Order No. RO/3/2022

BEFORE THE RECOVERY OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
NORTHERN REGIONAL OFFICE, NEW DELHI

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 S E Investments Ltd

Recovery Certificate No. 1954 of 2019
Defaulter: Reena Verma (AJXPV3261A)

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1. Securities and Exchange Board of India (SEBI) has initiated recovery proceedings vide Recovery Certificate No. 1954 of 2019 against **Reena Verma (AJXPV3261A)** ("Defaulter") in the matter of **S E Investments Ltd** under Section 28A of the Securities and Exchange Board of India Act, 1992 read with Section 222 of the Income Tax Act, 1961 for failure to comply with the order no. EAD/BJD/NJMR/VS/83-92/2018-2019 dated May 31, 2018 for recovery of sum of Rs. 2,18,096/- along with further interest, expenditure incurred on the proceedings.

2. In this regard, a Notice of Demand has been issued to the Defaulter on February 15, 2019. Bank accounts of the Defaulter have also been attached vide Attachment Proceeding No. 8565 of 2022 dated June 30, 2022 and demat accounts and mutual fund folios of the Defaulter have been attached vide Attachment Proceeding No. 8566 of 2022 dated June 30, 2022.

3. SEBI, pursuant to aforesaid Attachment Proceedings, has received an email dated July 15, 2022 from the defaulter, forwarding a representation inter alia requesting to release her bank account no. 30048609480 with State Bank of India, Paschim Vihar, New Delhi. Subsequently, the defaulter submitted a copy of letter of appointment issued by her employer- Shri Shyam Industries (Omen Group of Industries) and copy of salary slip for the month of June, 2022.

4. 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, State Bank of India and Shri Shyam Industries were asked by SEBI to provide the details regarding the bank account no. 30048609480 and the same was provided by State Bank of India and Shri Shyam Industries on July 26, 2022 and July 29, 2022 respectively.

5. On perusal of the documents/ information submitted by the defaulter, Shri Shyam Industries and State Bank of India, followings are observed:

   i. The Defaulter is employed with Shri Shyam Industries (Omen Group of Industries) as a receptionist (Administration) (Employee ID - SSI-004) since December 15, 2015.

   ii. On perusal of the Account statement received from the State Bank of India it is found that the salary of the defaulter is being credited in the bank account no. 30048609480 maintained with State Bank of India, Paschim Vihar, New Delhi and the same has been informed by the defaulter (vide email dated July 15, 2022) and her employer (vide email dated July 29, 2022).

6. 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:*

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.*

7. In view of above, 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	1000 + {[(Monthly gross salary-1000)]*2/3}
Salary liable for attachment	[(Monthly gross salary-1000)]*1/3

Order:

8. 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. Shri Shyam Industries, the employer of the defaulter, shall remit the amount of salary liable for attachment as cited at paragraph 7 above to SEBI by way of ETF/NEFT/RTGS to "SEBI Recovery Proceeds" Account no. SEBIRRDPEN1954 of ICICI Bank, IFSC code – ICIC0000106.

   ii. State Bank of India that the attachment made pursuant to Notice of Attachment no. 8565 of 2022 dated June 30, 2022, in the aforesaid account no. 30048609480 shall not be applicable in respect of the salary that is exempted in terms of paragraph 7 above which is credited by Shri Shyam Industries. Except the said direction all other accounts attached pursuant to the aforesaid notice of attachment shall continue to be remain attached till further orders.

9. A copy of this Order shall be served on - (i) The Branch Manager, State Bank of India, Paschim Vihar, New Delhi (ii) Compliance Officer, Compliance Department, State Bank of India, for necessary compliance (iii) and the employer of the Defaulter - Shri Shyam Industries, for necessary compliance.

10. Copy of this order shall also be served to the Defaulter, for information.

Date: 01.08.2022
Place: New Delhi

भारतीय प्रतिभूति और विनियम बोर्ड
Securities and Exchange Board of India
SEBI
उ.प्र.का.
वसूली प्रभाग

Rajeev Rastogi

Rajeev Rastogi
Recovery Officer

राजीव रस्तोगी / RAJEEV RASTOGI
वसूली अधिकारी एवं उप महाप्रबंधक
Recovery Officer & Deputy General Manager
भारतीय प्रतिभूति और विनियम बोर्ड
Securities and Exchange Board of India
उ॰ प्रादेशिक कार्यालय / N. Regional Office
नई दिल्ली / New Delhi