

# JUSTICE UPHELD says cement maker who is fighting alleged theft of MF units; court orders group to furnish bank guarantee until trial is over

## SC Orders Release of ₹344-cr MF Units to Dalmia Bharat

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**Mumbai:** The Supreme Court on Tuesday ordered IL&FS Securities Services (ISSL) to release mutual fund units worth ₹344 crore to the Dalmia Bharat Group, instruments the cement maker claimed were stolen by Allied Financial Services (AFS) early 2019.

While directing the release of mutual fund units, the apex court told Dalmia to furnish bank guarantees of equivalent amounts until the completion of the trial. Shares of Dalmia Bharat rallied 3.5% to ₹1,526 on Tuesday.

Earlier in an interim order, the SC gave an option to Dalmia to encash the mutual funds held by ISSL and keep the funds in a fixed deposit in the name of ISSL for a period of six months until further orders. Dalmia did not exercise the option and as such, ISSL continues to hold these stolen mutual fund units.

In February 2019, Dalmia Group had alleged that mutual fund units were illegally transferred from the demat accounts of its two subsidiaries. The group in March 2019 registered an FIR with the Economic Offences

### Case File

In February 2019, Dalmia Group alleged that MF units were **illegally transferred from demat accounts of its two subsidiaries**

The group filed FIR with Delhi Police alleging AFS, NSDL, ISSL and Money Mishra Overseas duped the firms of units worth **₹344 crore**



In November, Delhi Police filed a **charge sheet against AFS, ISSL and their officials**

Sebi's forensic audit too confirmed that the **fraud was perpetrated on the company**

Wing (EOW) of the Delhi Police, alleging that Allied Financial Services, Money Mishra Overseas, NSDL and ISSL have duped them of their securities worth ₹344 crore.

EOW, after investigation filed a charge sheet on November 12, 2019 against AFS, ISSL and their respective officials. The group had also requested Sebi to order ISSL to release its mutual fund units since the market regulator had the power and jurisdiction under the Depository Act to deal with such issues.

The market regulator had appointed KG Somani & Co to conduct a forensic audit into the illegal and unauthorised transfer of mutual fund units by AFS. The report submitted confirmed that the fraud was

perpetrated on the company. AFS had issued delivery instruction slips to itself based on forged requisition slips and used them with the forged signature to fraudulently transfer the securities to its own and associate entities' accounts. The market regulator also found that AFS used these units as collateral to trade in the futures and options market.

While confirming the development, Puneet Dalmia, MD of Dalmia Bharat Group, said the court has upheld justice. "The two years of proceedings finally reached a milestone; the court has decided that the securities need to be returned to the rightful owners," Dalmia said. A mailed query sent to ISSL and Allied Financial Services remained unanswered.