

WTM/AB/IVD/ID19/17487/2022-23

SECURITIES AND EXCHANGE BOARD OF INDIA
FINAL ORDER

Under Sections 11(1), 11(4), 11(4A), 11A, 11B (1) and 11B (2) of the Securities and Exchange Board of India Act, 1992 read with Rule 5 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 and Sections 12A (1) and (2) of Securities Contracts (Regulations) Act, 1956 read with Rule 5 of the Securities Contracts (Regulation) (Procedure for Holding Inquiry and Imposing Penalties) Rules, 2005.

Noticee No.	Name of Noticees	PAN
1.	Trinity Tradelink Limited	AAFCS8117C
2.	Mr. Vikrant Kayan	AFJPK8437M
3.	Ms. Girija Banerjee	AJWPB1941Q
4.	Mr. Vikash Dubey	APCPD7488N
5.	Mr. Akhtar Khan	ASPPK4388L
6.	Mr. Bhaskar Paul	AXTPP1047Q
7.	Mr. Kashi Nath Ishar	AASPI2273F

In the matter of Trinity Tradelink Limited.

(Aforesaid entities are hereinafter individually referred to as by their respective name or noticee number and collectively as "the Noticees".)

1. The present proceeding emanates from show cause notice dated February 14, 2020 (hereinafter referred to as "SCN") issued to the Noticees by the Securities and



Exchange Board of India (hereinafter referred to as "**SEBI**"). The SCN was issued to the Noticees asking them to show cause as to why suitable directions be issued and/or penalty be not imposed, as deemed fit under Sections 11(1), 11(4), 11(4A), 11A and 11B(1), 11B(2) read with Sections 15A(a), 15HA and 15HB of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as "**SEBI Act, 1992**"), Sections 12A(1) and (2) read with Sections 23E and 23H of Securities Contracts (Regulation) Act, 1956 (hereinafter referred to as "**SCRA, 1956**") against them. The SCN, *inter alia*, alleged that Trinity Tradelink Limited (hereinafter also referred to as "**TTL**" / "**the Company**") had failed to present true and fair financial statements and had executed transactions which are non-genuine in nature tantamounting to misrepresentation of the accounts/ financials statement and misuse of account/ funds of the Company. It was further alleged that TTL had misused funds/ misrepresented books of accounts which are detrimental to the interests of genuine investors and are fraudulent in nature. It was also alleged that the directors and the Chief Financial Officer (hereinafter referred to as "**CFO**") (i.e. Noticee nos. 2 to 7) of Noticee no. 1 had failed to exercise duty of care, by misrepresenting the financials/misusing the funds. It was observed that the directors and the CFO of Noticee no. 1 had failed to discharge their fiduciary responsibility. The SCN also alleged that Noticee no.1 and its directors and the CFO (Noticees no. 2 to 7) failed to present true and fair financial statements, executed transactions which are non-genuine in nature resulting in misrepresentation of the accounts/ financials statement and misuse of account/ funds of the Company and such acts were found to be fraudulent in nature as they induced the investors to trade in the securities of the Company and had the potential to mislead the investors.

2. The SCN alleged that the Company has violated Section 12A (a) (b) & (c) and Section 11(2)(i) and 11(2)(ia) of the SEBI Act, 1992 and Regulations 3(b), (c) & (d), 4(1) and 4(2) (f) & (r) of the Securities and Exchange Board of India (Prohibition of



Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 (hereinafter referred to as “PFUTP Regulation, 2003”), Regulations 4(1) (a), (b), (c), (e) & (g), 4(2)(f)(ii)(1),(6) & (7), 4(2)(f)(iii)(3),(6) & (12), Regulation 6, Regulation 34(1), Regulation 46(2)(k), Regulation 17(8) read with Part B of schedule II, Regulations 33(2)(a) and Regulation 48 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 (hereinafter referred to as “LODR Regulations, 2015”) read with Section 21 of SCRA, 1956. The SCN further alleged that the directors of the Company i.e., Mr. Vikrant Kayan (Noticee no. 2), Ms. Girija Banerjee (Noticee no. 3), Mr. Vikash Dubey (Noticee no.4), Mr. Akhtar Khan (Noticee no. 5), Mr. Bhaskar Paul (Noticee no. 6), and the Chief Financial Officer Mr. Kashi Nath Ishar (Noticee no.7) have violated Section 12A(a), (b) and (c) and Section 11(2)(i) and 11(2)(ia) of the SEBI Act, 1992 and Regulations 3(b), (c) and (d) and Regulations 4(1) and 4(2) (f) and (r) of the PFUTP Regulations, 2003, Regulations 4(1)(a),(b),(c),(e),(g), 4(2)(f)(ii)(1),(6)&(7), 4(2)(f)(iii)(3),(6) and (12), Regulation 6, Regulation 34(1), Regulation 46(2)(k) of LODR Regulations, 2015 read with Section 27 of SEBI Act, 1992, Regulation 17(8) read with Part B of schedule II, Regulations 33(2)(a) and Regulation 48 of LODR Regulations, 2015 read with Section 21 of SCRA, 1956.

3. The following annexures were provided with the SCN:

Annexure no.	Particulars
Annexure 1	Interim Order
Annexure 2	Forensic Audit Report

4. Based on the findings of investigation, SCN was issued on February 14, 2020 and was delivered to all the Noticees by speed post except Noticee no. 7. Since the SCN could not be delivered by post and by affixture to Noticee no. 7, the SCN was served on Noticee no. 7 by way of newspaper publication on January 18, 2021. Thereafter, the matter was placed before me on February 23, 2021 for giving an



opportunity of hearing and passing a final order in the matter. Accordingly, an opportunity of personal hearing was granted to all the Noticees on May 20, 2021. The Company and Noticee no. 2 vide email dated May 12, 2021 sought for adjournment for the hearing scheduled on May 20, 2021. None of the other Noticees appeared for the hearing on May 20, 2021 or made any request for adjournment. Following the principles of natural justice, another opportunity of hearing was granted to all the Noticees on November 30, 2021. On November 30, 2021, Shri Mishra, the representative for Noticees no. 1 and 2 appeared via videoconferencing and sought for adjournment as the registered office of the Company has been taken into possession by a bank in proceedings for loan recovery. None of the other Noticees appeared for the hearing on November 30, 2021 or filed any letter seeking adjournment. A last and final opportunity was granted to all the Noticees on December 13, 2021. On December 13, 2021, the representative for Noticees no. 1 and 2 appeared via videoconferencing and made submissions and sought 10 days time to file written submissions, which was granted to them. However, I note that Noticees no. 1 and 2 have not filed their written submissions till date. None of the other Noticees, i.e. Noticees no. 3 to 7, appeared for the hearing on November 30, 2021 or filed any letter seeking adjournment. Since this was the third opportunity of personal hearing for Noticees no. 3 to 7 and they did not appear or seek adjournment, hearing stood concluded for Noticees no. 3 to 7.

5. The details of delivery of SCN and hearing notice to the Noticees are as under:

Noticee no.	Noticee name	SCN	Hearing on May 20, 2021	Hearing on November 30, 2021	Hearing on December 13, 2021
1	Trinity Tradelink Limited	Delivered by hand delivery with acknowledgement	Delivered by Speed Post	Delivered by Speed Post	Delivered by email
2	Vikram Kayan	Delivered by hand	Delivered by	Delivered by	Delivered by



		delivery with acknowledgement	Speed Post	Speed Post	Speed Post
3	Girja Banerjee	Delivered by hand delivery with acknowledgement	Delivered by Speed Post	Delivered by Speed Post	Delivered by Speed Post
4	Vikash Dubey	Delivered by Speed Post	Delivered by Speed Post	Delivered by hand delivery with acknowledgement	Delivered by Speed Post
5	Akhtar Khan	Delivered by hand delivery with acknowledgement	Delivered by Speed Post	Delivered by Speed Post	Delivered by Speed Post
6	Bhaskar Paul	Delivered by hand delivery with acknowledgement	Delivered by Speed Post	Delivered by Speed Post	Delivered by Speed Post
7	Kashi Nath Ishar	Could not be served by speed post or through affixture. Notice served through newspaper publication on January 18, 2021	Could not be served by speed post or through affixture. Notice served through newspaper publication on March 26, 2021	Could not be served by speed post or affixture.	Could not be served by speed post or affixture.

6. I note that the SCN could not be served by post or through affixture to Noticee no. 7 and the same was served by way of newspaper publication on January 18, 2021 in two National Dailies (one English and one local daily). Further, the hearing notice for the hearing scheduled for May 20, 2021 could not be served by post or through affixture to Noticee no. 7 and the same was served by way of newspaper publication on March 26, 2021 in two National Dailies (one English and one local daily). I also note that the hearing notices for November 30, 2021 and December 13, 2021 could not be served by speed post or affixture at the last known address of the Noticee. In view of the above, I find that sufficient steps and attempts



(through post, through affixture and by way of newspaper publication) have been made and taken in serving the SCN and hearing notice to the Noticee no. 7.

7. I note that only Noticees no. 1 and 2 have filed a joint reply to the SCN and that Noticees no. 3 to 7 have not filed any reply to the SCN and neither have they availed the opportunity of personal hearing granted to them. In this regard, I note that Noticees no. 1 and 2 have made the following submissions vide their joint reply dated December 10, 2021:

- a) *The company was declared a shell company in the year 2017 and immediately thereafter because of the same the Company Secretary resigned and we find difficulties for new recruitment as the image of the company tainted by the order of SEBI.*
- b) *Regulation 17(a) for appointment of women director that time not applicable to company as the company not falls under top 1000 companies.*
- c) *We have provided all process and procedures, risk policy etc. even those are part of our Annual Report/Directors report. The forensic report failed to take cognizance of the same.*
- d) *All our loans and advances to related parties been properly authorized by the company and verified by the forensic auditor with board minutes.*
- e) *The company has not given any loan and advances which are financial transaction in nature. The advance's which are shown in the books of accounts are basically trade advances for purchase of goods and services for which no interest can be levied as the same was on going process of our trade which is peculiar with commodity trading and a prevalent practice/ the forensic auditor failed to take cognizance of trade advances and wrongly classified it as loan and raised questions about interest provisioning.*
- f) *The corporate office of the company belongs to the promoters and the promoter always disclosed the existence of other companies belongs to them as*



associate company of the listed entity. The place of corporate office is not exclusive office of the entire premises because of its nature of business hence situation of promoter entities in the same location does not effect the independence of the listed entity.

- g) The company is mainly into import export and trading of various commodities and primarily governed by custom department hence the bill of lading/bill of exchange/invoices are sufficient proof of the business transaction.

Consideration of submissions and findings:

8. I have considered the SCN, replies received, and submissions made by the Noticees during the personal hearing granted to them. The SCN alleges the violation of the following provisions of law by the Noticees:

Relevant extract of the provisions of SEBI Act, 1992:

"Functions of Board.

11. (1) Subject to the provisions of this Act, it shall be the duty of the Board to protect the interests of investors in securities and to promote the development of, and to regulate the securities market, by such measures as it thinks fit.

(2) Without prejudice to the generality of the foregoing provisions, the measures referred to therein may provide for:

.....

(i) calling for information from, undertaking inspection, conducting inquiries and audits of the stock exchanges, mutual funds, other persons associated with the securities market, intermediaries and self-regulatory organisations in the securities market;

(ia) calling for information and records from any person including any bank or any other authority or board or corporation established or constituted by or under any Central or State Act which, in the opinion of the Board, shall be relevant to any investigation or inquiry by the Board in respect of any transaction in securities;

.....



Prohibition of manipulative and deceptive devices, insider trading and substantial acquisition of securities or control.

12A. No person shall directly or indirectly-

- (a) use or employ, in connection with the issue, purchase or sale of any securities listed or proposed to be listed on a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of this Act or the rules or the regulations made thereunder;
 - (b) employ any device, scheme or artifice to defraud in connection with issue or dealing in securities which are listed or proposed to be listed on a recognised stock exchange;
 - (c) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person, in connection with the issue, dealing in securities which are listed or proposed to be listed on a recognised stock exchange, in contravention of the provisions of this Act or the rules or the regulations made thereunder;
-

Relevant extract of provisions of SCRA, 1956:

"Conditions for listing.

21. Where securities are listed on the application of any person in any recognized stock exchange, such person shall comply with the conditions of the listing agreement with that stock exchange."

Relevant extract of the provisions of PFUTP Regulations, 2003:

"3. Prohibition of certain dealings in securities

No person shall directly or indirectly—

- (a)
- (b) use or employ, in connection with issue, purchase or sale of any security listed or proposed to be listed in a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of the Act or the rules or the regulations made there under;
- (c) employ any device, scheme or artifice to defraud in connection with dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange;
- (d) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange in contravention of the provisions of the Act or the rules and the regulations made there under.



4. Prohibition of manipulative, fraudulent and unfair trade practices

(1) Without prejudice to the provisions of regulation 3, no person shall indulge in a fraudulent or an unfair trade practice in securities

(2) Dealing in securities shall be deemed to be a fraudulent or an unfair trade practice if it involves fraud and may include all or any of the following, namely:-

.....

(f) publishing or causing to publish or reporting or causing to report by a person dealing in securities any information relating to securities, including financial results, financial statements, mergers and acquisitions, regulatory approvals, which is not true or which he does not believe to be true prior to or in the course of dealing in securities;

.....

(r) planting false or misleading news which may induce sale or purchase of securities.

.....”

Relevant extract of the provisions of LODR Regulations:

“Principles governing disclosures and obligations.

4. (1) The listed entity which has listed securities shall make disclosures and abide by its obligations under these regulations, in accordance with the following principles:
- (a) Information shall be prepared and disclosed in accordance with applicable standards of accounting and financial disclosure.
 - (b) The listed entity shall implement the prescribed accounting standards in letter and spirit in the preparation of financial statements taking into consideration the interest of all stakeholders and shall also ensure that the annual audit is conducted by an independent, competent and qualified auditor.
 - (c) The listed entity shall refrain from misrepresentation and ensure that the information provided to recognised stock exchange(s) and investors is not misleading.
 - (d)
 - (e) The listed entity shall ensure that disseminations made under provisions of these regulations and circulars made thereunder, are adequate, accurate, explicit, timely and presented in a simple language.
 - (f) ...



(g) *The listed entity shall abide by all the provisions of the applicable laws including the securities laws and also such other guidelines as may be issued from time to time by the Board and the recognised stock exchange(s) in this regard and as may be applicable.*

(2) *The listed entity which has listed its specified securities shall comply with the corporate governance provisions as specified in chapter IV which shall be implemented in a manner so as to achieve the objectives of the principles as mentioned below.*

.....
(f) *Responsibilities of the board of directors:*

The board of directors of the listed entity shall have the following responsibilities:

.....
(ii) *Key functions of the board of directors-*

.....
(1) *Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance, and overseeing major capital expenditures, acquisitions and divestments.*

(6) *Monitoring and managing potential conflicts of interest of management, members of the board of directors and shareholders, including misuse of corporate assets and abuse in related party transactions.*

(7) *Ensuring the integrity of the listed entity's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.*

...
(iii) *Other responsibilities:*

(3) *Members of the board of directors shall act on a **fully** informed basis, in good faith, with due diligence and care, and in the best interest of the listed entity and the shareholders.*

....
(6) *The board of directors shall maintain high ethical standards and shall take into account the interests of stakeholders.*

.....
(12) *Members of the board of directors shall be able to commit themselves effectively to their responsibilities.*

.....



Board of Directors.

17. (8) The chief executive officer and the chief financial officer shall provide the compliance certificate to the board of directors as specified in Part B of Schedule II.

Financial results.

33. (2) The approval and authentication of the financial results shall be done by listed entity in the following manner:

(a) The quarterly financial results submitted shall be approved by the board of directors:

Provided that while placing the financial results before the board of directors, the chief executive officer and chief financial officer of the listed entity shall certify that the financial results do not contain any false or misleading statement or figures and do not omit any material fact which may make the statements or figures contained therein misleading.

Annual Report.

34. (1) The listed entity shall submit the annual report to the stock exchange within twenty one working days of it being approved and adopted in the annual general meeting as per the provisions of the Companies Act, 2013.

Website.

46. (2) The listed entity shall disseminate the following information on its website:

.....

(k) contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances;

Accounting Standards.

48. The listed entity shall comply with all the applicable and notified Accounting Standards from time to time.

9. Before proceeding on the merits of the matter, it will be relevant to discuss the background of the present proceedings.
10. SEBI received a letter no. F. No. 03/73/2017-CL-II dated June 9, 2017 from the Ministry of Corporate Affairs (hereinafter referred to as "MCA") vide which MCA



had annexed a list of 331 shell companies for initiating necessary action as per SEBI laws and regulations. MCA had also annexed the letter of Serious Fraud Investigation Office, dated May 23, 2017 which contained the list of shell companies along with their inputs. SEBI, vide its letter dated August 07, 2017, had advised stock exchanges i.e. BSE, NSE and MSEI to identify the companies listed on their respective exchanges from the said list and initiate the surveillance action/measures stated in the letter.

11. Thereafter, BSE vide notice dated August 07, 2017 issued to all its market participants, initiated actions envisaged in the SEBI letter dated August 07, 2017 in respect of all the listed companies, as identified by MCA and communicated by SEBI, with effect from August 08, 2017. On August 09, 2017, SEBI further advised the Stock Exchanges to submit a report after seeking auditor's certificate, from all such listed companies, providing the status of certain aspects of these companies like compliance with Companies Act, whether company is a going concern and its business model, status of compliance with listing requirements, etc. In the meantime, aggrieved by the aforesaid letters/notice dated August 07, 2017 issued by SEBI and stock exchange, TTL filed an appeal before Hon'ble Securities Appellate Tribunal, Mumbai (hereinafter referred to as "SAT"). The Hon'ble SAT vide order dated August 24, 2017, passed the following direction:

“

2. As the appellant has already made a representation to SEBI against the said exparte order dated 7th August, 2017, Counsel for the appellant on instruction seeks to withdraw the appeal with liberty to pursue the representation filed before SEBI. Accordingly, we permit the appellant to withdraw the appeal with liberty to pursue the representation pending before SEBI. SEBI is directed to dispose of the representation made by the appellant as expeditiously as possible and in any event within a period of three weeks from today. It is made clear that passing of any order on the



representation made by the appellant would not preclude SEBI from further investigating the matter and initiate appropriate proceedings if deemed fit.

3. Appellant company has already made a representation to SEBI against the impugned communication of SEBI dated 07.08.2017. SEBI is directed to dispose of the said representation in accordance with law.

It is made clear that this order shall not come in the way of SEBI as well as the stock exchanges to investigate the case of the appellant company and initiate proceedings if deemed fit....."

12. Pursuant to the directions of the Hon'ble SAT, the Company submitted a representation and SEBI granted an opportunity of hearing to TTL on September 05, 2017. Thereafter, SEBI passed an interim order in the matter on September 13, 2017 (hereinafter referred to as "interim order") wherein *inter alia* following directions were issued:

"22...

- i. The trading in securities of TTL shall be reverted to the status as it stood prior to issuance of letter dated August 7, 2017 by SEBI.
- ii. Exchange shall appoint an independent auditor *inter alia* to further verify:
 - a. Misrepresentation including of financials and/or business of Trinity Tradelink Ltd.;
 - b. Misuse of the books of accounts / funds including facilitation of accommodation entries.
- iii. The promoters and directors in TTL are permitted only to buy the securities of TTL. The shares held by the promoters and directors in TTL shall not be allowed to be transferred for sale, by depositories.
- iv. The other actions envisaged in SEBI's letter dated August 07, 2017 in para 1 (d) as may be applicable, and the consequential action taken by Stock Exchanges shall continue to have effect against Trinity Tradelink Ltd..

It was further directed that:



"25. The prima facie observations contained in this Order are made on the basis of the prima facie material available on record. In this context, Trinity Tradelink Ltd. is advised to file its reply/objections to this interim order. The Company, within 30 days from the date of receipt of this Order, may file its reply, if any, to this Order and may also indicate in the reply whether it desires to avail an opportunity of personal hearing on a date and time to be fixed on a specific request made in that regard, if any. In the event of Trinity Tradelink Ltd. failing to file reply or requesting for an opportunity of personal hearing within the said 30 days, the preliminary findings of this Order and ad-interim directions at para 22 above shall stand confirmed against Trinity Tradelink Ltd. automatically, without any further orders.

13. TTL did not file any reply/objections to the interim order with SEBI within 30 days from the date of the interim order. Accordingly, the preliminary findings of the interim order and ad-interim directions at paragraph 25 of the interim order stood confirmed automatically, without any further orders. Based on the directions given in the interim order, a forensic auditor BDO India LLP (hereinafter referred to as **"BDO"** or **"forensic auditor"**), was appointed by BSE vide letter dated December 15, 2017 to conduct forensic audit of TTL for the period of April 2015 till December 31, 2017 (hereinafter referred to as the **"investigation period"**). On May 30, 2019, forensic auditor appointed by BSE submitted a Forensic Audit Report (hereinafter referred to as **"FAR"**) to BSE. Thereafter, based on the FAR which was forwarded by BSE to SEBI vide letter dated June 12, 2019, SEBI carried out an investigation in the matter.
14. I observe that in the SCN, the allegations against the Noticee no. 2 to 7 flows from the allegations against Noticee no.1. Noticees no. 2 to 6 have been charged in their capacity as directors of Noticee no.1 and Noticee no. 7 has been charged as the CFO of Noticee no.1. Therefore, in the following paras, various allegations made against Noticee no. 1 in the SCN have been examined to find out as to whether the violations alleged in the SCN against Noticee no. 1 have been made out so as to determine liabilities of Noticee no. 1 as well as of Noticees no. 2 to 7 also, which is flowing from violations alleged against Noticee no. 1.



15. The main allegations against the Company as contained in the SCN, are discussed below:

i. **Misrepresentation including of financials and misuse of funds/books of accounts:**

16. The allegations made in the SCN with respect to misrepresentation of financials and misuse of funds/books of accounts and my findings thereon are given in the following sub-paras.

16.1 Debtors could not be validated thereby indicating bogus transactions:

16.1.1 The SCN alleges that around 64.66% of the outstanding debtors of TTL could not be validated and around 95.64% of the total creditors of TTL did not respond and confirm the outstanding balance to the forensic auditor. Further, one of the debtors i.e Ezone Strips Private Limited was non-existent and another debtor i.e. Panna Lal Mahabir Prasad was in the business of fruits whereas TTL has sold yellow peas to it. Also, there were multiple knock off entries amounting to a total of Rs 18,503.31 lakhs between debtors and creditors. These observations indicate that there were bogus transactions undertaken by TTL, by virtue of which figures in the financials of TTL have been inflated, thereby not reflecting true and fair view of the financials and performance of the Company.

16.1.2 With regard to the aforesaid allegation, the FAR has made the following observations:

"Basis review of debtor balance outstanding as on 31 December 2017, we noted balance amounting to INR 6,388.55 lacs outstanding as receivables. We shortlisted 4 debtors on the basis of high outstanding balance and multiple high value transactions



undertaken during the review period to seek their balance confirmations along with their ledgers. The details are as under:

SN	DEBTOR NAME	*BALANCE AS PER BOOKS OF ACCOUNT	*BALANCE AS CONFIRMED BY DEBTOR	DIFFER- ENCE	REMARKS
1	AHW Steels Private Limited	2.82	2.82	Nil	No ledger received
2	Concast Exim Limited	2,913.19	-	-	No Response from Party
3	Ezone Strips Private Ltd	1,147.79	-	-	No response From Party
4	Pannalal Mahabir Prasad	69.90	-	-	No response received
	TOTAL	4133.7	2.82	-	

**Balance as on December 31, 2017*

We have not received the balance confirmation from 3 out of 4 parties. Hence, we were unable to validate debtor balance amounting to INR 4,130.88 lacs, which is 64.66% of the total debtors outstanding as on 31 December 2017.

.....

iii. Site Visit Conducted at Ezone Strips Private Limited

Independent visit to address as per invoice and customer master

Basis site visit at the said address, we could not identify name plate of the entity's name outside the office premises. During discreet enquiry, we were informed that there was no entity in the name of Ezone Strips Private Limited.

iv. Site Visit Conducted at Panna Lal Mahabir Prasad

Basis site visit, we noted that it was located in a fruit whole seller market. We could not identify name plate outside the office premises however, during discreet enquiry, we were informed that the said address belonged to Pannalal Mahabir Prasad and he dealt in dry fruits but as per our books of accounts TTL has sold yellow peas to them.

.....

Balance confirmation from payables

Basis review of creditor balance outstanding as on 31 December 2017, we noted balance amounting to INR 6,127.31 lacs as payables to creditors. We shortlisted 4



creditors on the basis of high outstanding balance in order to seek their balance confirmations along with ledgers.

We have not received the response from 4 out of 4 parties. Hence, we were unable to validate creditor balance amounting to INR 5,883.24 lacs, which was 95.64% of the total creditors outstanding as on 31 December 2017.

.....

Knock-off entries

Basis review receivables and payables ledger accounts, we noted multiple knock-off entries amounting to a total of INR 18,503.31 lacs made between the debtors and creditors. Further, we were unable to identify any common relationship between such debtors and creditors because most of these knock-off entries were undertaken with individuals, private limited companies and partnership firm."

16.1.3 The FAR has observed that around 64.66% of the outstanding debtors of TTL could not be validated. Further, the FAR has observed that one of the debtors i.e. Ezone Strips Private Limited was non-existent and another debtor i.e. Panna Lal Mahabir Prasad was located in a fruit whole seller market who was in the business of dry fruits, whereas TTL has sold yellow peas to it. The FAR has also observed that creditor balance amounting to Rs 5,883.24 lakhs, which was 95.64% of the total creditors outstanding as on December 31, 2017 could not be validated. Further, on reviewing of receivables and payables ledger accounts, the FAR observed that there were multiple knock off entries amounting to a total of Rs 18,503.31 lakhs made between debtors and creditors. These observations indicate that there were bogus transactions undertaken by TTL, by virtue of which figures in the financials of TTL have been inflated, thereby not reflecting true and fair view of the financials and performance of the company.

16.1.4 The Company has submitted that all their loans and advances to related parties were properly authorized by the Company and verified by the forensic auditor



with board minutes. In this regard, I note that the aforesaid submission is a general statement and the Company has not made any specific submissions on the aforesaid observations of the FAR and allegation in the SCN that around 64.66% of the outstanding debtors of TTL could not be validated and around 95.64% of the total creditors of TTL could not be validated. I also note that the Company has not provided any documents to substantiate its aforesaid submissions. Further, the Company has not made any submission on the observation of the FAR that there were multiple knock off entries amounting to a total of Rs 18,503.31 lakhs made between debtors and creditors. In view of the above, I agree with the observations of the FAR that figures in the financials of TTL have been inflated, thereby not reflecting true and fair view of the financials and performance of the Company.

16.2 Advanced loans without charging interest and making no attempt to recover them: The SCN alleged that TTL has provided loan/advances to its related parties without charging any interest on the same. Advancement of such loans by TTL without charging any interest or charging lesser rate of interest and non-disclosure of the same in its financial statements, had led to misrepresentation of its financials. Such transactions, entered into by TTL, indicate that the Company has not prudently utilised its shareholders' funds. Further, TTL has advanced loans and advances amounting to Rs 2,985.79 lakhs to various parties without charging any interest and without making any attempts to recover the same from these parties, thereby not acting in the interest of shareholders and misusing the funds of the Company.

16.2.1 With regard to the aforesaid allegation, the FAR has made the following observations:

Loans and Advances



Basis review of the loans and advances ledger accounts, we noted that TTL had extended INR 2,985.78 lacs as loans/advances to its suppliers, which was more than the total net worth of TTL amounting to INR 2665.16 lacs. The details of loans/advances are as mentioned below:

SN	PARTICULAR	AMOUNT (Rs lakhs)	% OF TOTAL ADVANCE
1	Loans/advances to private entities	2,694.08	90.23%
2	Loans/advances to Related parties	192.04	6.43%
3	Loans/advances to individuals	97.92	3.28%
4	Seized by Income Tax Department	1.75	0.06%
	TOTAL	2,985.79	

Further, it was noted that all these loans/advances (excluding the amount seized by the Income Tax Department) were extended before April 2015 and since then, no delivery of goods or recovery has been made by TTL from these parties up till 31 December 2017. Additionally, we noted that these loans/advances were extended without charging interest to these parties.

REMARKS ON GENUINENESS OF INVESTMENTS AND LOANS/ADVANCES

From the above analysis and review, it indicates that TTL has given loan/advances without charging interest since the last three years which was not in the interest of shareholders. These facts create suspicion on recoverability of these advances in future, which is not in the best interest of TTL's shareholders. Thus, it creates a suspicion on the genuineness of loan/advances of INR 2985.79 lacs disclosed by TTL in their books of accounts as of December 31, 2017.

16.2.2 The FAR has observed that TTL has advanced loans and advances amounting to Rs 2,985.79 lakhs to various parties without charging any interest and without making any attempts to recover the same from these parties. The Company has submitted in its reply that they have not given any loan and advances which are financial transaction in nature. That the advance's which



are shown in the books of accounts are basically trade advances for purchase of goods and services for which no interest can be levied as the same was on going process of our trade which is peculiar with commodity trading and a prevalent practice/ the forensic auditor failed to take cognizance of trade advances and wrongly classified it as loan and raised questions about interest provisioning.

16.2.3 With regard to the aforesaid submissions, I note that the Company has not submitted any documents such as agreements or delivery/receipts of goods etc., to prove its contention that the advances are basically trade advances for purchase of goods and services. In this regard, I note that the FAR has also observed that *"Basis review of receivables and payables balance outstanding as on 31 March 2016 and 31 March 2017 we noted receivables / payables were due for more than six months and on the request of supporting documents for these receivables and payables, TTL did not provide the supporting documents in the form of agreement and proof of delivery / receipt of goods (Lorry receipts, Octroi receipts, etc) despite of emails follow up made vide email dated 17 January 2018 and 30 January 2018."* Hence, I note that the Company has never submitted any supporting documents in the form of agreement and proof of delivery / receipt of goods (Lorry receipts, Octroi receipts, etc) to the forensic auditor despite multiple follow-ups. Further, as noted above, on the basis of review of the loans and advances ledger accounts, the FAR observed that TTL had extended INR 2,985.78 lacs as loans/advances to its suppliers, which was more than the total net worth of TTL amounting to INR 2665.16 lacs and that all these loans/advances were extended before April 2015 and since then, no delivery of goods or recovery has been made by TTL from these parties up till December 31, 2017. Therefore, I agree with the observations of the FAR, that these transactions were loans/advances that were extended without charging interest to parties and without any business rationalisation and the same was



not disclosed in the Financial Statements as required under Accounting Standard 18.

16.3 Classification of loan received by Company as an advance against supply of LCD panels by the Company, against which no sale transaction identified.

16.3.1 The SCN has alleged that the Company has classified loans received by it as an advance against supply of LCD panels by the Company, against which no sale transaction was identified.

16.3.2 With regard to the aforesaid allegation, the FAR has made the following observations:

"In 1 transaction pertaining to advance received. The management explained that the advance was related to supply of LCD panels. However, management failed to provide the agreement, instead an intimation letter was provided which was on the letter head of Mr. Dinesh Agarwal (Payee party) whereon the sign was done by Mr. Chandan Aggarwal. We also noted that the letter contains terms for payment of interest @16% in case non supply of goods before 31 July 2017, however TTL has not supplied the material as on 31 Dec and booking interest on this advance."

16.3.3 With regard to the aforesaid observation, I note that the FAR has also observed that they did not identify any sale transactions against the said transaction. Further, despite of various follow ups for the requisite supporting documents made vide email dated January 19, 2018, February 07, 2018 and February 09, 2018, genuineness of these receipts could not be verified. I note that the Company during the present proceedings also has not made any specific submissions to the aforesaid allegation and observations in the FAR. In view of the above, I agree with the findings of the FAR that Company has classified



loan received by it as an advance against supply of LCD panels by the company, against which no sale transaction was identified.

16.4 The Company is making accommodation entries and is acting as a conduit for rotating funds among few other entities:

16.4.1 The SCN has alleged that TTL has transferred Rs 2,475.42 lakhs, out of Rs 2,479.54 lakhs of funds received by it, to other parties on the same date of receipt of said funds, which is not routine in normal course of business. Thus, TTL is making accommodation entries and is acting as a conduit for rotating funds among few other entities. Also, the fact that the Company failed to provide adequate supporting documents to justify receipt and payment of such huge amount of funds raises concern over the genuineness of these high value bank transactions.

16.4.2 With regard to the aforesaid allegation, the FAR has made the following observations:

"High value bank transactions to ascertain their relevance to the business of the Company and to identify the potential round-tripping of funds or accommodation transactions.

Basis review of 12 samples of receipts amounting to INR 2,479.54 lacs and 12 samples of payments amounting to INR 2,475.42 lacs, we noted the following:

- *12 bank receipts from six different parties, total amounting to INR 2,479.54 lacs being transferred on the same day to nine parties, total amounting to INR 2,475.42 lacs.*
- *Basis explanation and the documentation review, provided by the management of TTL. The nature of transactions are hereunder:*



Further, we noted inadequacy in the supporting documents since the management of TTL did not provide us with the following documents, despite of various follow ups made vide email dated 19 January 2018, 07 February 2018 and 09 February 2018.

- *Receipts: Agreements (including loan agreements) and proof of delivery (lorry receipts, octroi receipts)*
- *Payments: Agreements (including loan agreements) and proof of delivery (lorry receipts, octroi receipts)*

Basis above analysis it was noted that, the entire above-mentioned receipts were transferred to different parties within the same day. Further, management failed to provide the adequate supporting documents with respect of those receipts and payments. It should be noted that, as per normal business practice every entity keeps the fund for certain period to maintain their cash flow. However, in this case funds were transferred to other entities within same day without adequate supporting documents. Therefore, the said transactions were not undertaken in ordinary course of business and hence, we could not assess the genuineness of these transactions."

16.4.3 With regard to the aforesaid observations, the Company has submitted in its reply that it is mainly into import export and trading of various commodities and primarily governed by custom department hence, the bill of lading/bill of exchange/invoices are sufficient proof of the business transaction. In this regard, I note that the Company has not made any submissions with regard to the transfer of Rs 2,475.42 lakhs, out of Rs 2,479.54 lakhs of funds received by it, to other parties on the same date of receipt of said funds. I note that the FAR has observed that despite of various follow ups made vide email dated January 19, 2018, February 07, 2018 and February 09, 2018, the Company failed to provide supporting documents such as agreements, proof of delivery (lorry receipts, octroi receipts etc. to the forensic auditor. As observed in the FAR, TTL has transferred almost 99% of funds received by it to other parties on the same date of receipt of said funds, which is not routine in normal course of business. I find the contention of the Company that they are mainly into import



export and trading of various commodities and primarily governed by custom department hence the bill of lading/bill of exchange/invoices are sufficient proof of the business transaction, is untenable, as the Company has failed to provide any supporting documents before the forensic auditor and also before me, to contest or prove the same. Therefore, I agree with the observations of FAR that TTL is making accommodation entries and is acting as a conduit for rotating funds among few other entities.

16.5 The Company has used its business funds for the personal expenses of the Company officials:

16.5.1 The SCN has alleged that TTL has incurred various expenses such as university sponsorship expenses, travelling expenses for its employees and relatives of its directors, thereby, indicating that the Company has used its business funds for the personal expenses of the Company officials. Thus, TTL has not utilized its shareholders' funds diligently thereby leading to misuse of its funds and misrepresentation of financial statements.

16.5.2 **With** regard to the aforesaid allegation, the FAR has made the following observations:

"In 2 instances of INR 23.74 lacs pertaining to sponsorship expenses were made to a foreign university for study expenses of Mr. Soham Desai and Mr. Avash Vashin Tulsian, employees (Trainee) of TTL. The terms and conditions for such expenses stated that these employees have to serve TTL for a period of 2 years post qualification and in case they failed to comply with such terms and conditions, then they were required to pay one-year salary to TTL, which was approximately INR 3 lacs. This amount of INR 3 lacs was much less than the amount borne by TTL towards study expenses of these employees. Therefore, this shows that these terms and conditions were detrimental to the interest of TTL and its shareholders.



1 instance amounting to INR 0.53 lacs pertaining to traveling expenses, INR 0.29 lacs were related to ticket charges for Ms. Shalini Kayan's travel (relative of Mr. Vikrant Kayan and Promoter of TTL)., This indicates that, personal traveling expenses of Director's relative were booked by TTL."

16.5.3 With regard to the aforesaid observations of the FAR, I note that the Company has not made any submissions. As observed in the FAR and discussed in the aforesaid paras, TTL has not provided supporting documents for various expenses incurred by it. Therefore, I agree with the observations of the FAR that TTL has incurred various expenses such as university sponsorship expenses, travelling expenses for its employees and relatives of its directors which indicates that TTL has used business funds for the personal expenses of the Company officials, thereby, not utilizing the shareholders' funds diligently and leading to misrepresentation of financials and misuse of its funds.

16.6 TTL and its 9 other related parties operating from the same registered office address:

16.6.1 The SCN has alleged that TTL and its 9 other related parties are operating from the same registered office address, as that of TTL, located in a residential cum commercial space, for which rent was being paid to a related party by TTL, raises concerns over the business operations of TTL.

16.6.2 With regard to the aforesaid allegation, the FAR has made the following observations:

"Site visit conducted at AHW Steels Private Limited:

Basis site verification to the registered address of AHW Steels Private Limited on 15 Feb 2018, we noted that it was located in a residential area and the office belonged to "Bagaria Group". Further, we noted name plates of 9 other companies, along with



AHW Steels Private Limited was at the said address. Further person at reception informed us AHW Steels Private Limited is a part of Bagaria Group.

*.....
The corporate office of TTL is a rented office space, located at the following address:
"238B, A.J.C. Bose Road, Unit 4B, 4th floor, Kolkata - 700 020, West Bengal".*

It was noted that rent for the said premises were being paid to related party of TTL named V S Hi-Rise Private Limited and from this premises, 9 companies (excluding TTL) were operating, which were all Related parties of TTL.

16.6.3 With regard to the aforesaid observation, the Company has submitted that the corporate office of the Company belongs to the promoters and the promoter always disclosed the existence of other companies belonging to them as associate company of the listed entity. The place of corporate office is not exclusive office of the entire premises because of its nature of business hence situation of promoter entities in the same location does not effect the independence of the listed entity.

16.6.4 With regard to the submissions made by the Company, I note that the FAR has observed that "TTL does not have subsidiary/joint venture(s)/associate(s) as disclosed in its Annual Reports for FY 2015-16 and FY 2016-17. However, it has disclosed nine entities in its Annual Reports for both the financial years, in which it's KMPs/their relatives can exercise significant influence." Therefore, I note that these 9 companies have been disclosed in its Annual Reports as related companies. I note that the SCN alleges that 9 other related parties are operating from the same registered office address, as that of TTL and has not pointed out whether the same is in violation of any law. However, some regulated entities licensed under specific law, have to fulfil requirement of certain minimum infrastructure. The FAR has not brought out any details to show that there was a violation of provisions of securities law or provisions of the Companies Act, 2013



with respect to registered office by the Company. In view of the same, no action is tenable.

II. Non-furnishing of information to the forensic auditor:

17. The SCN has alleged that the Company has failed to furnish information to the forensic auditor during the forensic audit.

17.1 TTL has failed to provide, to the forensic auditor, supporting documents such as:

17.1.1 sale agreements, order copy and proof of physical delivery (lorry receipts/ octroi receipt and toll receipts) with respect to sale transactions undertaken by it.

17.1.2 purchase agreements, order copy and proof of receipts of goods (lorry receipts and octroi receipts).

17.1.3 agreement copy for loans/advances given to related parties and other relevant supporting documents such as appointment letter for salary paid to managing director, for transactions undertaken with related parties.

17.1.4 in the form of loan agreements, TDS certificates with respect to short term loans and advances received by the company.

17.1.5 adequate supporting documents with respect to receipts and payments in the context of high value bank transactions.

17.1.6 supporting documents with respect to expenses such as sales promotion, port charges, interest on loans incurred by it.

17.2 With regard to the aforesaid allegations, the FAR has made the following observations:

"The management of TTL failed to provide the adequate supporting documents for below mentioned instances. In the absence of adequate supporting documents, we are unable to ascertain the genuineness of below mentioned transactions / explanation and



considering the facts of non-availability of documents, there was misrepresentation in the financials and business of TTL. The details of instances are hereunder:

- Recording of receivables and payables without adequate supporting documents. Further few parties (Receivable / Payables) were not found at the addresses provided by TTL.*
- Loan/advance given to related parties, without charging any interest and without any business rationalisation. Further, the same was not disclosed in the Financial Statements as required under Accounting Standard 18.*
- Rent was being paid for two properties for which no business rationality was found.*
- TTL have not conducted adequate due diligence before making investments at the premium value."*

17.3 With regard to the aforesaid observations, I note that the Company has not made any submissions in its reply to the SCN. In this regard, I note that as stated in the previous paras, FAR draws adverse inference in respect of transactions which could not be verified due to non-furnishing of information by the Company. Now this allegation is also in respect of non-furnishing of information by the Company for which adverse inference has already been drawn in the FAR in respect of the transactions in support of which information was not provided and therefore, the allegation of non-furnishing of information as a separate violation may not be tenable when adverse information has already been drawn.

III. Violation of LODR Regulations, 2015:

18. The SCN has alleged that the Company has failed to comply with the provisions of the LODR Regulations, 2015.

18.1 In this regard the FAR has observed as under:



"During the review of financial statements, annual reports, books of accounts, and other financial records for April 2015 to December 2017, we noted various instances of violation of SEBI LODR Regulations 2015, which are as mentioned below:

- The management of TTL informed us that they have not appointed Company Secretary as a compliance officer as on 13 February 2018 as per Regulation 6*
- On the review of BSE website on 13 February 2018 with respect to corporate filling of documents, we noted that the annual report for FY 2016-17 was not uploaded on BSE's website as on 13 February 2018 as per Regulation 34(1).*
- The management of TTL informed us they have not appointed woman Director in BOD as on 13 February 2018 as per Regulation 17(a).*
- TTL does not have a process and procedure pertaining to the review of corporate strategies, major plans of action, risk policies, annual budgets and business plans, performance objectives; monitoring of implementation and corporate performance; overseeing major capital expenditures, acquisitions and divestments, which was identified as the management failed to provide formal documents for such reviews as per Regulation 4(2)(f)(ii)(1).*
- On browsing of TTL's website on 13, February 2018, we noted that the contact details of the Compliance Officer were not updated in the Whistle Blower Policy as hosted on the company's website. (URL: <http://trinitytrade.in/>) as per Regulation 46(2)(k)."*

18.2 With regard to the aforesaid observations, I note that the Company has submitted in its reply that the Company was declared a shell company in the year 2017 and immediately thereafter because of the same the Company Secretary resigned and they found it difficult for new recruitment as the image of the company was tainted by the order of SEBI. Further, that they have provided all process and procedures, risk policy etc. and they are part of the Annual Report/Directors report, however, that the forensic report failed to take cognizance of the same.



18.3 With regard to the aforesaid submissions, I find that the submission of the Company that they were unable to appoint company secretary as the image of the Company was tainted does not absolve it of the requirement to appoint a company secretary under Regulation 6 of the LODR Regulations, 2015. Further, I agree with the observations of the FAR that the Company has not submitted any supporting documents to prove that they have a process and procedure pertaining to the review of corporate strategies, major plans of action, risk policies, annual budgets and business plans, performance objectives; monitoring of implementation and corporate performance; overseeing major capital expenditures, acquisitions and divestments, which was identified as the management failed to provide formal documents for such reviews as per Regulation 4(2)(f)(ii)(1) of the LODR Regulations, 2015. Further, I note that the Company has failed to make any submissions on its failure to upload the annual report for financial year 2016-17 on BSE's website, which I note has still not been uploaded till date, as required under Regulation 34(1) of the LODR Regulations, 2015. I also note that the Company has failed to make any submissions on not updating the contact details of the Compliance Officer in the Whistle Blower Policy as hosted on the Company's website, as required under Regulation 46(2)(k) of the LODR Regulations, 2015. In view of the above, I agree with the observations of the FAR that:

18.3.1 TTL has not appointed a company secretary as a compliance officer, as on February 13, 2018, which was during the period of conducting forensic audit, in violation of Regulation 6 of the LODR Regulations, 2015.

18.3.2 TTL has not uploaded the annual report for financial year 2016-17 on BSE's (stock exchange) website as on February 13, 2018, which was during the period of conducting forensic audit, in violation of Regulation 34(1) of the LODR Regulations, 2015.



18.3.3 TTL does not have a process and a procedure pertaining to the review of corporate strategies, major plans of action, risk policies, annual budgets and business plans, performance objectives; monitoring of implementation and corporate performance; overseeing major capital expenditures, acquisitions and divestments, which was identified by the forensic auditor, as the management of TTL failed to provide formal documents for review to the forensic auditor, in violation of Regulation 4(2)(f)(ii)(1) of the LODR Regulations, 2015.

18.3.4 TTL has not uploaded the contact details of the compliance officer, in the Whistle Blower Policy as hosted on the company's website, in violation of Regulation 46(2)(k) of the LODR Regulations, 2015.

19. From the discussion in para 16 to 18 above, I agree with the observations in the FAR that TTL:

- a) Misrepresented and inflated financials as around 64.66% of the outstanding debtors of TTL could not be validated and around 95.64% of the total creditors of TTL did not respond and conform the outstanding balance to the forensic auditor.
- b) Failed to disclose related parties and their transactions and misrepresented financials on account of loans and advances to related parties without any agreements or interest on the loans.
- c) Misrepresented financials on account of advancing loans and advances amounting to Rs 2,985.79 lakhs to various parties without charging any interest and without making any attempts to recover the same from these parties.
- d) TTL has made accommodation entries and acted as a conduit for rotating funds among other entities as it has transferred Rs. 2,475.42 lakhs and failed to provide adequate supporting documents to justify receipt and payment of such funds.



- e) TTL has misrepresented loans received by it as advances for supply of goods against which no sale transactions were identified.
- f) TTL has misused its funds and misrepresented its financial statements by using its business funds for the personal expenses of the Company officials.
- g) TTL has failed to comply with various provisions of the LODR Regulations, 2015 as detailed in para 18 above.

Thus, I find that TTL failed to represent a true and fair view of the state of affairs of the Company in compliance with the mandate contained in Accounting Standards and thereby violated provisions of Regulation 48 of LODR Regulations, 2015.

20. I note that the SCN *inter alia* alleges that TTL has violated Regulations 4(1)(a),(b),(c),(e),(g), 4(2)(f)(ii)(1),(6)&(7), 4(2)(f)(iii)(3),(6)&(12), 33(2)(a) and 48 of the LODR Regulations, 2015. From the discussions above, I find that since the financial statements of TTL pertaining to the investigation period were not as per the Accounting Standard as discussed in the previous paras, therefore, the Company has violated Regulation 48 of LODR Regulations, 2015 which mandates that the listed entity shall comply with all the applicable and notified Accounting Standards from time to time. Regarding the violations of Regulation 4, I note that Regulation 4 of LODR Regulations, 2015, lays down principles governing disclosures and obligations of the listed entity under the LODR Regulations, 2015. Specific clauses of Regulation 4(1), the violation of which has been alleged in the SCN, provides that the listed entity which has listed securities shall make disclosures and abide by its obligations under these regulations, in accordance with the following principles:

- (a) Information shall be prepared and disclosed in accordance with applicable standards of accounting and financial disclosure.



- (b) The listed entity shall implement the prescribed accounting standards in letter and spirit in the preparation of financial statements taking into consideration the interest of all stakeholders and shall also ensure that the annual audit is conducted by an independent, competent and qualified auditor.
 - (c) The listed entity shall refrain from misrepresentation and ensure that the information provided to recognised stock exchange(s) and investors is not misleading.
 - (e) The listed entity shall ensure that disseminations made under provisions of these regulations and circulars made thereunder, are adequate, accurate, explicit, timely and presented in a simple language.
 - (g) The listed entity shall abide by all the provisions of the applicable laws including the securities laws and also such other guidelines as may be issued from time to time by the Board and the recognised stock exchange(s) in this regard and as may be applicable.
21. As discussed in the paras above, I find that the disclosures of the Company were not in accordance with the principles laid down in the aforesaid clauses of Regulation 4(1) and hence, TTL is in violation of 4(1)(a), (b), (c), (e) and (g) of LODR Regulations. Regarding the violations of Regulations 4(2)(f)(ii)(1),(6)&(7), 4(2)(f)(iii)(3),(6) & (12) of the LODR Regulations, 2015 by TTL, as alleged in the SCN, I find that Regulation 4(2)(f) enlists the responsibilities of board of directors of listed entities. Clause (i) of Regulation 4(2)(f) deals with disclosure of information, Clause (ii) of Regulation 4(2)(f) deals with key functions of the board of directors and Clause (iii) deals with other functions of the board of directors. Any liability arising out of the violation of these principles because of violation of disclosure or other obligation of the listed entity under the LODR Regulations, 2015, is of the board of directors of the listed entity. Therefore, I find that TTL cannot be said to be in violations of Regulation 4(2)(f)(ii)(1),(6)&(7) and 4(2)(f)(iii)(3),(6) & (12) of the LODR Regulations, 2015 which pertain to obligations of the board of directors. I



also note that Regulation 33(2)(a) provides that a listed company shall authenticate its financial results by approval of the Board of Directors. While placing the financial results before the board of directors, the CFO and CEO of the listed entity have to certify that the financial results do not contain any false or misleading statement or figures and do not omit any material fact which may make the statements or figures contained therein misleading. However, since the financial results were not accurate, TTL has violated Regulation 33(2)(a) of the LODR Regulations, 2015.

22. SCN further alleges that TTL has violated Section 21 of SCRA, 1956. In this regard, I note that Section 21 of SCRA, 1956 provides that where securities are listed on the application of any person in any recognized stock exchange, such person shall comply with the conditions of the listing agreement with that stock exchange. I note that securities of TTL are listed on BSE. The relevant extract of the two of the conditions, as contained in uniform listing agreement, as mandated by SEBI Circular No. CIR/CFD/CMD/6/2015 dated October 13, 2015, is as under:

*".....1. That the Issuer shall comply **with** the extant provisions of all the applicable statutory enactments governing the issuance, listing and continued listing of securities.*

2. That without prejudice to the above clause, the Issuer hereby covenants and agrees that it shall comply with the following:—

i. the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 and other applicable regulations /guidelines/circulars as may be issued by SEBI from time to time.

ii. the relevant byelaws / regulations / circulars / notices / guidelines as may be issued by the Exchange from time to time.

iii. such other directions, requirements and conditions as may be imposed by SEBI/Exchange from time to time....."

23. Above two are the conditions of listing agreement which every issuer company, whose securities are listed on a recognised stock exchange, is required to comply. As can be seen from the above-quoted conditions, one of the conditions is



compliance with LODR Regulations, 2015. In the present case, TTL is a company whose securities are listed on BSE, which is a recognised stock exchange. TTL being a company having its securities listed on BSE was also required to sign the said uniform listing agreement with BSE and in view of the provisions of Section 21 of SCRA, 1956, TTL was bound to comply with the conditions of the uniform listing agreement, as extracted above. TTL has been found to be in violation of the provisions of the LODR Regulations, as discussed above, therefore, TTL is in violation of the condition of the listing agreement and hence, is also in violation of Section 21 of SCRA, 1956.

IV. Violations of PFUTP Regulations, 2003:

24. The SCN also alleges of violation of provisions of PFUTP Regulations, 2003 and Section 12A (a), (b) and (c) of the SEBI Act, 1992.
25. In this regard, I note that the scope of work, as was assigned to the forensic auditor by NSE, as stated in the FAR, was as follows:

1. *Possible misrepresentation including its financials and / or businesses and / or violation of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (hereinafter referred to as "LODR Regulations") and/or*
2. *Possible misusing of Books of Account/funds of the Company including facilitation of accommodation entries and/ or entering into transaction to the detriment of minority shareholders and controlling shareholders and key management person (KMP)*

For the aforesaid reasons, the audit inter alia should cover the following:

- a. *Suspicious transactions/items as provided in the SEBI / Exchange Orders passed on the Company*
- b. *To examine the Books of Accounts and backup records of the company for the period of two years including the year of transactions referred in SEBI / Exchange Order to:*
 - I. *Cash flow analysis to trace source of funds and end use of funds on sample basis (as per Annual Report for last 2 years)*
 - II. *Assess genuineness of the debtors/ receivables and creditors / payables,*



- III. *Reconciliation of debtors / creditors as stated by the Company vis-à-vis the actual position and the prospects of recovery (focus on top debtors)*
 - IV. *Analysis of Related party transactions*
 - V. *High value bank transactions to ascertain their relevance to the business of the company and to identify the potential round-tripping of funds or accommodation transactions*
 - VI. *Assess genuineness of expenditure (capex as well as other goods and services) and review of top vendors / suppliers / customers*
 - VII. *Investments made by the company in subsidiary companies along with the relevant fund flows, if any*
 - VIII. *Assess genuineness of investments both listed and unlisted with appropriateness of valuation and flow of funds*
 - IX. *Assessment of utilization of funds lying as share premium, if any, in terms of provisions of Companies Act*
 - X. *Comment on the shareholding pattern*
 - XI. *Wherever applicable, the relevant funds flow including analysis of relevant bank statements (also source and utilization of funds)*
- c. *Verification / discussions:*
- I. *Independent and /or physical verification of the underlying transactions*
 - II. *Background / reputation checks based on public domain information related to promoters, nature/ line of business, genuineness of business activities of the company*
 - III. *Discussions with key stakeholders like Promoters/ Senior Management Team / Departmental heads, vendors, customers, company auditors, entities/persons involved in day to day affairs of the company, etc.*
 - IV. *Business history, directorship searches and litigations*
 - V. *Assessment of size and scope of business*
 - VI. *Site visit as may be applicable for verifying existence of the company functional/ registered office, assets, place of execution of services, etc. In case of doubt, site visit to be carried out at plants / factories*

The Audit should cover aforesaid points for the period April 2015 onwards and wherever required, analysis may be carried out on sample basis.

26. As can be noted from the above terms of reference of the auditor, the scope of audit was to examine possible violations of LODR Regulations, 2015 and not



violations of PFUTP Regulations, 2003 and accordingly, the findings of the FAR are confined only to misrepresentation in the books of accounts of TTL and consequential and other violations of LODR Regulations. It is observed that the Investigating Authority, after examining the FAR, incorporated the findings of FAR as part of investigation report, and consequently, the same was reproduced in the SCN. However, the SCN additionally states,

"It was observed during investigation that the company (Noticee no.1) had failed to present true and fair financial statements and had executed transactions which are non-genuine in nature tantamounting to misrepresentation of the accounts/ financial statements and misuse of accounts/funds of the company. It was further observed that TTL had misused funds/ misrepresented books of accounts which are detrimental to the interests of genuine investors and are fraudulent in nature."

27. Consequently, the SCNs *inter alia*, additionally, includes allegation of violation of provisions of Section 12A(a), (b) & (c) of the SEBI Act, 1992 and Regulations 3(b), (c) and (d), 4(1) and 4(2)(f) and (r) of PFUTP Regulations, 2003. It is observed that Noticees no. 1 to 7 have been additionally charged with the violation of Section 12A(a), (b) & (c) of the SEBI Act, 1992 and Regulations 3(b), (c) & (d) of PFUTP Regulations, 2003 in the SCN however, it has not been alleged or finding given in the SCN whether violation of the LODR Regulations, 2015 as found in the FAR has directly or indirectly resulted in the manipulation of the price of the scrip.
28. I note that there is no bar on taking action by SEBI on the basis of a FAR, invoking provisions of PFUTP Regulations, 2003 and other similar provision of SEBI Act, 1992 related to fraud, if, after examination of the matter, including the FAR, SEBI finds that such violation of LODR Regulations, 2015 etc. led to direct/ indirect manipulation of the price of the scrip. Therefore, SEBI is at liberty to issue fresh SCN, if so deemed fit, to pursue violations of PFUTP Regulations, 2003, against the Noticees.



29. The SCN alleges that Noticee no. 7 who was the CFO of TTL during FY 2015-16 and 2016-17 have also violated all those provisions which have been violated by the directors of TTL. SCN further alleged that Noticee no. 7 who was the CFO of TTL during FY 2015-16 and 2016-17, issued certificates with respect to the financial statements of TTL, which as discussed above, did not represent true and fair view of the state of affairs of TTL, in violation of Regulation 17(8) read with Part B of Schedule II of LODR Regulations, 2015. Further, as the financials of TTL were misrepresented, as discussed above, therefore, SCN alleged that Noticee no. 7, as CFO of TTL, is also in violation of Regulation 33(2)(a) of LODR Regulations. In this regard, I note that out of the violations alleged against the Noticee no. 7, only the violation of Regulation 17(8) and 33 of LODR Regulations, 2015 is attributable to the CFO, as amongst the alleged violated provisions only Regulation 17(8) and 33 of LODR Regulations creates a liability on the CFO. I note that Regulation 17(8) of the LODR Regulations, 2015 pertains to the responsibility of the chief executive officer and the chief financial officer to provide the compliance certificate to the board of directors as specified in Part B of Schedule II. I note that proviso to Regulation 33(2)(a) provides that while placing the financial results before the board of directors, the chief executive officer and chief financial officer of the listed entity shall certify that the financial results do not contain any false or misleading statement or figures and do not omit any material fact which may make the statements or figures contained therein misleading. In this regard, I note that Noticee no. 7 has not filed his reply to the SCN and made any submissions on his role and liability as CFO of TTL during FY 2015-16 and 2016-17. Given that it is Noticee no. 7 who has signed the Compliance Certificate as CFO of TTL during FY 2015-16 and 2016-17, I find that Noticee no. 7 has issued certificates with respect to the financial statements of TTL, which as discussed above, did not represent true and fair view of the state of affairs of TTL and has therefore, violated Regulation 17(8) read with Part B of Schedule II of LODR Regulations. Further, as the financials of TTL were misrepresented and Noticee no. 7 has given certificates as



CFO, as discussed above, therefore, Noticees no. 7, is also in violation of Regulation 33(2)(a) of LODR Regulations, 2015.

30. With regard to the directors of the Company, it is observed that as per the Annual Report 2015-16 and 2016-17 of TTL, the details of the Board of Directors of TTL during the investigation period are as follows:

FY 2015-16

Name	Designation
Mr. Vikrant Kayan	Chairperson & Managing Director
Mr. Shyam Gurang	Non-Executive, Additional Director
Mr. Bhaskar Paul	Non-Executive, Independent Director
Mr. Vikash Dubey	Non-Executive, Independent Director
Mrs. Purnima Maity	Non-Executive, Additional Director

FY 2016-17

Name	Designation
Mr. Vikrant Kayan	Chairperson & Managing Director
Mr. Akhtar Khan	Non-Executive, Additional Director
Mr. Bhaskar Paul	Non-Executive, Independent Director
Mr. Vikash Dubey	Non-Executive, Independent Director
Mrs. Girija Banerjee	Non-Executive, Additional Director

31. I note that Noticee no. 2 has filed his reply along with the Company. However, I note that Noticee no. 2 has not made any submissions with regard to his role as Chairperson and Managing Director of the Company. Further, I note that the other directors, i.e. Noticees no. 3 to 6 have not filed any reply to the SCN.
32. In this regard, as discussed above, I note that Regulations 4(2)(f) and Regulation 33 of the LODR Regulations, 2015 creates a specific duty on the board of directors. I note that during the investigation period, Noticees nos. 2 to 6 were directors of the Company. It is observed that as per the Annual Reports of TTL, the details of the Board of Directors during the investigation period are as follows:

Name of the Director	Attendance Particulars
----------------------	------------------------



	FY 2015-16		FY 2016-17	
	Held	Present	Held	Present
Mr. Vikrant Kayan	6	6	9	9
Mr. Akhtar Khan	NA	NA	9	4*
Mr. Bhaskar Paul	6	6	9	9
Mr. Vikash Dubey	6	6	9	9
Mrs. Girija Banerjee	NA	NA	9	7**

* Mr. Akhtar was appointed w.e.f August 13, 2016

** Ms. Girija Banerjee was appointed w.e.f. May 06, 2016

33. I note that Noticee no. 2 was the Chairperson and Managing Director of the Company during the FY 2015-16 and 2016-17, that Noticees no. 3 and 5 were Non-executive Additional directors of the Company during the FY 2016-17 and Noticees no. 4 and 6 were Non-executive Independent directors of the Company during the FY 2015-16 and 2016-17. I note that Noticees no. 2, 4 and 6 had attended all the Board meetings in FY 2015-16 and 2016-17. I note that Noticee no. 3 was appointed as director w.e.f. May 06, 2016 and attended all remaining 7 board meeting for the FY 2016-17 and Noticee no. 5 was appointed as director w.e.f. August 13, 2016 and attended all remaining 4 board meetings for the FY 2016-17. In this regard, I note that Regulations 4(2)(f) and Regulation 33 of the LODR Regulations, 2015 creates specific duty on the whole board of directors without making any distinction on the basis of designation of the directors, viz: independent/ non-executive/ additional directors. Further, I note that non-executive directors and independent directors cannot be held liable for those acts that form part of day to day activities. However, these directors can be held liable for those acts which come to their knowledge through board processes. In the present case, the main allegation is misrepresentation of financials. In terms of LODR Regulations, 2015, the financials are approved by the board of directors. Further, the following are the details of Noticee directors who were members of Audit Committee and the meetings attended by them during the investigation period:

Name of the Director	Attendance Particulars			
	2015-16		2016-17	
	Held	Present	Held	Present



Mr. Vikash Dubey	4	4	5	5
Mr. Vikrant Kayan	4	4	5	5
Mr. Bhaskar Paul	4	4	5	5

34. By being part of Audit Committee meetings, the independent directors namely Mr. Vikash Dubey (Noticee no. 4) and Mr. Bhaskar Paul (Noticee no. 6) along with the Managing Director Mr. Vikrant Kayan (Noticee no. 2) had considered and adopted the agenda being discussed in the meeting. In this regard, I note that Section 177 (4) of the Companies Act, 2013 lays down as follows:

"Every Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall, inter alia, include, -

- (i)
- (ii) *examination of the financial statement and the auditors' report thereon;*
- (iii) *approval or any subsequent modification of transactions of the company with related parties;*
- (iv) *scrutiny of inter-corporate loans and investments;*
- (v) *valuation of undertakings or assets of the company, wherever it is necessary;*
- (vi) *evaluation of internal financial controls and risk management systems;*
- (vii)"

35. Thus, members of the audit committee are responsible to look into the aforesaid financial aspects of a company. Regarding the liability of the independent directors for the acts of commission and omission of a company, reference may be made to Regulation 25(5) of the LODR Regulations, 2015, which provides that an independent director shall be held liable, only in respect of such acts of omission or commission by the listed entity which had occurred with his knowledge, attributable through processes of board of directors, and with his consent or connivance or where he had not acted diligently with respect to the provisions contained in these regulations. In terms of Section 177 of the Companies Act, 2013 and Part C of Schedule II read with Regulation 18(3) of LODR Regulations, 2015, it was the duty of the Audit Committee of TTL to examine the financials, scrutinize inter corporate



loans and investments and related party transactions etc. For the instances of misrepresentation of the financials and misuse of funds of TTL pertaining to the investigation period, the Audit Committee was required to act in accordance with its terms of reference, as enlisted in Section 176 of the Companies Act, 2013. I note that Noticee nos. 4 and 6, who were independent directors of TTL, were part of the audit committee of the Company. They reviewed and approved the financial statements of TTL, as part of the board of directors of the Company. In view of the same, I find that failure to raise any concern regarding the financials of TTL, as members of the audit committee as well as the board of directors of TTL, shows that these directors had the knowledge and did not act diligently with respect to the provisions contained in the LODR Regulations, 2015.

36. As discussed in the aforesaid paras, the financials of TTL were misrepresented during the investigation period. I note that Noticees no. 2 to 6, being directors of TTL and Noticees no. 4 and 6 being part of the audit committee of TTL, approved the financials of TTL, as part of the board of directors of TTL. Failure to raise any concern regarding the financials of TTL, as member of the audit committee and/or the board of directors of TTL, shows that these directors did not act diligently with respect to the provisions contained in the LODR Regulations, 2015.
37. In view of the same, I find that Noticees no. 2, 3, 4, 5 and 6 have violated Regulations 4(2)(f)(ii)(1),(6) & (7) and 4(2)(f)(iii)(2), (3), (6), (12) and 33(2)(a) of the LODR Regulations, 2015.
38. In view of the aforesaid violations committed by TTL and its directors and CFO i.e. Noticees no. 2 to 7, I find that directions under Sections 11(1), 11(4), 11A and 11B (1) of the SEBI Act, 1992 and Section 12A (1) of SCRA, 1956, needs to be issued.



39. SCN in the matter, also calls upon the Noticees no. 1 to 7 to explain as to why appropriate penalty be not imposed upon them under Sections 15A(a), 15HA and 15HB of SEBI Act, 1992, for the violations alleged in the SCN. Relevant extract of these penalty provisions, as existing at the time of violations, is reproduced, hereunder:

Relevant extract of Section 15A (a), 15HA and 15HB of SEBI Act, 1992:

Penalty for failure to furnish information, return, etc.

15A. If any person, who is required under this Act or any rules or regulations made thereunder,—
(a) to furnish any document, return or report to the Board, fails to furnish the same, he shall be liable to a penalty which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees.

Penalty for fraudulent and unfair trade practices.

15HA. If any person indulges in fraudulent and unfair trade practices relating to securities, he shall be liable to a penalty which shall not be less than five lakh rupees but which may extend to twenty-five crore rupees or three times the amount of profits made out of such practices, whichever is higher.

Penalty for contravention where no separate penalty has been provided.

15HB. Whoever fails to comply with any provision of this Act, the rules or the regulations made or directions issued by the Board thereunder for which no separate penalty has been provided, shall be liable to a penalty which shall not be less than one lakh rupees but which may extend to one crore rupees."

Relevant extract of Section 23E and 23H of SCRA, 1956:

Penalty for failure to comply with provision of listing conditions or delisting conditions or grounds.



23E. If a company or any person managing collective investment scheme or mutual fund or real estate investment trust or infrastructure investment trust or alternative investment fund, fails to comply with the listing conditions or delisting conditions or grounds or commits a breach thereof, it or he shall be liable to a penalty which shall not be less than five lakh rupees but which may extend to twenty-five crore rupees.

Penalty for contravention where no separate penalty has been provided.

23H. Whoever fails to comply with any provision of this Act, the rules or articles or bye-laws or the regulations of the recognised stock exchange or directions issued by the Securities and Exchange Board of India for which no separate penalty has been provided, shall be liable to a penalty which shall not be less than one lakh rupees but which may extend to one crore rupees.

40. From the analysis of the aforesaid penalty provisions, I find that penalty under Section 15HB of the SEBI Act, 1992, is attracted and not the penalties under Sections 15A(a) and 15HA of SEBI Act, 1992 and Sections 23E of the SCRA, 1956. I note that Section 15A(a) of the SEBI Act, 1992 provides for imposition of penalty for failure to furnish information, return, etc. As in the present case, it has been found that violations of Section 11(2)(i) and 11(2)(ia) of SEBI Act, 1992 have not been made out, therefore, penalty under Section 15A(a) of SEBI Act, 1992 is not attracted against the Noticees (i.e. Noticees no. 1 to 7). I note that Section 15HA of the SEBI Act, 1992 provides for imposition of penalty in case of fraudulent and unfair trade practices committed by any person. As in the present case, it has been found that violations of Section 12A (a), (b) & (c) of SEBI Act, 1992 and provisions of PFUTP Regulations, 2003 have not been made out, therefore, penalty under Section 15HA of SEBI Act, 1992 is not attracted against the Noticees (i.e. Noticees no. 1 to 7). I also note that Section 23E of SCRA, 1956 provides for penalty for failure to comply with, *inter alia*, listing conditions by "a company or any person managing collective investment scheme or mutual fund". In the present case, it has been found that TTL is in violation of listing conditions however, TTL is not managing any collective investment scheme or mutual fund, so as to attract penalty under Section 23E of SCRA, 1956. I find that penalty under Section 23H of SCRA,



1956 is also not attracted in the case of Noticee no. 2 to 7, as Section 23H provides for penalty for failure to comply with any provision of SCRA, 1956, the rules or articles or bye-laws or the regulations of the recognised stock exchange or directions issued by SEBI for which no separate penalty has been provided. As the Noticee no. 2 to 7, being directors/CFO of TTL, have been found to be in violation of LODR Regulations, 2015 which is a regulation framed under the SEBI Act, 1992 and SCRA, 1956 by SEBI and not the "regulation" of stock exchange, as contemplated under Section 23H, and there is no violation of direction of SEBI directions alleged against these Noticees, therefore, Section 23H is not attracted in the case of Noticee no. 2 to 7. TTL has been found to have violated provision of Section 21 of SCRA Act, 1956, therefore, provisions of Section 23H of the SCRA, 1956 is attracted qua Noticee no. 1, the Company.

41. I find that for the violation of LODR Regulations, 2015, TTL is liable for imposition of penalty under Section 15HB of the SEBI Act, 1992 which provides for penalty for failure to comply with any provision of SEBI Act, 1992, the rules or the regulations made or directions issued by the Board thereunder for which no separate penalty has been provided. Since, LODR Regulations, 2015 are framed under SEBI Act, 1992 also and penalty provisions under SEBI Act, 1992 (i.e. 15A to 15HB) does not separately provide for any penalty for violation of LODR Regulations, 2015, therefore, for violation of LODR Regulations, 2015 by TTL, as found in this order, penalty under Section 15HB is attracted against TTL. Similarly, Noticees no. 2 to 7 who are the directors and CFO of TTL are liable for imposition of penalty, for the violations of LODR Regulations, 2015 which are found to be committed by them, under Section 15HB of the SEBI Act, 1992.
42. For imposition of penalty under the provisions of the SEBI Act, 1992, Section 15J of the SEBI Act, 1992 provides as follows:

"Factors to be taken into account while adjudging quantum of penalty.



15J. While adjudging quantum of penalty under 15-I or section 11 or section 11B, the Board or the adjudicating officer shall have due regard to the following factors, namely: —

- (a) the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;
- (b) the amount of loss caused to an investor or group of investors as a result of the default;
- (c) the repetitive nature of the default.

Explanation. — For the removal of doubts, it is clarified that the power to adjudge the quantum of penalty under sections 15A to 15E, clauses (b) and (c) of section 15F, 15G, 15H and 15HA shall be and shall always be deemed to have been exercised under the provisions of this section."

43. I find that the SCN does not alleged any amount of disproportionate gain or unfair advantage made as a result of the default. I find that the SCN does not indicate the amount of specific loss caused to investors or group of investors as a result of the default by the Noticees. However, I note that the violations have occurred over a period of two financial years. I also note that Noticees no. 3, 4, 5 and 6 were the Independent directors/Non-executive directors and Noticee no. 7 was the CFO of the Company during the investigation period.

Directions:

44. In view of the aforesaid findings and having regard to the facts and circumstances of the case, I, in exercise of the powers conferred upon me under Section 11(1), 11(4), 11(4A), 11A and 11B(1), 11B(2) of SEBI Act, 1992 and Section 12A(1) and 12A(2) of SCRA, 1956 read with Section 19 and Section 11(2)(j) of SEBI Act, 1992 and Rule 5 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995, direct as under:



- (i) The Noticee no. 1 (Trinity Tradelink Limited) and Noticee no. 2 (Mr. Vikrant Kayan) are restrained from accessing the securities market and further prohibited from buying, selling or otherwise dealing in securities, directly or indirectly, or being associated with the securities market in any manner, whatsoever, for a period of one (1) year, from the date of coming into force of this order;
- (ii) The Noticee no. 3 (Ms. Girija Banerjee), Noticee no. 4 (Mr. Vikash Dubey), Noticee no. 5 (Mr. Akhtar Khan), Noticee no. 6 (Mr. Bhaskar Paul) and Noticee no. 7 (Mr. Kashi Nath Ishar) are restrained from accessing the securities market and further prohibited from buying, selling or otherwise dealing in securities, directly or indirectly, or being associated with the securities market in any manner, whatsoever, for a period of six (6) months, from the date of coming into force of this order;
- (iii) The Noticees no. 1 to 7, are hereby imposed with, the following penalties as specified:

Noticee No.	Name of Noticees	Provisions under which penalty imposed	Penalties
1.	Trinity Tradelink Limited	Section 15HB of SEBI Act, 1992 and Section 23H of SCRA, 1956.	Rs. 20,00,000/- (Rupees Twenty Lakh).
2.	Mr. Vikrant Kayan	Section 15HB of SEBI Act, 1992	Rs. 10,00,000/- (Rupees Ten Lakh)
3.	Ms Girija Banerjee	Section 15HB of SEBI Act, 1992	Rs. 2,00,000/- (Rupees Two Lakh)
4.	Mr. Vikash Dubey	Section 15HB of SEBI Act, 1992	Rs. 2,00,000/- (Rupees Two Lakh)
5.	Mr. Akhtar Khan	Section 15HB of SEBI	Rs. 2,00,000/- (Rupees Two



		Act, 1992	Lakh)
6.	Mr. Bhaskar Paul	Section 15HB of SEBI Act, 1992	Rs. 2,00,000/- (Rupees Two Lakh)
7.	Mr. Kashi Nath Ishar	Section 15HB of SEBI Act, 1992	Rs. 4,00,000/- (Rupees Four Lakh)

- (iv) The aforesaid Noticees are directed to pay their respective penalties within a period of forty-five (45) days, from the date of receipt of this order, by way of Demand Draft in favour of "SEBI -Penalties Remittable to Government of India", payable at Mumbai or through online payment facility available on the website of SEBI, i.e. www.sebi.gov.in on the following path, by clicking on the payment link: ENFORCEMENT -> Orders -> Orders of Chairman/ Members -> PAY NOW. In case of any difficulties in online payment of penalties, the said Noticees may contact the support at portalhelp@sebi.gov.in. The demand draft or the details/ confirmation of e-payment should be sent to "The Division Chief, Investigation Department, ID-9, Securities and Exchange Board of India, SEBI Bhavan II, Plot no. C-7, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051" and also to e-mail id:- tad@sebi.gov.in in the format as given in table below:

Case Name	
Name of Payee	
Date of Payment	
Amount Paid	
Transaction No.	
Payment is made for: (like penalties/ disgorgement/ recovery/ settlement amount/ legal charges along with order details)	



45. During the period of restraint, as directed in para 44 above, the existing holding of securities including the units of mutual funds, of the concerned Noticees, shall remain under freeze.
46. The obligation of the Noticees, restrained/prohibited by this Order, in respect of settlement of securities, if any, purchased or sold in the cash segment of the recognized stock exchange(s), as existing on the date of this Order, are allowed to be discharged irrespective of the restraint/prohibition imposed by this Order. Further, all open positions, if any, of the Noticees, restrained/prohibited in the present Order, in the F&O segment of the recognised stock exchange(s), are permitted to be squared off, irrespective of the restraint/prohibition imposed by this Order.
47. This Order comes into force with immediate effect.
48. This Order shall be served on all the Noticees, Recognized Stock Exchanges, Depositories and Registrar and Share Transfer Agents and Banks to ensure necessary compliance.



ANANTA BARUA

WHOLE TIME MEMBER

SECURITIES AND EXCHANGE BOARD OF INDIA

Place: Mumbai

Date: June 29, 2022

CERTIFIED TO BE TRUE COPY

Vandana Agarwal

DATE OF CERTIFICATION: June 30, 2022

TOTAL NUMBER OF PAGES CERTIFIED: 49

CERTIFIED TO BE TRUE COPY
DATE OF CERTIFICATION:
TOTAL NUMBER OF PAGES CERTIFIED: