02/2025	Price Fall	Rs.130.50	Rs.68.29

***Patch-I***

10. On analysis of trade data for Patch-1, it was noted that immediately after revocation of suspension of trading on July 23, 2024, the share of the Company

opened daily in upper circuit limits, i.e., +5% or +10% and within a short span of 48 trading days, it reached an intraday high of Rs. 267.50 on September 27, 2024. It was also observed that during July 23, 2024 to September 27, 2024, the following entities contributed to 80% of price rise through first trades:

Buyer name	Total Number Of First Trades	Traded Quantity of First Trades	Number Of First Trades At Positive LTP	Net LTP	Positive LTP
Jigam Shashikant Gandhi	10	8377	10	39.69	39.69
Paresh Dhirajlal Shah	9	4512	9	31.53	31.53
Ruchira Goyal	8	2150	7	18.34	18.34
Multiplier Share & Stock Advisors Private Limited	6	7664	6	35.58	35.58
BP Fin trade Private Limited	3	300	3	14.13	14.13
Ayush Garg	2	9	2	13.61	13.61
Santosh Kumar Singh	2	90	2	17.50	17.50
Vani Padamati	1	71	1	12.10	12.10
Amit Sharma	1	12	1	11.55	11.55
	<b>42</b>	<b>23185</b>	<b>41</b>	<b>194.03</b>	<b>194.03</b>
	<b>48</b>	<b>24422</b>	<b>47</b>	<b>243.18</b>	<b>243.18</b>

(Source: Trade Log provided by BSE)

11. The trading pattern of the aforesaid entities was found to be suspicious as they placed daily buy orders at 09:00:00 AM at upper circuit limits, when there were no sell orders in the scrip which resulted in increase of share price as tabulated below:

Trade Date	Buyer	Buyer order time	Seller Order Time	Trade Time
23/07/2024	Ruchira Goyal	09:00:00.001935	09:15:12.549263	09:44:06.000094
24/07/2024	Paresh Dhirajlal Shah	09:00:00.001406	09:58:16.677883	09:58:16.677883
25/07/2024	Paresh Dhirajlal Shah	09:00:00.001641	09:20:51.314407	09:20:51.314407
26/07/2024	Paresh Dhirajlal Shah	09:00:00.001765	09:18:51.517081	09:18:51.517081
29/07/2024	Paresh Dhirajlal Shah	09:00:00.002684	09:00:00.195277	09:07:06.000040
30/07/2024	Paresh Dhirajlal Shah	09:00:00.001821	09:33:19.952044	09:33:19.952044
31/07/2024	Ruchira Goyal	09:00:00.001789	09:58:10.058652	09:58:10.058652
01/08/2024	Jigam Shashikant Gandhi	09:00:00.001343	09:15:01.195545	09:15:01.195545
02/08/2024	Ruchira Goyal	09:00:00.002315	10:12:31.007209	10:12:31.007209
05/08/2024	Ruchira Goyal	09:00:00.001518	09:00:03.455842	09:07:09.000112
06/08/2024	Ruchira Goyal	09:00:00.001216	09:16:30.335924	09:16:30.335924
07/08/2024	Jigam Shashikant Gandhi	09:00:00.001640	09:47:13.561342	09:47:13.561342
08/08/2024	Ruchira Goyal	09:00:00.001261	09:16:01.445841	09:16:01.445841

Trade Date	Buyer	Buyer order time	Seller Order Time	Trade Time
09/08/2024	Bp Fintrade Private Limited	09:00:00.002255	09:43:12.588846	09:43:12.588846
12/08/2024	Ruchira Goyal	09:00:00.001611	09:19:25.813971	09:19:25.813971
13/08/2024	Jigam Shashikant Gandhi	09:00:00.001746	10:22:20.743559	10:22:20.743559
14/08/2024	Ruchira Goyal	09:00:00.001704	09:45:09.475775	09:45:09.475775
16/08/2024	Jigam Shashikant Gandhi	09:00:00.002452	09:00:00.002647	09:07:11.000109
19/08/2024	Jigam Shashikant Gandhi	09:00:00.002216	09:05:36.217319	09:07:14.000191
20/08/2024	Jigam Shashikant Gandhi	09:00:00.001890	09:00:00.002821	09:07:15.000091
21/08/2024	Multiplier Share & Stock Advisors Private Limited	09:00:00.001906	09:00:01.059241	09:07:07.000117
22/08/2024	Jigam Shashikant Gandhi	09:00:00.001698	09:00:01.077546	09:07:06.000088
23/08/2024	Multiplier Share & Stock Advisors Private Limited	09:00:00.010672	09:15:02.426160	09:15:02.426160
26/08/2024	Jigam Shashikant Gandhi	09:00:00.001974	09:15:00.190157	09:15:00.190157
27/08/2024	Paresh Dhirajlal Shah	09:00:00.001400	09:00:01.063209	09:07:14.000220
28/08/2024	Multiplier Share & Stock Advisors Private Limited	09:00:00.002730	09:00:06.551378	09:07:12.000079
29/08/2024	Multiplier Share & Stock Advisors Private Limited	09:00:00.003317	09:00:08.381540	09:07:07.000097
30/08/2024	Paresh Dhirajlal Shah	09:00:00.001999	09:00:00.004027	09:07:07.000080
02/09/2024	Ayush Garg	09:00:00.054927	09:00:07.278789	09:07:10.000164
03/09/2024	BP Fintrade Private Limited	09:00:00.003929	09:06:45.879143	09:07:10.000098
04/09/2024	Muhammed Shahabas Puthukkottu Kuzhiyil	09:00:00.058553	09:00:00.048445	09:07:13.000033
05/09/2024	Umehabiba Inklab Khan	09:00:00.008938	09:00:13.334415	09:07:08.000044
06/09/2024	Paresh Dhirajlal Shah	09:00:00.001563	09:06:14.162465	09:07:06.000036
09/09/2024	BP Fintrade Private Limited	09:00:00.014692	09:02:10.854621	09:07:06.000036
10/09/2024	Multiplier Share & Stock Advisors Private Limited	09:00:00.004762	09:00:00.125274	09:07:11.000038
11/09/2024	Jigam Shashikant Gandhi	09:00:00.002229	09:00:03.749132	09:07:08.000035
12/09/2024	Jigam Shashikant Gandhi	09:00:00.007346	09:02:27.517963	09:07:09.000062
13/09/2024	Santosh Kumar Singh	09:00:03.040183	09:00:04.042687	09:07:11.000036
16/09/2024	Sharat .	09:00:00.021157	09:00:14.216935	09:07:15.000096
17/09/2024	Ayush Garg	09:00:00.023220	09:00:01.031921	09:07:10.000041
18/09/2024	Vikas Kalra	09:00:00.174553	09:00:11.579028	09:07:12.000052
19/09/2024	Udhayashree Gnanasekar	09:00:00.052703	09:00:05.687338	09:07:09.000038
20/09/2024	Paresh Dhirajlal Shah	09:00:00.002737	09:00:09.348559	09:07:11.000033
23/09/2024	Santosh Kumar Singh	09:00:00.016113	09:00:02.026231	09:07:13.000075
24/09/2024	Shibi Muthusamy Shanthi	09:00:00.058240	09:00:02.310347	09:07:12.000038
25/09/2024	Amit Sharma	09:00:00.035940	09:00:02.009248	09:07:09.000031
26/09/2024	Vani Padamati	09:00:00.037121	09:00:02.421883	09:07:08.000063
27/09/2024	Multiplier Share & Stock Advisors Private Limited	09:00:00.005347	09:00:04.790027	09:07:13.000037

(Source: Trade Log provided by BSE)

12. It was observed that due to aforesaid trading pattern, share price of the Company increased from Rs.22.50 on July 23, 2024 to Rs.267.50 on September 27, 2024, i.e., an increase of almost 11 times within a short span of 2 months.

### **Patch-II**

13. Thereafter, from the very next day, share price started falling and the scrip opened with daily lower circuit limits, i.e., -5%. In this manner, within a short span of 36 trading days, the share price fell to Rs.42.39 on November 21, 2024. The following entities contributed to 100% of price fall through their first trades:

<b>Seller Name</b>	<b>Total Number Of First Trades</b>	<b>Traded Quantity of First Trades</b>	<b>Number Of First Trades At Negative LTP</b>	<b>Net LTP</b>	<b>Negative LTP</b>
Multiplier Share & Stock Advisors Private Limited	25	3265	25	-137.32	-137.32
Paresh Dhirajlal Shah	3	522	3	-16.35	-16.35
Setu Securities Pvt. Ltd.	2	2	2	-18.05	-18.05
Ruchira Goyal	1	39	1	-12.10	-12.10
Deep Mala	1	6	0	6.50	0.00
Minhaj Adukkath Parambath	1	20	1	-8.45	-8.45
Arif Rabakavi	1	80	1	-6.20	-6.20
Vinod Kumari	1	1000	1	-1.76	-1.76
Afreena K T	1	176	1	-4.80	-4.80
	<b>36</b>	<b>5110</b>	<b>35</b>	<b>-198.53</b>	<b>-205.03</b>
	<b>36</b>	<b>5110</b>	<b>35</b>	<b>-198.53</b>	<b>-205.03</b>

(Source: Trade Log provided by BSE)

14. It was noted from above table that Multiplier Share & Stock Advisors Private Limited, Paresh Dhirajlal Shah and Ruchira Goyal, who were top positive LTP contributors in Patch-1 and were instrumental in price rise, were top negative LTP contributors in Patch-2 and were instrumental in the price fall. The trading pattern of aforesaid entities was also found to be suspicious as they placed daily sell orders at 09:00:00 at lower circuit limits, when there were no buy orders in the scrip which resulted in the fall of share price as tabulated below:

<b>Trade Date</b>	<b>Seller</b>	<b>Seller Order Time</b>	<b>Buyer order time</b>	<b>Trade Time</b>
30/09/2024	Ruchira Goyal	09:00:00.004893	09:00:04.229565	09:07:09.000090
01/10/2024	Setu Securities Pvt. Ltd.	09:00:00.003389	09:00:08.133686	09:07:14.000035
03/10/2024	Multiplier Share & Stock Advisors Private Limited	09:00:00.001362	09:00:06.600676	09:07:07.000039
04/10/2024	Multiplier Share & Stock Advisors Private Limited	09:00:00.002322	09:00:05.913431	09:07:08.000034
07/10/2024	Multiplier Share & Stock Advisors Private Limited	09:00:00.001785	09:00:21.288670	09:07:08.000049



Trade Date	Seller	Seller Order Time	Buyer order time	Trade Time
08/10/2024	Multiplier Share & Stock Advisors Private Limited	09:00:00.002218	09:15:07.630771	09:15:07.630771
09/10/2024	Multiplier Share & Stock Advisors Private Limited	09:00:00.001559	09:00:04.840687	09:07:07.000050
10/10/2024	Minhaj Adukkath Parambath	09:00:00.002175	09:00:07.327360	09:07:08.000041
11/10/2024	Multiplier Share & Stock Advisors Private Limited	09:00:00.003734	09:00:09.096109	09:07:10.000034
14/10/2024	Multiplier Share & Stock Advisors Private Limited	09:00:00.002402	09:00:09.697873	09:07:10.000038
15/10/2024	Multiplier Share & Stock Advisors Private Limited	09:00:00.002062	09:02:25.655122	09:07:13.000043
16/10/2024	Multiplier Share & Stock Advisors Private Limited	09:00:00.002296	09:00:03.034261	09:07:12.000041
17/10/2024	Setu Securities Pvt. Ltd.	09:00:00.001607	09:00:03.276517	09:07:10.000049
18/10/2024	Arif Rabakavi	09:00:00.015413	09:00:00.967156	09:07:13.000037
21/10/2024	Deep Mala	09:00:01.572569	09:00:00.058838	09:07:09.000041
22/10/2024	Paresh Dhirajlal Shah	09:00:00.001958	09:00:04.957476	09:07:14.000041
23/10/2024	Paresh Dhirajlal Shah	09:00:00.001554	09:04:40.528069	09:07:08.000357
24/10/2024	Multiplier Share & Stock Advisors Private Limited	09:00:00.001348	09:00:15.755927	09:07:07.000036
25/10/2024	Multiplier Share & Stock Advisors Private Limited	09:00:00.001311	09:00:12.892447	09:07:06.000033
28/10/2024	Multiplier Share & Stock Advisors Private Limited	09:00:00.003123	09:00:10.631159	09:07:10.004428
29/10/2024	Afreena K T	09:00:00.001861	09:00:35.648401	09:07:14.001761
30/10/2024	Multiplier Share & Stock Advisors Private Limited	09:00:00.007006	09:06:35.058187	09:07:08.001740
31/10/2024	Paresh Dhirajlal Shah	09:00:00.001467	09:00:03.265385	09:07:11.001604
01/11/2024	Multiplier Share & Stock Advisors Private Limited	17:45:00.005407	17:48:46.664302	17:52:11.001839
04/11/2024	Multiplier Share & Stock Advisors Private Limited	09:00:00.001941	09:00:12.643387	09:07:14.003042
05/11/2024	Multiplier Share & Stock Advisors Private Limited	09:00:00.001485	09:00:04.942453	09:07:11.001671
06/11/2024	Multiplier Share & Stock Advisors Private Limited	09:00:00.004027	09:00:01.661984	09:07:08.001696
07/11/2024	Multiplier Share & Stock Advisors Private Limited	09:00:00.002328	09:00:58.532897	09:07:07.005122
08/11/2024	Multiplier Share & Stock Advisors Private Limited	09:00:00.002159	09:00:02.539950	09:07:06.001616
11/11/2024	Multiplier Share & Stock Advisors Private Limited	09:00:00.001595	09:00:15.181761	09:07:11.002338
12/11/2024	Multiplier Share & Stock Advisors Private Limited	09:00:00.001298	09:00:04.072051	09:07:06.001894
13/11/2024	Multiplier Share & Stock Advisors Private Limited	09:00:00.001460	09:00:04.377741	09:07:14.001791
14/11/2024	Multiplier Share & Stock Advisors Private Limited	09:00:00.001687	09:00:04.946210	09:07:10.001859
18/11/2024	Multiplier Share & Stock Advisors Private Limited	09:00:00.002587	09:00:07.070760	09:07:13.004099
19/11/2024	Vinod Kumari	09:00:00.056210	09:00:46.967357	09:07:07.001400
21/11/2024	Multiplier Share & Stock Advisors Private Limited	09:00:00.004446	09:00:10.254670	09:07:07.002737

It was observed that due to aforesaid trading pattern, share price of the Company fell from Rs.242.10 on September 27, 2024 to Rs.42.39 on November 21, 2024.

***Patch-III***

15. Multiplier Share & Stock Advisors Private Limited and Paresh Dhirajlal Shah were instrumental in increasing the share price of the Company in Patch-III through first trades on similar lines as outlined for Patch-I. Therefore, the aforesaid repeated trading pattern of Multiplier Share & Stock Advisors Private Limited, Setu Securities Pvt. Ltd., Paresh Dhirajlal Shah and Ruchira Goyal cannot be serendipitous. The same needs detailed investigation.

***Shareholding pattern of LSIL***

16. As the trading pattern was found to be suspicious, shareholding pattern of the Company was also examined. It was noted that on October 12, 2022, one public shareholder and ex-director of the Company namely “Suet Meng Chay” holding 10,28,82,050 shares of the Company (equivalent to 12.12% of entire shareholding of the Company), transferred entire shareholding in an off-market transaction to one “Jahangir Panikkaveetil Perumbarambathu” (hereinafter referred as “JPP/Jahangir”), an NRI residing in Dubai. At that point of time, trading in the scrip had been suspended since December 30, 2013 and the Company was not having any operations.
17. At the time of suspension of trading in the scrip, i.e., on December 30, 2013, the share price of the Company was Rs. 15 per share. Accordingly, the shares transferred in off-market by “Suet Meng Chay” to JPP were worth not less than Rs. 154.32 crore calculated at the last available share price of Rs.15/-. Shockingly, it was noted that the aforesaid off-market transfer took place only at Rs. 75 (USD 1) as per the share transfer agreement provided by NSDL which is reproduced as follows:

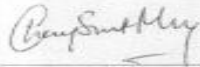
**SHARE TRANSFER AGREEMENT**

By Virtue of private instrument, Suet Meng Chay, Citizen of Republic of Singapore having passport number K0224540D residence at 19 B LIM TUA TOW ROAD 04-07 SINGAPORE 547802, DP & Client ID 11446873 IN300118 (herein called "transferor") transfers and sell the undersigning Jahangir Panikkaveeetttil Perumbarambathu, NRI (Non Indian Resident) having passport no. L4948742 at Malikayil House, P O Orumanayur, Trichur, Kerala, having DP & Client ID 13027900 003051118 (herein called "Transferee") who accepts and acquires **10,28,82,050** equity shares of LS Industries Limited, a company incorporated under Companies Act 1956 having registered office at village Bairsen, P.O Manjholi Tehsil Nalagarh-174101 at cash consideration of USD 1/- (One Dollar)

It is hereby agreed that transferee will hold the said shares under the same condition as it was held by the transferor under the terms and condition of the Memorandum and Article of Association of the company and all the dividend rights from the said equity shares shall be vest in their entirety with the transferee.

Place: Singapore

Date: 5<sup>th</sup> of May 2022



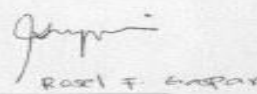
Suet Meng Chay  
(Transferor)



Jahangir Panikkaveeetttil Perumbarambathu  
(Transferee)



MICHAEL BESKI  
(Transferor's Witness)



RAVI F. SAGAR  
(Transferee's Witness)

18. JPP, thus, received 10,28,82,050 shares of the Company for a token value of USD 1. As JPP was declared a public shareholder by the Company, it was strange that shares, which were worth millions of dollars/ many crores on the date of transfer, i.e., October 12, 2022 would be given almost free of cost to some stranger. On October 12, 2022, the 10,28,82,050 shares given to JPP were valued at least the following:
  - a. If face value is considered - Rs.10,28,82,050 (10,28,82,050 \* Rs. 1 - Face Value);
  - b. If market value is considered – Rs. 154,32,30,750 (10,28,82,050 \* Rs. 15 - closing price on December 30, 2013 and ISIN value as per NSDL).
19. Further, it was also noted that on September 27, 2024 when share price of LSIL touched a high of Rs. 267.50, the shares of JPP that were purchased for Rs. 75/ USD 1 were worth Rs. 2752 crore (10,28,82,050 \* Rs. 267.50) or USD 328.60 million (USD-INR conversion rate of 83.75).
20. In view of same, in order to understand whether JPP was a regular trader or whether he was having other investments in the capital market, further examination was carried out. On examination of the same, it was noted that

between January 01, 2022 till January 31, 2025, except buying of 10,28,82,050 shares of LSIL in off-market, and selling 1,06,500 shares of LSIL in the market and buying 48 shares of Jio Financial Services Ltd, JPP had not traded in any other securities. Further, he had no other investments in equity shares. His KYC details also indicated that he was an employee of “Dutch Oriental Mega Yatch LLC, Dubai” where he was working as “Administration Manager”.

21. Since it is highly unlikely for an employee to receive benevolence worth multiple crores, further analysis was carried out and the preliminary examination revealed that JPP was a promoter connected entity.
22. It was noted that promoter of LSIL, M/s Profound Finance Pvt. Ltd., is owned by Mr. Dharam Pal Goel and Mr. Ramesh Chander. Ms. Sudesh Goel is wife of Dharam Pal Goel and she is family member of Mr. Ramesh Chander. She is also sister of one Mr. Om Prakash, who is father of Mr. Ashish Garg. Mr. Ashish Garg is a facebook friend of Mr. JPP.
23. Further, as per website of *Robochef India Private Limited* (“Robochef”), viz., [www.robochef.com](http://www.robochef.com) (in which LSIL announced acquisition of 75% stake), JPP is “Director Operations” for UAE and Ashish Garg is “VP Operations” in India. Further, it was also observed that, Robochef is owned by Mr. Chandan Sahni and Mr. Karan Goyal. LSIL in its corporate announcement dated November 14, 2024 mentioned that Robochef is a startup, hence it has no current revenue. However, it was noted that the said company had no operations in India. Further, contrary to positive news of acquisition of stake by LSIL in Robochef, India, father of Karan Goyal (Mr. Suresh Goyal) and family members of Chandan Sahni (Alka Sahni and Shashi Kant Sahni HUF) purchased/sold shares of LSIL in the following manner:

Name of Entity	No. of shares sold	Average Sell Rate	Period of Sell	No. of shares purchased	Average Buy Rate	Period of Purchase
Suresh Goyal	1,68,850	163.15	21/08/2024 to 27/09/2024	Nil	Nil	Nil
Alka Sahni	18,779	118.25	18/10/2024 *	10,000	42.39	21/11/2024 *
Shashi Kant Sahni HUF	9,350	131.73	17/09/2024 & 18/10/2024	9,350	106.25	29/08/2024, 11/09/2024 & 12/09/2024

(Alka Sahni was already holding shares of LSIL on October 18, 2024 and had bought additional shares on November 21, 2024)

24. The connection details of various entities are as follows:

## Meet our team



**PP JAHANGIR**  
Director Operations



**ANOOP KANJIGHAT**  
Finance Controller



**CRIS CAODY**  
GM Operations



**NIYAS CHITTAKATH**  
GM Manufacturing



**ZARINE NAJMUDDIN**  
CTO Hydroponics



**GIANFRANCO IANNOPOLO**  
Director Sales



**JAY KARLO**  
GM ROBOCHEF



**SWAPNIL PATRIKAR**  
GM Hospitality

## Meet our team



**NAVEEN GUPTA**  
Finance Controller



**CHARU SOBTI**  
CS & Compliance



**NIPUN GOYAL**  
VP Marketing



**ASHISH GARG**  
VP Operations



**KARAN GOYAL**  
COO RoboChef

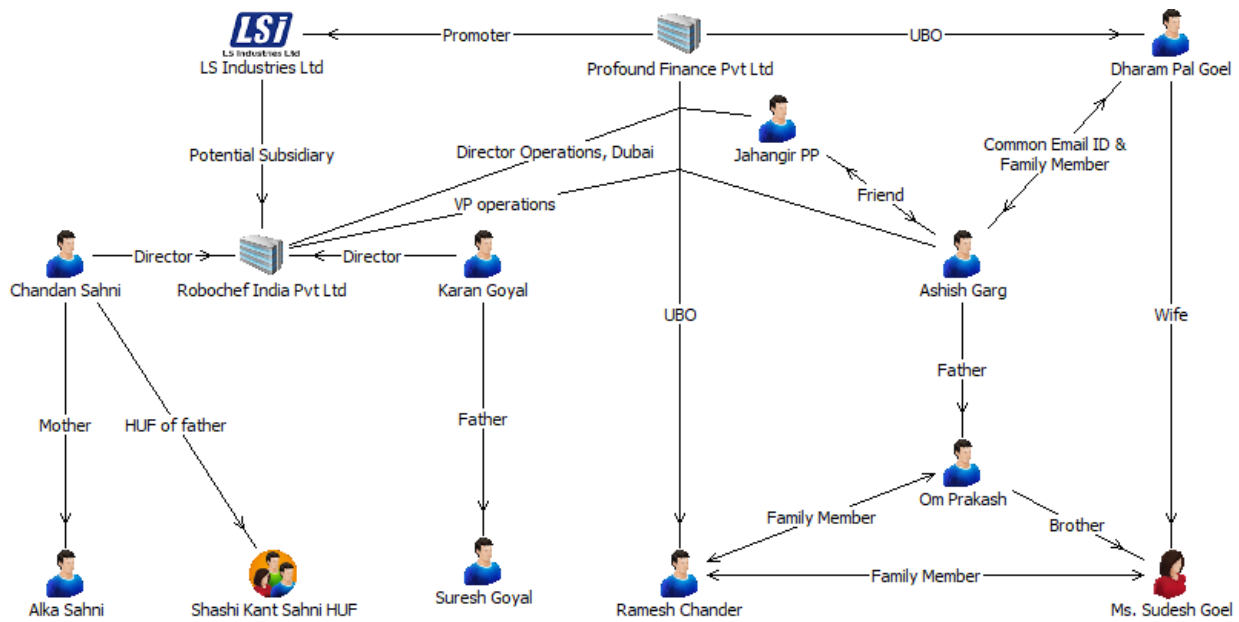


**CHANDAN SAHNI**  
VP RoboChef



**SURYA PRAKASH**  
Agronomist

(Source: [www.robochef.com](http://www.robochef.com))



25. In view of the above, it was noted that the Company and its promoter devised a scheme in which ex-director of the Company, Ms. Suet Meng Chay, first transferred 12.12% holding of the Company for just USD1 to JPP, then entities namely Multiplier Share & Stock Advisors Private Limited, Setu Securities Pvt. Ltd., Paresh Dhirajlal Shah and Ruchira Goyal caused the sudden spike and fall in the share price of the Company. Further, contrary to all the positive announcements made by the Company, when share price touched its high of Rs.267.50 on September 27, 2024, JPP sold some of his shares at Rs.267.50. The trading pattern of JPP also indicated that he sold most of his shares only during the period when there was price rise, i.e., in Patch-I and Patch-III. The details of same are as follows:

DATE	Selling Price	Qty. Sold	Value of shares sold
27/09/2024	267.50	11,000	29,42,500.00
18/10/2024	130.65	2,500	3,26,625.00
26/11/2024	54.22	5,000	2,71,100.00
27/11/2024	56.93	5,000	2,84,650.00
28/11/2024	59.77	5,000	2,98,850.00
02/12/2024	65.88	10,000	6,58,800.00
03/12/2024	69.17	8,000	5,53,360.00
04/12/2024	72.62	10,000	7,26,200.00
10/12/2024	88.26	10,000	8,82,600.00
11/12/2024	92.67	5,000	4,63,350.00
12/12/2024	97.30	5,000	4,86,500.00
13/12/2024	102.16	5,000	5,10,800.00

DATE	Selling Price	Qty. Sold	Value of shares sold
16/12/2024	107.26	5,000	5,36,300.00
17/12/2024	112.62	5,000	5,63,100.00
18/12/2024	118.25	5,000	5,91,250.00
19/12/2024	124.16	5,000	6,20,800.00
23/12/2024	136.87	5,000	6,84,350.00
<b>Grand Total</b>		<b>1,06,500</b>	<b>1,14,01,135.00</b>

26. In view of the above facts, it was *prima facie* observed that LSIL, its promoter, viz., Profound Finance Pvt. Ltd., JPP, Suresh Goyal, Alka Sahni and Shashi Kant Sahni HUF were part of a manipulative scheme designed to defraud the investors. Accordingly, they are alleged to have *prima facie* violated the provisions of section 12A(a), (b) and (c) of SEBI Act, 1992 read with regulation 3(a), (b), (c), (d) and 4(1), 4(2)(a), 4(2)(b) and (e) of PFUTP Regulations.
27. Further, on analysis of bank statements of JPP, it was observed that soon after selling his shares, he remitted following funds to Dubai:

Date of Remittance	Amount (In INR)	Amount (In AED)
21/10/2024	21,29,747.94	91,500
25/10/2024	6,97,864.78	30,000
09/01/2025	21,30,842.82	90,000
10/01/2025	21,32,643.14	90,000
<b>Total</b>	<b>70,91,098.68</b>	<b>3,01,500</b>

28. Therefore, out of 10,28,82,050 shares received by JPP for USD1, he sold a fraction of shares, i.e., 1,06,500 shares and made Rs.1.14 crore. As of February 10, 2025, he is still holding shares worth Rs. 698 crore (10,27,75,550 \* Rs. 67.95, i.e., closing price of February 10, 2025).
29. Further, trading pattern of Suresh Goyal (Father of Karan Goyal) was also found to be suspicious. It was noted that he sold shares only during the Patch-I, where huge price rise was seen. It was seen that in Patch-I, a total of 5,62,457 shares were traded, out of which 30% shares, viz., 1,68,850 shares were sold by Mr. Suresh Goyal alone. As there was no liquidity in the scrip, Suresh Goyal was found to bring liquidity in the scrip. The trade details of Suresh Goyal is subject to detailed investigation.

### ***Need for interim directions***

30. The facts emerging out of the instant case present an intriguing situation where shares of a listed company having NIL revenue and no business activity for the past many years have traded / are trading at prices giving the Company a market capitalization worth thousands of crores.
31. What has added more intrigue to the story is the fact that an ex-Director of the Company, having 12.12% shares, nominally valued at Rs.10.28 crore in total, sold the entire shareholding to an NRI for a token amount of one dollar only, allowing the new shareholder to have astronomical paper wealth in a short period of time. At the Dollar-Rupee conversion rate of Rs.83.75, this made the purchaser richer by USD 328.60 million (Rs. 2752 crore) at the Company's peak market capitalization of Rs. 22,700 crore. The said transaction not only appears to be too good to be true, but also raises possibility of FEMA violations.
32. Apart from the above, the facts of the case raise other red flags, which cannot be overlooked. While the Company has declared its intention to acquire Robochef, certain relatives of directors of Robochef (Noticees 4 to 6), who are also the shareholders of LSIL, have utilized this opportunity to dump shares of the Company and have made windfall gains. Such pattern of trading definitely raises concern regarding more mischief happening behind the scene.
33. While the facts of the case have painted a picture of absurdities and anomalies, the examination by SEBI is still in progress. However, as the proverb goes, "*a stitch in time, saves nine*", there is a need to act before another pump and dump happens and more innocent investors, who invest without knowing what is happening behind the scene, lose money and burn their fingers. It is noted that number of public shareholders has increased from 3892 on June 30, 2024 to 6106 on December 31, 2024.
34. Before the Noticees are able to offload their holding in any significant manner, it is imperative to take preventive action to protect market integrity and investor interest. Unless SEBI acts fast, there is a real risk of the Noticees off-loading their shares at the cost of investors, who get drawn to the shares of the Company



seeing high valuations and volumes and would end up getting duped and taken for a ride. Faced with this piquant situation, I feel no hesitation in intervening in the matter at this stage by way of an interim order. In my opinion, it is a fit case where the regulator should intervene to safeguard investors. Further, action needs to be taken promptly to prevent more money leaving the shores of India through sale of shares by the NRI shareholder. Accordingly, I proceed to issue interim directions in this matter, pending further examination by SEBI.

35. At the same time, I deem it fit to sound a note of caution for the investors. It is noted that the investors at times act in a manner bereft of any caution or rationale. Investors in blind pursuit of profit through investment in a company without any fundamentals are like children following the proverbial pied-piper of Hamelin. Markets can be generous at times but cannot be so generous to give outlandish gains. In a market where unscrupulous elements seem to be casting their net wide by indulging in various manipulative practices, the investors must not allow the lure of easy profits get the better of them.

### **Order**

36. Keeping in view the foregoing, I, in exercise of the powers conferred upon me under sections 11, 11(4) and 11B(1) read with section 19 of the SEBI Act, hereby issue the following directions, which shall be in force until further orders:
- a. Noticee 2 to 6 are hereby restrained from buying, selling or dealing in the shares of LSIL either directly or indirectly, in any manner whatsoever until further orders. The said Noticees are permitted to settle the pay-in and pay-out obligations in respect of transactions, if any, which have taken place before the close of trading on the date of this order.
  - b. Noticee 1 is hereby restrained from buying, selling or dealing in securities or accessing the capital market either directly or indirectly, in any manner whatsoever until further orders.
  - c. The alleged unlawful gains of Rs. 1,14,01,135/- accrued to Noticee 2 from sale of shares as part of a *prima facie* fraudulent scheme, are impounded.

- d. Banks where the Noticee 2 is holding bank accounts, including joint accounts, are directed that no debits in his accounts shall be made without permission of SEBI. Further, the Depositories are also directed that no debit shall be made without permission of SEBI in respect of the demat accounts held by him. However, credits, if any, into the accounts maybe allowed. Further, debits in the bank accounts may be allowed for amounts available in the accounts in excess of the amount to be impounded. Banks are allowed to debit the accounts for the purpose of complying with this Order. Banks and the Depositories are directed to ensure that all the aforesaid directions are strictly enforced.
  - e. Noticee 2 is further directed to provide a full inventory of all his assets whether movable or immovable, or any interest or investment or charge in any of such assets, including property, details of all his bank accounts, demat accounts, holdings of shares/securities if held in physical form and mutual fund investments and details of companies in which he holds substantial or controlling interest immediately but not later than fifteen (15) working days from the date of service of this order.
  - f. Noticees are directed to co-operate with SEBI's investigation by furnishing all relevant information.
37. A detailed investigation by SEBI in the matter is hereby directed, and may be completed expeditiously, i.e., by May 15, 2025.
38. The above directions shall take effect immediately and shall be in force until further orders.
39. The findings 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 its 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.

40. 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.
41. A copy of this order shall be served upon the Noticees, Exchanges, Depositories, RTAs and Banks for necessary action and compliance with the above directions.

**DATE: FEBRUARY 11, 2025**

**PLACE: MUMBAI**

**ASHWANI BHATIA  
WHOLE TIME MEMBER  
SECURITIES AND EXCHANGE BOARD OF INDIA**