BEFORE THE RECOVERY OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
HEAD OFFICE, MUMBAI

ORDER UNDER SECTION 28A OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH THE SECOND SCHEDULE OF THE INCOME TAX ACT, 1961 AND RULES FRAMED THEREUNDER

In respect of Recovery Proceedings in the matter of Inanna Fashion and Trends Limited (Earlier known as Frontline Business Solutions Limited)

Recovery Certificate No. 2779 of 2020

Defaulter: Deepak Pandurang Vikhape (PAN: AFCPV3352H)

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1. *Securities and Exchange Board of India (SEBI) has initiated recovery proceedings* vide Recovery Certificate No. 2779 of 2020 against Shri Deepak Pandurang Vikhape (PAN: AFCPV3352H) ("Defaulter") in the matter of Inanna Fashion and Trends Limited (Earlier known as Frontline Business Solutions Limited) under Section 28A of the Securities and Exchange Board of India Act, 1992 read with Section 222 of the Income Tax Act, 1961 for recovery of penalty imposed by the Adjudicating Officer, SEBI vide order no. EAD-9/SM/44-54/2018 dated 05.06.2018.

2. In this regard, a Notice of Demand has been issued to the Defaulter on 23.01.2020. Bank accounts of the Defaulter have also been attached vide Attachment Proceeding No. 5754 of 2020 dated 04.03.2020 and demat accounts and mutual fund folios of the Defaulter have been attached vide Attachment Proceeding No. 5741 of 2020 dated 04.03.2020. In response to the attachment notices, HDFC Bank has informed SEBI vide email dated 05.03.2020 about the attachment of bank account no. 00601050218879 held by the Defaulter with them.

3. SEBI has subsequently received an email dated 18.09.2020 from Shri Santosh Thakur, Advocate for the Defaulter, wherein he has brought to the notice of SEBI that SEBI has attached the salary bank account no. 00601050218879 of his client,

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Shri Deepak Pandurang Vikhape pursuant to Attachment Proceeding No. 5754 of 2020 dated 04.03.2020. The said salary bank account is held with Fort Branch of HDFC Bank. The Advocate has requested SEBI to release the said salary bank account as per Section 60(1) of the Code of Civil Procedure, 1908.

4. The legal provisions pertaining to attachment of salary of the Defaulter are covered under Section 226 of the Income Tax Act, 1961 read with Section 60(1) of the Code of Civil Procedure, 1908 and are as under:

Section 226 of Income Tax Act, 1961:

Other modes of recovery

226. (1) .....

(1A) .....

(2) If any assessee is in receipt of any income chargeable under the head "Salaries", the Assessing Officer or Tax Recovery Officer may require any person paying the same to deduct from any payment subsequent to the date of such requisition any arrears of tax due from such assessee, and such person shall comply with any such requisition and shall pay the sum so deducted to the credit of the Central Government or as the Board directs :

***Provided** that any part of the salary exempt from attachment in execution of a decree of a civil court under section 60 of the Code of Civil Procedure, 1908 (5 of 1908), shall be exempt from any requisition made under this sub-section.*

Section 60(1) of the Code of Civil Procedure, 1908

60. Property liable to attachment and sale in execution of decree.—
(1) The following property is liable to attachment and sale in execution of a decree, namely, lands, houses or other buildings, goods, money, bank-notes cheques, bills of exchange, hundis, promissory notes, Government securities, bonds or other securities for money, debts, shares in a corporation and, save as hereinafter mentioned, all other saleable property, movable or immovable, belonging to the judgment-debtor, or over which, or the profits of which, he has a disposing power which he may exercise for his own benefit, whether the same be held in the name of the judgment-debtor or by another person in trust for him or on his behalf:

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Provided that the following particulars shall not be liable to such attachment or sale, namely:—

....

(i) salary to the extent of the first one thousand rupees and two third of the remainder in execution of any decree other than a decree for maintenance:

Provided that where any part of such portion of the salary as is liable to attachment has been under attachment, whether continuously or intermittently, for a total period of twenty-four months, such portion shall be exempt from attachment until the expiry of a further period of twelve months, and, where such attachment has been made in execution of one and the same decree, shall, after the attachment has continued for a total period of twenty-four months, be finally exempt from attachment in execution of that decree.

5. In order to effect release of salary in accordance with Section 226 of the Income Tax Act, 1961 read with Section 60(1) of the Code of Civil Procedure, 1908, information pertaining to the salary of the Defaulter was sought from the Defaulter, employer of the Defaulter and HDFC Bank. From the submissions of the Defaulter, employer of the Defaulter and HDFC Bank, I note the following:

   (i) the Defaulter is employed with D.D. Associates of Dosti Group ("Employer") as office assistant since 01.01.2005.

   (ii) The Defaulter, Employer and HDFC Bank have undertaken/confirmed to SEBI that the bank account no. 00601050218879 (referred to by the Advocate of the Defaulter in his request email dated 18.09.2020 for release of salary bank account of the Defaulter) is the salary bank account of the Defaulter.

   (iii) As of date, salary for the months of February 2020 till September 2020 has been credited in the salary bank account on or after 04.03.2020, being the date on which bank accounts of the Defaulter have been attached vide Attachment Proceeding No. 5754 of 2020.

   (iv) Salary slip for the month of February 2020 has been furnished by the Defaulter and Employer. For the remaining months from March 2020 to September 2020, salary certificate has been furnished by the Employer, showing monthwise details of salary of the Defaulter for the months from March 2020 till September 2020.

(v) The Employer has submitted that the salary amount paid to Shri Deepak Pandurang Vikhape is the net payable amount after deductions from gross salary. The Employer has further submitted that due to COVID-19 and lockdown, real estate industry has been affected tremendously because of which it has not been able to pay full salary to Shri Deepak Pandurang Vikhape since March 2020. Accordingly, the Employer has paid the Defaulter the net payable salary in full for the month of February 2020 and a portion of the net payable salary for the months from March 2020 till September 2020. The Employer has given break-up of net payable salary, paid and unpaid, for the months from March 2020 to September 2020. Further, the Employer has also furnished salary certificate for the financial year 2020-21, showing break-up of salary payable per month and per annum to the Defaulter for the said financial year.

(vi) The balance in the salary bank account of the Defaulter on 04.03.2020, immediately after attachment of the said account vide Attachment Proceeding No. 5754 of 2020, is ₹19,010.85. On examination of the credits and debits in the bank account over the previous month of February 2020 till the date of attachment, I observe that salary for the month of January 2020, amounting to ₹31,220/-, has been credited in the bank account on 01.02.2020. Subsequent to the credit of salary for the month of January 2020, the account balance has turned negative on 10.02.2020. Thus, the above mentioned credit balance of ₹19,010.85 on 04.03.2020 is on account of credits in the bank account subsequent to 10.02.2020 not in the nature of salary.

6. In view of the above, after considering the facts and circumstances of the case, the attachment of bank account no. 00601050218879 of Shri Deepak Pandurang Vikhape hereby stands modified to the extent of his salary credited in it since the attachment of the bank account on 04.03.2020, and the amount exempt from attachment works out as under:

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Month	Gross salary (₹)	Net payable salary (₹)	Paid salary (₹)	Unpaid salary (₹)	Salary amount exempt from attachment (₹)	
					Calculation	Exempt amount
Feb-2020	33,667.00	26,119.00	26,120.00	-	1,000 + {(33,667 – 1,000) x 2/3}	22,778.00
Mar-2020	33,668.00	26,220.00	15,000.00	11,220.00	1,000 + {[(33,668 – 1,000) – 11,220] x 2/3}	15,298.67
Apr-2020	31,500.00	24,052.00	15,000.00	9,052.00	1,000 + {[(31,500 – 1,000) – 9,052] x 2/3}	15,298.67
May-2020	31,500.00	24,352.00	15,000.00	9,352.00	1,000 + {[(31,500 – 1,000) – 9,352] x 2/3}	15,098.67
Jun-2020	31,500.00	24,352.00	15,000.00	9,352.00	1,000 + {[(31,500 – 1,000) – 9,352] x 2/3}	15,098.67
Jul-2020	31,500.00	27,381.00	24,300.00	3,081.00	1,000 + {[(31,500 – 1,000) – 3,081] x 2/3}	19,279.33
Aug-2020	31,500.00	29,352.00	15,000.00	14,352.00	1,000 + {[(31,500 – 1,000) – 14,352] x 2/3}	11,765.33
Sep-2020	31,500.00	29,352.00	24,352.00	5,000.00	1,000 + {[(31,500 – 1,000) – 5,000] x 2/3}	18,000.00
Total	**2,56,335.00**	**2,11,180.00**	**1,49,772.00**	**61,409.00**		**1,32,617.33**

Thus, an amount of ₹1,32,617.33 out of the total balance in the bank account as of date is exempt from attachment as per Section 226 of the Income Tax Act, 1961 read with Section 60(1) of the Code of Civil Procedure, 1908.

7. For the salary that will be paid to the Defaulter subsequent to the date of this Order, the amount of salary exempt from attachment and liable for attachment works out as under:

Salary exempt from attachment :	₹1,000 + {[(*Monthly gross salary* – 1,000) – Unpaid salary, if any, for the month] x 2/3}
Salary liable for attachment :	[(Monthly gross salary – 1000) – Unpaid salary, if any, for the month] x 1/3

8. In case the unpaid salary mentioned in Para 6 or Para 7 above is paid to the Defaulter at a later date, the amount exempt from attachment and liable for attachment in respect of the such paid amount works out as under:

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Salary exempt from attachment :	Amount paid out of unpaid salary x 2/3
Salary liable for attachment :	Amount paid out of unpaid salary x 1/3

ORDER

9. *In exercise of the powers conferred under Section 28A of the Securities and* Exchange Board of India Act, 1992 read with the Second Schedule of the Income Tax Act, 1961 and rules framed thereunder I, hereby order:

   (i) HDFC Bank that the attachment vide Attachment Proceeding No. 5754 of 2020 dated 04.03.2020 under Recovery Certificate No. 2779 of 2020 is not to be effected in bank account no. 00601050218879 of Shri Deepak Pandurang Vikhape (PAN: AFCPV3352H) in respect of the exempt amounts cited in Paras 6, 7 and 8 above. Except for the above order, all other accounts attached pursuant to the above mentioned Notice of Attachment shall continue to be attached.

   (ii) D.D. Associates of Dosti Group, the employer of Shri Deepak Pandurang Vikhape that in respect of any salary that will be paid to Shri Deepak Pandurang Vikhape subsequent to the date of this Order, the amount of salary liable for attachment as cited in Paras 7 and 8 above shall be remitted forthwith to SEBI by way of EFT/NEFT/RTGS to SEBI Recovery Proceeds Account No. 012210210000013 of Bank of India, Bandra Kurla Complex Branch, Mumbai [IFS Code– BKID0000122].

10. Any confirmation of e-payment(s) made shall be forwarded to "The Recovery Officer, Securities and Exchange Board of India, SEBI Bhavan, Plot No. C – 4 A, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051" or sent by email to recoveryho@sebi.gov.in in the format as given in table below:

1. Case Name and Recovery Certificate No. :	
2. Name of Payee :	
3. Date of Payment :	
4. Amount Paid :	
5. Calculation of the Amount Paid :	
6. Transaction No. :	

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7. Bank Details from which payment is made :	

11. Certified true copy of this Order shall be served on - (i) The Branch Manager, Fort Branch, HDFC Bank and (ii) Compliance Officer, Compliance Department, HDFC Bank, for necessary compliance.

12. Certified true copy of this Order shall also be served on the employer of the Defaulter - D.D. Associates of Dosti Group, for necessary compliance.

13. Copy of this Order shall also be served on the Defaulter, for information.

SSAmbokar

SRISHTI AMBOKAR

Srishti Ambokar
सृष्टी आंबोकर
Dy. General Manager & Recovery Officer
उप महाप्रबंधक एवं वसूली अधिकारी
Securities and Exchange Board of India
भारतीय प्रतिभूति एवं विनिमय बोर्ड
Mumbai
मुंबई

Date: 09.10.2020

Place: Mumbai

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