

SECURITIES AND EXCHANGE BOARD OF INDIA

FINAL ORDER

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

In respect of:

Name of Noticee	PAN
Trafiksol ITS Technologies Limited.	AAGCT6473R

In the matter of Initial Public Offer of Trafiksol ITS Technologies Limited.

This Order deals with an unusual and unprecedented situation where the listing of the shares of a company, pursuant to its Initial Public Offer, was directed to be kept in abeyance. The direction was issued on account of a complaint that was received one day prior to the date of listing.

BACKGROUND

1. Trafiksol ITS Technologies Ltd. ("Trafiksol" or the "Company" or "Noticee"), having its office at 2nd Floor, B-68, Sector 63, Noida, Uttar Pradesh, specializes in providing intelligent transportation systems and automation solutions for traffic and toll management projects.
2. The Company filed a Draft Red Herring Prospectus ("DRHP/Prospectus") with BSE Ltd. ("BSE") on May 31, 2024, for its proposed Initial Public Offering ("IPO") of equity shares, which were proposed to be listed on the Small and Medium Enterprises (SME) Platform of the stock exchange.
3. The IPO involved fresh issuance of 64.10 lakh equity shares of the Company. Ekadrisht Capital Private Limited ("Ekadrisht" or the "MB"), located at 406, Summit Business Bay, Andheri Kurla Road, Andheri East, Mumbai-400 093, acted as the sole Book Running Lead Manager for the issue. The price band for

the issue was set between Rs. 66 and Rs. 70 per share, and the IPO was open for subscription between September 10, 2024 and September 12, 2024.

4. The offering was oversubscribed 345.65 times. The issue was priced at the upper end of the price band (Rs. 70 per share) and Rs. 44.87 Crore was raised through the issue. The basis of allotment for the IPO was finalized on September 13, 2024, and the shares were credited to the demat accounts of eligible applicants on September 16, 2024. The listing of the shares of the Noticee was scheduled for September 17, 2024.
5. Post the closure of the issue and allotment of shares, a complaint was received by SEBI and BSE from “Small Investors’ Welfare Association - SIREN” (“Complainant/ SIREN”) in respect of the IPO. The Complainant alleged that the objects of the aforesaid issue by the Noticee included purchase of software valued at Rs.17.70 crore from a vendor which, *inter alia*, had questionable financials and failed to file its annual financial statements with the Ministry of Corporate Affairs (“MCA”). In view of the above complaint, BSE in consultation with SEBI deferred the listing of the shares of the Noticee.

SEBI Order

6. Subsequently, SEBI passed ad interim *ex parte* order (“Interim Order”) dated October 11, 2024, directing an investigation to be undertaken by SEBI in the matter. The Interim Order also directed BSE to maintain the proceeds of the issue in an interest-bearing account till further directions.

Investigation

7. An investigation was accordingly carried out in the matter and a report dated November 11, 2024, was submitted. The major findings of the Investigation can be clubbed under three heads:
 - a. Intent of diversion of funds through misleading objects of the issue.
 - b. Misstatement of Financial Statements disclosed in Prospectus.
 - c. Concealment of material fact in the Prospectus.

Scope of present proceedings

8. The scope of these proceedings is confined to examination of the material misstatements in the Prospectus related to the objects of the issue. Other aspects of the investigation, including the role of the Merchant Banker, are being dealt with in separate proceedings. This matter is being addressed independently, given the critical urgency arising from the fact that investors' funds have remained locked in for more than two months pursuant to the Interim Order.

Show Cause Notice

9. A Show Cause Notice dated November 14, 2024, covering only the charges concerning misstatements in the prospectus related to the objects of the issue, was issued to the Noticee. The Noticee replied to the SCN vide letter dated November 22, 2024.

Hearing and Reply

10. Noticee availed the opportunity of hearing that was provided on November 22, 2024, wherein it was represented by Mr. Sumit Agrawal, Advocate and Mr. Rushin Kapadia, Advocate. The authorised representatives submitted during the course of the hearing that they are willing not to press for the request for cross-examination made in their reply dated November 22, 2024.

Inspection

11. The Noticee was granted an opportunity of inspection on November 25, 2024. The opportunity of inspection was availed by the Company and, thereafter, post-inspection written submissions were made vide letter dated November 29, 2024.

Consideration

12. Before moving forward to consider the allegations made in the SCN, it would be helpful to trace the chronology of the events leading up to the issuance of the SCN.

List of Dates	
May 31, 2024	DRHP filed with BSE
September 10, 2024 till September 12, 2024	Subscription period
September 15, 2024	Public announcement of the basis of allotment
September 16, 2024	Shares credited to the demat accounts of the eligible applicants

	Compliant received from 'SIREN'
September 17, 2024	Scheduled date of Listing
	Listing put on hold
September 18, 2024	Reply filed by MB before BSE
October 08, 2024	BSE Examination Report
October 11, 2024	SEBI Interim Order
November 11, 2024	Investigation Concluded
November 14, 2024	SCN Issued

13. Trafiksol filed DRHP for its proposed IPO of equity shares with BSE on May 31, 2024. The objects of the issue, as disclosed in the Prospectus, are detailed in the Table below:

Sr. No.	Object of Issue	Amount being utilised (Rs. In crore)
1	Purchase of Software	17.70
2	Repayment/prepayment, in part or full, of certain of our borrowings	5.50
3	To Meet Working Capital Requirements	10.40
4	General Corporate Purposes	8.28
5	To meet Issue Related Expenses	2.99
	Total	44.87

14. Purchase of Software, as can be noted from the Table above, was a major object of the issue amounting to close to forty per cent. of the issue size. The Prospectus disclosed that *“Trafiksol is in need of an Integrated Command Control Centre Software (ICCC) to function as the core operational hub for smart cities.”*
15. In respect of the complexity of developing the ICCC software, the Noticee submitted that *“Despite India's reputation as a Software giant, majority of Smart City ICCC solutions are sourced from international vendors such as Genetec, NEC, Hitachi and Honeywell. Presently, no Indian entities (other than BEL) have ventured into the development of comprehensive ICCC applications for Smart Cities. The Noticee, upon use of its existent skills, experience and knowledge in ICCC Software in Highway Segment intends to develop and procure the ICCC Application software for Smart Cities Projects from a reputed software developer with Intellectual Property Rights (IPR) at estimated cost of Rs. 15 crores.”*
16. It can, therefore, be noted that as per the Noticee's own submissions, developing ICCC software was a highly complex and challenging endeavour, requiring advanced technical knowledge and domain expertise. The complaint received by

SEBI questioning the credentials of the Third-Party Vendor (TPV), whose quote was relied upon by the Company in the Prospectus, needs to be looked at within this context.

17. As per the information available in MCA records, the present directors of the TPV are Akshay Prajapat and Kishanlal Prajapat and the entire share capital is subscribed between Avesh Patel, Sudhakar Shetty, and Vijay Vitthal. The records also indicated that these three individuals served as directors of the TPV till September 2019. Further, the current correspondence email ID of the TPV remains that of Avesh Patel (aveshca@gmail.com), despite his resignation as a director. The details of the directors of the TPV, as per MCA records, are as follows:

Sr. No.	Name of the Director	From	To
1.	Akshay Prajapat	30.09.2019	-
2	Kishan Lal Prajapat	18.10.2023	-
3	Kishanlal Bholu Ram Kumhar	12.02.2022	18.10.2023
4	Avesh Amrutlal Patel	26.02.2013	30.09.2019
5	Sudhakar Duggappa Shetty	26.02.2013	30.09.2019
6	Vijay Vittala Kunder	26.02.2013	30.09.2019
7	Uday Balkrishna Shirke	08.08.2016	10.09.2018

18. During the investigation, vide email dated October 15, 2024, and Summons dated October 16, 2024, certain information was sought from Avesh Patel. In reply, vide emails dated October 15, 2024, and October 16, 2024, Avesh Patel submitted that Kishanlal Bholu Ram Kumhar ("Kishanlal"), who served as a director of the TPV from February 12, 2022, to October 18, 2023, acquired the entire shareholding of the TPV in 2019, for a consideration of Rs. 20,000. In support of this statement, Avesh Patel submitted Form No. SH-4 evidencing the transfer of his stake in the company for a consideration of Rs. 6,668.
19. Statement of Kishanlal was recorded on October 17, 2024, wherein he submitted the following:
- [TPV] was not doing any business till the date of his resignation (October 2023) from the Company.*
 - He came in contact with Jitendra Das (Director/Promoter of Trafiksol) through a middleman, viz., Vijay Oswal (Contact No.*

7738192191/8369924927), and Vijay told him to give a quotation of [TPV] to Trafiksol for a commission.

(c) He got the transaction of giving quotation executed through Akshay Prajapat (Current Director).

(d) He and Akshay Prajapat had not met Jitendra at the time of giving the quotation. After BSE halted the IPO of Trafiksol, he along with Vijay, met Jitendra Das. The quotation submitted to Trafiksol were prepared by Vijay.

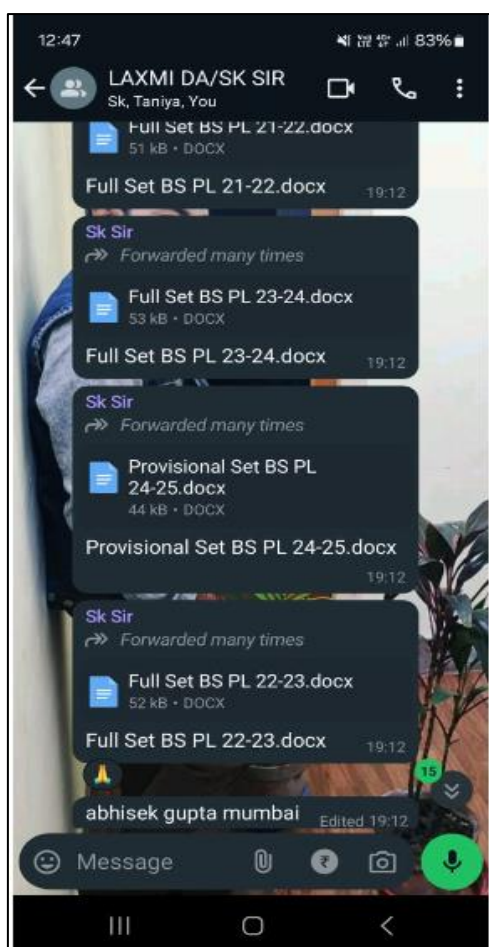
20. Further, it is noted that during his statement recording, Kishanlal accessed the email account of the TPV and submitted the emails sent by the TPV to Trafiksol. These included emails dated September 17, 2024, and September 18, 2024, whereby the profile and financials of the TPV were shared with Trafiksol.

21. In this respect, it is noted that during the examination undertaken by BSE, the MB submitted the profile and audited financial statements of the TPV for FY 22, FY23 and FY24 to BSE vide email dated September 18, 2024. The contents of both these emails are the same and therefore it can be reasonably concluded that information that was shared by Kishanlal with Trafiksol, which was subsequently forwarded by the Company to the MB, and then by the MB to BSE.

Financials of the TPV

22. The financial statements of the TPV that were submitted to BSE were signed by Sunil Murmuria, Chartered Accountant, who is the proprietor of Murmuria & Associates, Kolkata. It is noted from records, that the statement of Sunil Murmuria was recorded on oath on November 05, 2024. Sunil Murmuria deposed before SEBI that one Shailendra Kesari submitted the prepared Audit Report, Balance Sheet, and Profit & Loss Account of the TPV for FY22 to FY24 with an employee of Murmuria and Associates on September 18, 2024, for his signature.

23. It was further submitted that his employee subsequently generated the UDIN number and obtained his signature on the financial statements of the TPV. Sunil Murmuria submitted copies of the WhatsApp conversation of Shailendra Kesari with his employee. A snapshot of WhatsApp conversation is reproduced below:



24. It is noted that when the UDIN No. appearing on the financials submitted by the MB was verified from the ICAI website, it showed that the UDINs for the financial statement for all three years were generated on September 18, 2024, between 19:38:50 and 19:43:16. This aligns with the time mentioned in the snapshot of WhatsApp chat given above and statement made by Sunil Murmura before SEBI. What is interesting to note is that the financials of the TPV were emailed by the MB to BSE on the same day at 23:59.

Profile of the TPV

25. The profile of the TPV submitted to BSE highlighted the expertise of the TPV's directors and provided details of their clients. The profile mentioned that the present directors of the TPV, viz., Akshay Prajapat and Kishanlal Prajapat are distinguished professionals specializing in traffic control software solutions for smart cities. The relevant extract from the profile is given below:

OUR MANAGEMENT

Kishan Lal Prajapat

Kishan Lal Prajapat is a seasoned expert in the field of traffic control software for smart cities. With extensive experience in designing and implementing advanced traffic management systems, Kishan is adept at integrating cutting-edge technologies to optimize urban transportation networks. His work emphasizes the development of intelligent solutions that enhance traffic flow, reduce congestion, and support sustainable urban planning. Kishan's innovative approach and commitment to leveraging technology for smarter city infrastructures have established him as a key player in the domain of smart city traffic management.

Akshay Prajapat

Akshay Prajapat is a distinguished professional specializing in traffic control software solutions for smart cities. His expertise lies in creating and deploying sophisticated traffic management systems that improve transportation efficiency and urban mobility. Akshay's background includes a focus on incorporating real-time data analytics and adaptive technologies to address complex traffic challenges. His contributions are pivotal in advancing smart city infrastructure, with a strong emphasis on enhancing traffic flow and supporting sustainable development through innovative software solutions.

26. During the SEBI Investigation, attempts were made to record the statement of Akshay Prajapat. It is noted that though SEBI was initially able to reach him on the phone number disclosed on the nameplate found at the address disclosed as the office of the TPV, he later switched off his phone and was not reachable. Even though summons dated October 14, 2024, and October 30, 2024, were issued directing him to present himself before SEBI for recording his statement, they were not complied with.
27. Kishanlal deposed under oath that Akshay Prajapat travelled from Mumbai to Ajmer following the receipt of SEBI's summons, based on his instructions. The tower locations of the phone of Akshay Prajapat, obtained from the telephone service provider, corroborate the statement made by Kishanlal. It is noted that Akshay Prajapat travelled from Mumbai to Bhilwara and then to Ajmer after summons was issued directing him to appear before SEBI. The details of the tower locations of Akshay Prajapat, during the relevant days, are given in the Table below:

Date	Location
14.10.2024	Mira Road, Mumbai
15.10.2024	Mira Road, Mumbai
16.10.2024	Bhilwara, Rajasthan
17.10.2024	Ajmer, Rajasthan
18.10.2024	Ajmer, Rajasthan

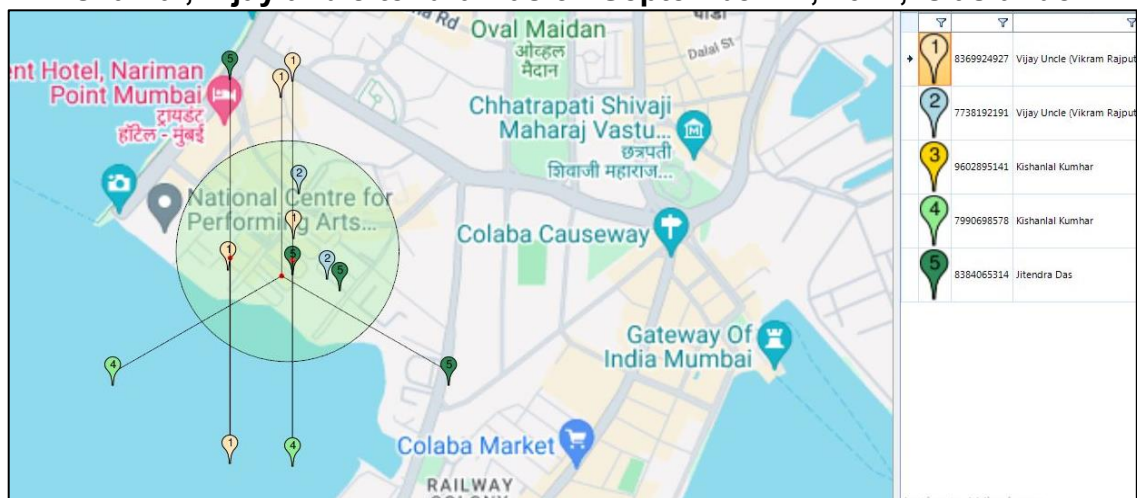
28. It is further observed that projects cumulatively valued at Rs.12.82 crore were listed as in the pipeline of TPV. It is noted that during the Investigation, information was called from three companies shown in the project pipeline—Techno Industries Pvt. Ltd., Havit Remedies Pvt. Ltd. and Manchanda Renewable Pvt. Ltd. The profile stated that the TPV was purportedly supplying software worth Rs.5.73 crore to these three entities. Two of these entities, Techno Industries Pvt. Ltd. and Manchanda Renewable Pvt. Ltd., replied and stated on record, that they had no dealings with the TPV. This casted doubts on the validity of the client list presented in the profile submitted by the Company through the MB.
29. Additionally, the profiles of the directors listed in the TPV's submission raised further concerns. The details of the directors appeared to be unusually tailored to match the requirements of Trafiksol, which by itself looked questionable. Further, as stated earlier, one of the directors, when contacted by SEBI for questioning, initially answered the call but then switched off his phone.
30. Noticee, in response to this allegation, stated that it merely forwarded documents which were submitted by the TPV. It was also stated that there was no allegation in the SCN that the TPV and Trafiksol are connected entities. It has, accordingly, been argued that there was no incentive for the Noticee for fabricating or even be knowingly submitting documents which according to SEBI were fabricated.
31. The arguments made in this respect by the Noticee cannot be accepted. It can be reasonably concluded that the Managing Director of the Company, given his long association with this sector, at the very least, was aware that the profile of the TPV directors was fraudulent.
32. Given these findings, it is reasonable to infer that the profile of the TPV submitted by Company, including the Director's credentials, contained false information and the MD of Trafiksol was aware of the same.
33. It is further noted that Kishanlal, during his statement recording, disclosed that Vijay Oswal approached him to provide a quote, which was subsequently relied upon in the prospectus, on a commission basis. Kishanlal further stated that he had never met Jitendra Das prior to providing the quote and that his first meeting with the MD of Trafiksol occurred on September 17, 2024, after the IPO was put

on hold. This statement is corroborated by Call Data Records (CDR), which confirm that Kishanlal, Vijay, and Jitendra Das met between 18:06 and 20:49 on September 17, 2024. The details of the same are given below:

Geo Location	Time of the meeting	Cell ID address of Kishanlal, Vijay and Jitendra Das
18.9250553879325/72.8230130826417	18:06 to 20:49	Nariman Point Mumbai Maharashtra 400021

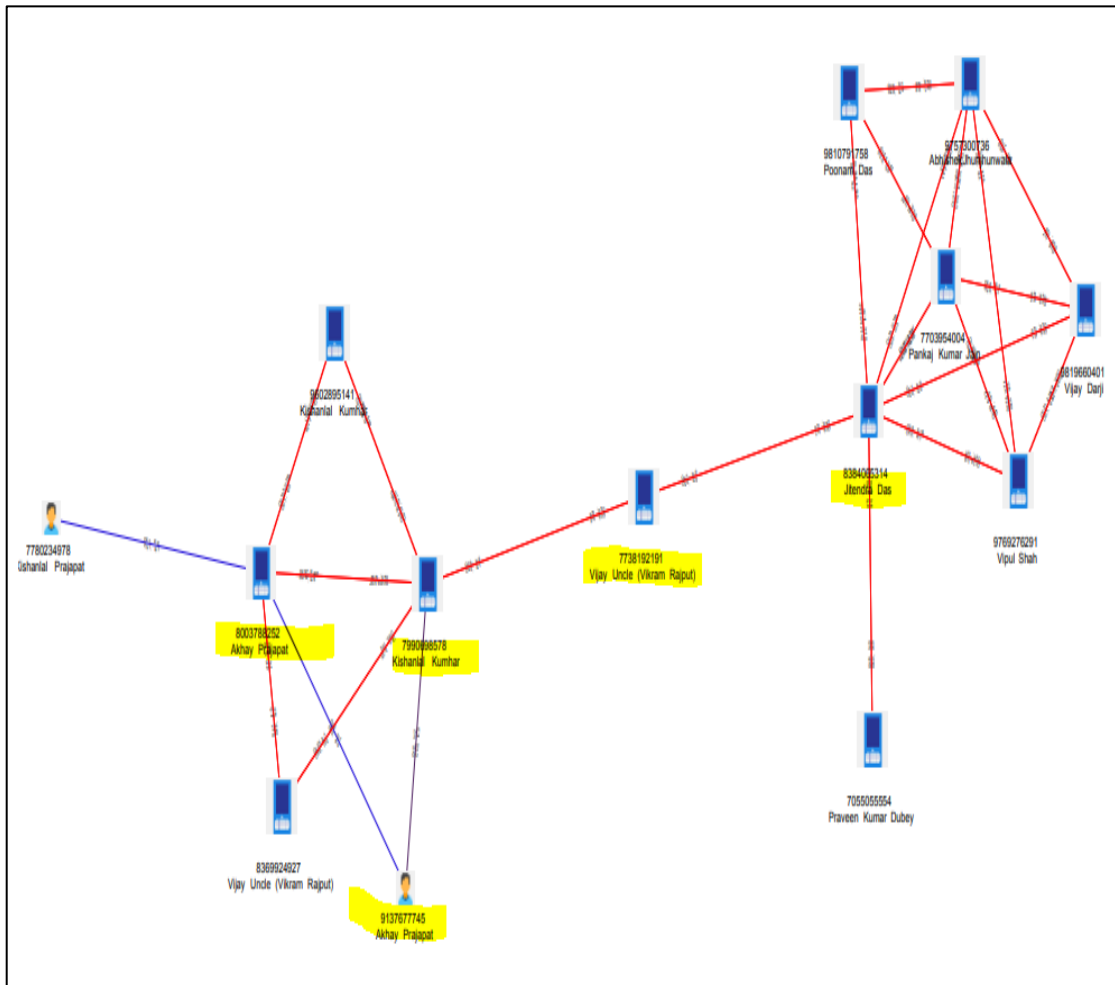
Meeting Point	CdrNo	Name- CdrNo	Date	Time	Cell ID Address
CdrNos (2), Meeting Point (18.9250553879325/72.8230130826417)					
18.9250553879325/72.8230130826417	8369924927	Mr. Vijay	17/Sep/2024	18:06:46	Maker Chambers A/b V
18.9250553879325/72.8230130826417	8384065314	Jitendra Das	17/Sep/2024	18:28:17	Regent Chambers,Jammalal Bajaj RdNariman PointMumbai Maharashtra 400021
CdrNos (2), Meeting Point (18.9250553879325/72.8230130826417)					
18.9250553879325/72.8230130826417	8384065314	Jitendra Das	17/Sep/2024	18:33:43	Maker Chambers A/b V
18.9250553879325/72.8230130826417	7738192191	Mr. Vijay	17/Sep/2024	18:38:20	Tulsiani chamber,free Pres jousnal Marg,backbay reclamation,nariman point-400021
18.9250553879325/72.8230130826417	8369924927	Mr. Vijay	17/Sep/2024	18:46:21	AXIS BANK, NARIMAN POINT, CHURCHGATE.MUMBAI 400021
CdrNos (3), Meeting Point (18.9250553879325/72.8230130826417)					
18.9250553879325/72.8230130826417	8369924927	Mr. Vijay	17/Sep/2024	19:13:46	Regent Chambers,Jammalal Bajaj RdNariman PointMumbai Maharashtra 400021
18.9250553879325/72.8230130826417	7990698578	Kishanlal Kumhar	17/Sep/2024	19:17:09	AXIS BANK, NARIMAN POINT, CHURCHGATE.MUMBAI 400021
18.9250553879325/72.8230130826417	8384065314	Jitendra Das	17/Sep/2024	19:25:52	Regent Chambers,Jammalal Bajaj RdNariman PointMumbai Maharashtra 400021
CdrNos (3), Meeting Point (18.9250553879325/72.8230130826417)					
18.9250553879325/72.8230130826417	7738192191	Mr. Vijay	17/Sep/2024	19:30:36	Tulsiani chamber,free Pres jousnal Marg,backbay reclamation,nariman point-400021
18.9250553879325/72.8230130826417	8384065314	Jitendra Das	17/Sep/2024	19:30:36	AXIS BANK NARIMAN POINT CHURCHGATE.MUMBAI 400021
18.9250553879325/72.8230130826417	8369924927	Mr. Vijay	17/Sep/2024	19:46:28	Regent Chambers,Jammalal Bajaj Rd,Nariman Point,Mumbai, Maharashtra 400021
18.9250553879325/72.8230130826417	7990698578	Kishanlal Kumhar	17/Sep/2024	20:10:53	Maker Chambers A/b V
CdrNos (4), Meeting Point (18.9250553879325/72.8230130826417)					
18.9250553879325/72.8230130826417	7990698578	Kishanlal Kumhar	17/Sep/2024	20:10:55	Maker Chambers A/b V
18.9250553879325/72.8230130826417	8384065314	Jitendra Das	17/Sep/2024	20:20:26	Shafuallah Shop,Captain Prakash Pethe Marg, Machimar Nagar, Cuffe Parade, Mumbai, Maharashtra 400001,Colaba Police Station, Colaba Post Office
CdrNos (2), Meeting Point (18.9250553879325/72.8230130826417)					
18.9250553879325/72.8230130826417	8384065314	Jitendra Das	17/Sep/2024	20:36:58	Tulsaini Chambers No. 212 Opposite Sachivalaya Free Press Journal Road Nariman Point Mumbai - 400021 Nariman Point Mumbai Maharashtra 400021
18.9250553879325/72.8230130826417	7738192191	Mr. Vijay	17/Sep/2024	20:40:07	Behind Mantralay, Churchgate
18.9250553879325/72.8230130826417	8369924927	Mr. Vijay	17/Sep/2024	20:49:52	jammalal bajaj marg,opp.maker chamber 3,nariman point,mumbai

The pictorial presentation of the tower location and meeting point of Kishanlal, Vijay and Jitendra Das on September 17, 2024, is as under:

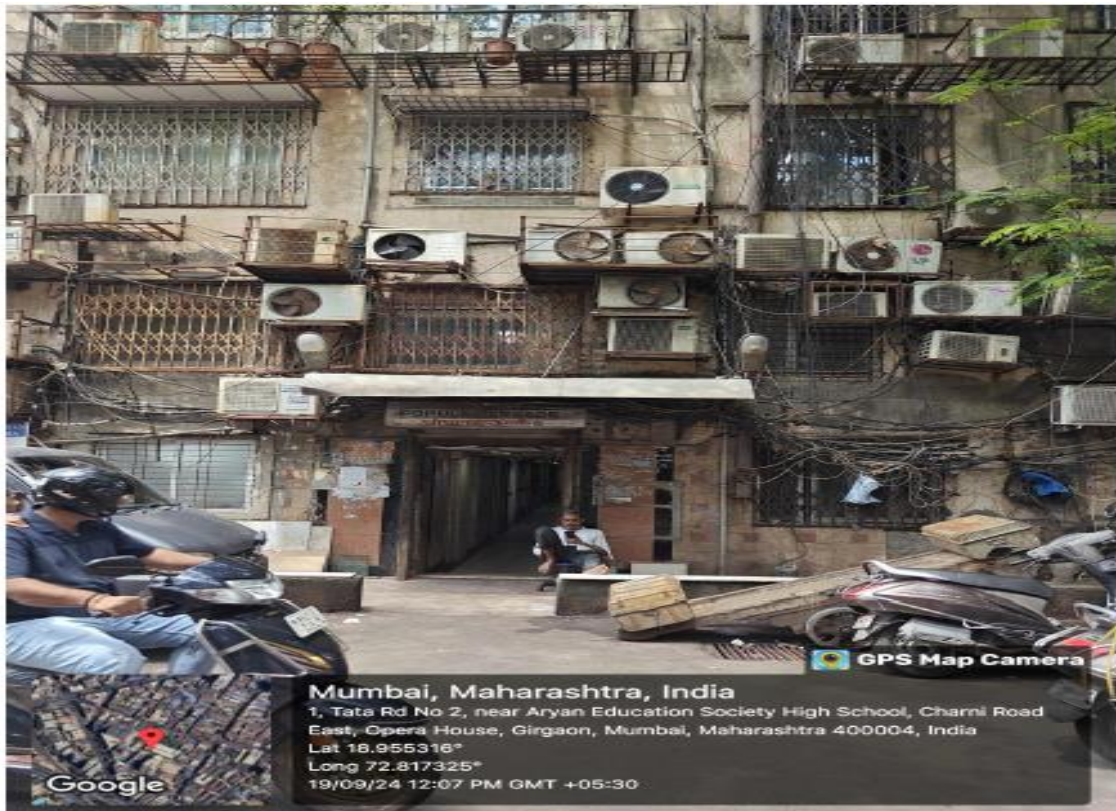
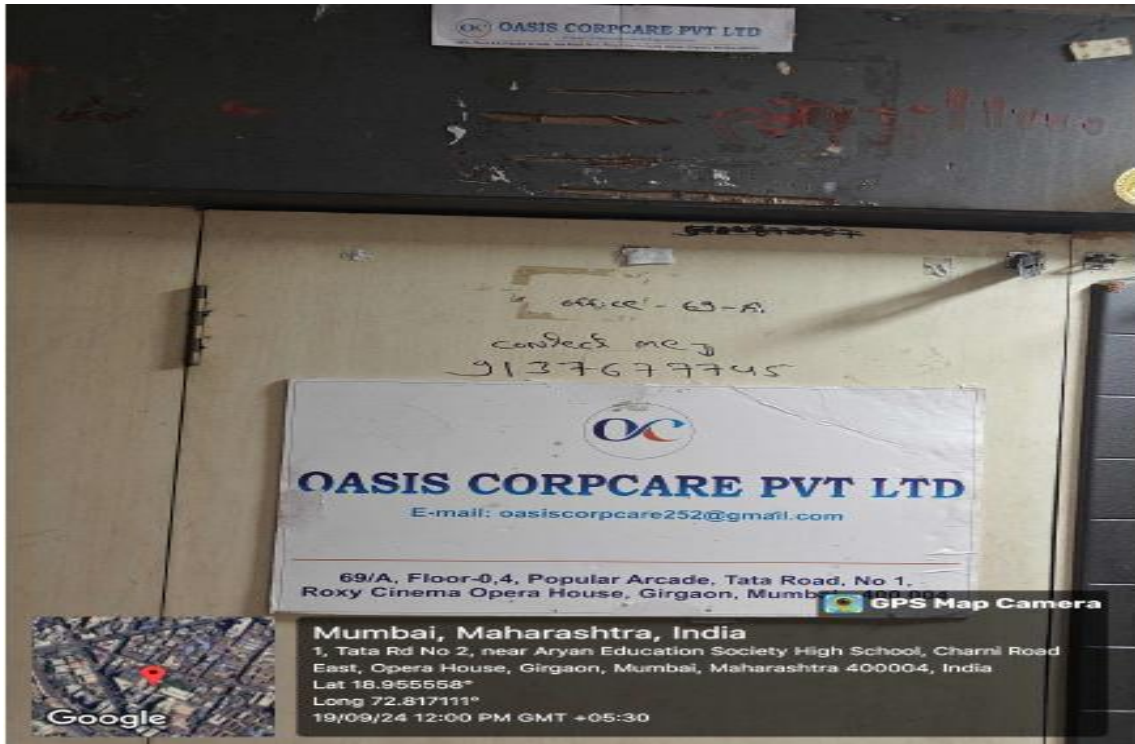


Note: Red dot indicates the meeting point of these entities.

34. The investigation, based on the examination of CDR data, corroborated the claim made by Kishanlal that Vijay Oswal was the link between Jitendra Das and the directors/promoters of Oasis viz. Akshay Prajapat and Kishanlal Kumhar. No direct calls were exchanged between Jitendra Das and Akshay Prajapat/ Mr. Kishanlal Kumhar during the period January 01, 2023 to October 18, 2024. The connection chart based on the CDR analysis depicting the same is as follows:



35. Further, The Interim Order records a preliminary finding that the office of the TPV was found to be locked when a site visit was undertaken by BSE and the TPV appeared to be not operating from the said address. The photographs taken by BSE are reproduced below:



36. Based on the findings discussed above, it is reasonable to conclude that the TPV in question is a 'shell entity'. The TPV's office was found locked during a site inspection, and its financial statements for FY22 to FY24, submitted in response to allegations, were obtained under questionable circumstances as it was signed by the auditor on same day it was submitted to BSE by the MB. And this was one

day after BSE in consultation with SEBI put on hold the listing of the shares of the company and initiated an examination. Further, the client list and credentials of its directors, presented in its profile, were fabricated. Apart from the above, the ex-director's sworn statement that the company was sold for a nominal sum of Rs. 20,000 reinforces the conclusion that the TPV lacked the technical expertise and operational capacity to execute a complex project such as ICCC software.

37. It is noted that the main focus of the submissions made before me by the Company was to establish that Trafiksol is not a shell company. I am, however, not venturing to consider that line of arguments as there was no allegation in the present SCN questioning the business credentials of the Noticee.
38. In terms of clause 7(b) of Schedule VI of the SEBI (Issue of Capital and Disclosure Requirement) Regulation, 2018 (ICDR Regulations), in case the objects of the issue involves purchase of any equipment or technology the order for which has not been placed, the company has to disclose the details of the quotation relied upon for making the cost estimates in the prospectus.
39. The Noticee has contended that in terms of clause 7(b) of Schedule VI of the SEBI (Issue of Capital and Disclosure Requirement) Regulation, 2018 ("ICDR Regulations"), in case the objects of an issue involves purchase of any equipment or technology the order for which has not been placed, then the company has to disclose the details of the quotation relied upon for the estimates, in the prospectus. The Noticee, it was submitted, accordingly, had disclosed a quotation obtained from the TPV. It was argued that the Noticee had not awarded the contract or paid any advance amount to the TPV and, therefore, it would not be appropriate to characterise the actions of the Noticee as fraudulent.
40. ICDR Regulations permit companies to rely on quotations for estimating the cost of contracts that have not yet been awarded and charges in the SCN are not on account of the Noticee relying on a quotation. However, this cannot be taken as an excuse for obtaining quotations from companies which have no credentials. Further, accepting the argument of the Noticee, would entail that there is no sanctity for the cost estimates disclosed in a prospectus and issuers are free to disclose fanciful estimates having no basis in their issue documents. This surely

cannot be the case. Given the same, I find no merit in the above arguments made by the Noticee.

Conclusion

41. Having concluded that the TPV is a 'shell entity', the next question to consider is the broader implications of this finding. The Company, as stated earlier, offered multiple, and at times conflicting, explanations for its engagement with the TPV. It vehemently claimed that it merely obtained a quote from the TPV, that the TPV was selected after adhering to the rigorous procedures outlined in its procurement policy, and that the TPV was just an intermediate entity which would sub-contract the software development. However, what the Company has conspicuously failed to provide is a single credible justification for engaging such an entity in the first place.
42. The question of whether the quotation from the TPV was part of a scheme to divert IPO proceeds will remain moot due to the events triggered by the Complaint and subsequent regulatory intervention. This, however, does not take away the fact that the Company relied on a sham entity and participated in a cover-up when the credentials of the TPV were being examined. As the saying goes, *"Oh, what a tangled web we weave, when first we practice to deceive,"* and this case exemplifies it perfectly.
43. The finding that the Company was involved in the cover up is based on the fact that it can be reasonably presumed that the Managing Director of the Company, given his long association with this sector, at the very least, was aware that the profile of the TPV's directors, which was submitted to BSE, was fabricated. Therefore, the Company's defence—that it merely forwarded documents provided by the TPV to BSE without verifying their authenticity—must be rejected.
44. It is noted that the Noticee has made a without prejudice argument that directions issued by NSE India Ltd. ("NSE") in coordination with SEBI in respect of the IPO of C2C Advanced System Ltd. ("C2C"), where investors were provided an option to withdraw their bids during the subscription period, may also be considered in the present matter.

45. In this respect, I note that the facts of the present matter are not comparable to the C2C case as in the said matter there was only a complaint on record when the directions were issued. C2C, subsequently, issue a corrigendum where revised information was provided. A good number of investors subsequently withdrew their bids. In the present case, however, a SCN based on certain findings of the Investigation that was undertaken has been issued and are being adjudicated in the present proceedings.
46. It is also pertinent to note that other findings of the Investigation, including the allegation that the Company falsified its financial statements, are yet to be adjudicated. Therefore, the submission made by the Noticee that the IPO may be permitted to go ahead subject to the use of proceeds being monitored by an agency appointed by SEBI or BSE cannot be considered.
47. Further, I cannot also lose sight of the fact that the funds of the investors who have been allotted shares in the IPO have remained locked-in for close to three months now. Therefore, the issue cannot be put on hold till the other findings of the Investigation are adjudicated. Balancing these considerations, the most prudent course of action is to direct the Company to refund the money raised through the IPO. The Company may approach the market afresh after the ongoing proceedings initiated by SEBI are concluded and subject to any directions issued therein.

Directions:

48. In view of the foregoing, I, in exercise of the powers conferred upon me under section 19 of the Securities and Exchange Board of India Act, 1992 read with sections 11, 11(1), 11(4) and 11B and regulation 296 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, hereby issue the following directions:
- a) Trafiksol is directed to refund the money paid by the investors, who have been allotted shares in the Initial Public Offering;
 - b) BSE in coordination with the Bankers to the issue shall oversee the refund process which shall be completed within one week from the date of this

Order. The interest earned on the issue proceeds pursuant to the directions in the Interim Order shall be proportionately refunded to the investors;

- c) Once the money is credited to the bank account of the applicants, the depositories are directed to transfer the shares of the Company which have been allotted pursuant to the IPO, to a separate demat account opened in the name of the Company;
- d) The Company is directed to take appropriate steps for cancelling the shares which have been so transferred to the account mentioned above by the depositories.

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

50. A copy of this Order shall be served on the Noticee, BSE and the depositories.

DATE: December 3, 2024

PLACE: MUMBAI

ASHWANI BHATIA

WHOLE TIME MEMBER

SECURITIES AND EXCHANGE BOARD OF INDIA