



भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

Soma Majumder
Adjudicating Officer
Telephone: 022-26441440
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By SPAD / Email

EAD10/SM/MKG/ 5658/1/2021
March 09, 2021

1. Indian Infotech & Software Ltd. (PAN-AAACI0350E) Address 1: Room No. 122, Block "D" 1st Floor, Sitala Devi CHS Ltd., D N Nagar, Ambivalli, Andheri (W) Mumbai – 400053. Address 2: Chamber No 3 & 4, 7th Floor, Skyline Icon, Andheri Kurla Road, Chimatpada, Marol, Andheri E Mumbai 400059 Address 3: D-114, crystal Plaza Opposite, Infinity Mall Link Road, Andheri West, Mumbai-400053 Email: indianinfotechsoftware@yahoo.com indianinfotech123@gmail.com	2. Kamal Nayan Sharma (PAN- BFFPS8269J) H. No. 301, Sidharthh Colony Delhi Road Sonepat – 131001. Email: nayankamal_sharma@yahoo.com
3. Varsha Murarka (PAN- ARCPM7606B) 252/C, Chittaranjan Avenue 2nd Floor, Girish Park, Kolkata – 700006.	4. Harish Joshi (PAN- ADYPJ1327J) Address 1: 65/B, Pathuria Ghat Street, Kolkata – 700006. Address 2: H. No. 74/1, Badalpara Lane, 4th Floor, Bandhaghat Howrah – 711106. Address 3: 624, Govind Agarwalla Complex, R. b. lane, Jorhat, Assam, 785001

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Show Cause Notice in the matter of Indian Infotech & Software Ltd.

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सेबी भवन, प्लॉट सं. सी 4-ए, "जी" ब्लॉक, बांद्रा कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई - 400 051.
दूरभाष : 2644 9950 / 4045 9950 (आई.वी.आर.एस.), 2644 9000 / 4045 9000 फैक्स : 2644 9019 से 2644 9022 वेब : www.sebi.gov.in



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	Email: gudduharish@gmail.com hharishjoshi1982@gmail.com
✓ 5. Mukund Bhardwaj (PAN- AHHPB0587H) Flat No. D-2, ECE Colony Sonepat – 131001.	---

Notice under Rule 4 of Securities Contract Regulation (Procedure for Holding Inquiry and Imposing Penalties) Rules, 2005, read with Section 23I of Securities Contracts (Regulation) Act, 1956 and Rule 4 of SEBI (Procedure for Holding Inquiry and Imposing Penalties Rules, 1995, read with Section 15I of Securities and Exchange Board of India Act, 1992

1. Securities and Exchange Board of India (hereinafter referred to as 'SEBI') vide Communique dated December 31, 2020 ('Annexure I') appointed the undersigned as the Adjudicating Officer under Section 19 of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as 'SEBI Act') read with Section 15I and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as 'SEBI AO Rules') and under Sub-section (1) of Section 23-I of Securities Contracts (Regulation) Act, 1956 (hereinafter referred to as 'SCRA') and Rule 3 of (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as 'SCRA AO Rules') to inquire into and adjudge the alleged violations committed by the following entities of the provisions of the corresponding Act, Regulations viz., SCRA, SEBI Act, SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003, (hereinafter known as "PFUTP Regulations") and SEBI (Listing Obligation and Disclosure



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Requirements) Regulations, 2015, (hereinafter referred to "LODR Regulations"),

Sl. No.	Noticee No.	Name of the Entity	Violations observed	Initiation of Adjudication under the legal provisions
1	1	Indian Infotech & Software Ltd.	Section 12A (a) (b) and (c) of the SEBI Act and Regulation 3(b), (c) and (d) and Regulation 4(1) and 4(2) (f) and (r) of the PFUTP Regulations. Regulations 4(1)(c), (e) and (g), and 4(2)(f)(i)(2), 4(2)(f)(ii)(6) & (7), 4(2)(f)(iii)(1), (3), (6), (12) of LODR Regulations and Section 21 of SCRA.	Sections 15A(a), 15HA and 15HB of the SEBI Act and under Sections 23E of SCRA.
2	2	Kamal Nayan Sharma	Section 11(2)(i) and 11(2)(ia) of the SEBI Act.	Sections 15A(a), 15HA and 15HB of the SEBI Act and under Sections 23H of SCRA.
3	3	Varsha Murarka		
4	4	Harish Joshi	Section 12A (a) (b) and (c) of the SEBI Act and Regulation 3(b), (c) and (d) and Regulation 4(1) and 4(2) (f) and (r) of the PFUTP Regulations. Regulations 4(1) (c), (e) and (g) and 4(2)(f)(i)(2), 4(2)(f)(ii)(6) & (7), 4(2)(f)(iii)(1), (3), (6) & (12) of the LODR Regulations, Clause 49(ix) of the erstwhile Listing Agreement and Section 21 of SCRA.	Sections 15HA and 15HB of the SEBI Act and Section 23H of SCRA.
5	5	Mukund Bhardwaj		

(The aforesaid entities are hereinafter referred to individually by their respective names/ Noticee numbers and collectively as "the Noticees")

with respect to the alleged irregularities in the scrip of Indian Infotech & Software Limited (hereinafter also referred to as 'IISL' or 'Company'). It is observed that the shares of the Company are listed on the Bombay Stock Exchange (herein after referred to as 'BSE').

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2. SEBI received a letter from the Ministry of Corporate Affairs (hereinafter referred to as '**MCA**') wherein MCA had annexed a list of 331 shell companies for initiating necessary action as per SEBI laws and regulations.
3. In this regard, on August 09, 2017, SEBI 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 the company like company's compliance with Companies Act, whether company is a going concern, its business model, status of compliance with listing requirements, etc. SEBI, vide its interim order dated September 21, 2017, (hereinafter referred to as '**Interim Order**') advised Stock Exchanges to appoint Forensic Auditor, for forensic audit of the Company. Further, SEBI vide letter dated November 02, 2017, provided Exchanges with the 'Scope of Audit' including examining the following:
 - a) Possible misrepresentation including its financials and/ or business and/or violation of LODR Regulations and/ or
 - b) Possible misuse of the books of accounts/funds of the Company including facilitation of accommodation entries and/or entering into transactions to the detriment of minority shareholders and therefore reneging on the fiduciary responsibility cast on the board, controlling shareholders and Key Management Persons.
4. Thereafter, SEBI passed a confirmatory order in the matter on February 08, 2018, confirming the directions contained in the Interim Order.
5. BSE, vide its letter dated October 12, 2018, informed SEBI that on December 26, 2017, it had appointed M/s. Chokshi & Chokshi LLP (hereinafter referred to

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as the “**forensic auditor**”) as auditors for conducting forensic audit of IISL. The forensic auditor, in its emails dated January 04 and 06 of 2018, requested Noticee 1 to provide contact details of the company officials for conducting the forensic audit. Thereafter, BSE, vide emails dated May 23, 2018 and July 17, 2018, advised Noticee 1 to provide required documents/ clarifications and to cooperate with the forensic auditor, failing which further action would be taken in the matter. Despite various correspondences by the forensic auditor and BSE, Noticee 1 failed to furnish the information and documents to the forensic auditor. On account of continuous non co-operation, BSE issued show cause notice to Noticee 1 on August 30, 2018 as to why further action as deemed fit should not be taken against Noticee 1 for failure to provide necessary documents / clarifications to the forensic auditor for the purpose of forensic audit. Subsequently, BSE conducted a site inspection at the registered office of Noticee 1 on October 19, 2018 and submitted its inspection report to SEBI on October 23, 2018. On the basis of the examination of the inspection report of BSE, Annual Reports of Noticee 1 for the Financial Years 2014-15 & 2015-16 and replies/submissions filed by the Noticee 1 post Interim Order, the following was observed-

5.1. In respect of the quoted investments of ₹8.47 crore approximately, it was observed that all the shares are sold to a single entity (Dhanaasha Infracon Pvt. Ltd. (hereinafter referred to as ‘**DIPL**’)) in an off-market transaction in the year 2015-16, at the value appearing at balance sheet of ₹8.47 crore. The company was still holding the shares as on March 31, 2016. As per the depository records, these shares appear in the name of Company even till September 18, 2017 and no transaction has taken place with respect to these shares during the period April 2015 to March 2017. Noticee 1 stated that it had sold the said quoted investment to DIPL and received the entire



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sale proceed of such quoted investment, which is reflected in the bank account statement. Noticee 1 admitted that the shares are still held with them because DIPL does not have demat account and submitted that DIPL is in the process of opening demat account and Noticee 1 is under an obligation to effect the transfer of said shares in the name of DIPL. It was observed that Noticee 1 had not provided any documents to substantiate its claim of sale of shares. Noticee 1 had also not provided the bank account statement highlighting the receipt of consideration or any documentary evidence showing receipt of sale proceeds. Further, the transaction claimed by Noticee 1 was not in line with any commercially prudent transaction. Hence, it is alleged that there is misrepresentation of financials of the company.

5.2. The company had the goodwill amount appearing in the Balance sheet as on March 31, 2016 amounting to approximately Rs. 51 crore. It is alleged that Noticee 1 had failed to furnish the copy of the Independent Chartered Accountant Valuation report, which was referred in the Amalgamation Order passed by the Hon'ble High Court of Bombay dated May 04, 2012, for the goodwill amount of approximately Rs. 51 crore appearing in the Balance sheet as on March 31, 2016. In view of the same, it is alleged that there is misrepresentation of financials of the company.

5.3. Noticee 1 was appearing under the category 'Investment Company' on the RBI Website as on August 31, 2017. However, Statutory Auditor Certificate (SAC) says that the company is a Loan Company. Further, their Annual Report for the year 2015-16 says that approximately 85% of the turnover of the company is from IT and Software Products. Noticee 1 stated that it is a Non-Banking Financial Company (NBFC) carrying as "Loan Company" and

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it had also submitted the MOA & AOA of the company along with the Reserve Bank of India (RBI) Certificate and Statutory Auditor Certificate (SAC) submitted to RBI in which also it is clearly mentioned that the company is "Loan Company". Further, Noticee 1 also stated that it was carrying out the business activities of lending and there was typographic error in the Annual Report 2015-16 under MGT – 9, but that majority of the revenue was generated from lending business activities. The certificate of registration was granted to IISL by RBI to carry on the business of NBFC without accepting the public deposits. Further, as per the MOA of the company, the main object of the company is "To carry on the business of buying, selling, leasing, letting on hire, hire purchase or easy payment system, all types of industrial, agricultural, commercial and household apparatus, plant equipment, machinery, vehicles, vessels, carriers, household goods and materials, buildings and real estate. AND to finance industrial enterprise and to promote companies engaged in industrial and trading business." It was noted that neither the Certificate granted by RBI nor the MOA of the company specify that Noticee 1 is a Loan Company. It was revealed that there were significant contradictions in respect of the claimed business of the company and hence, it is alleged that Noticee 1 has misrepresented its business.

5.4. In the financial year 2015-16, the income (sales of goods/ services) of Noticee 1 was approximately Rs. 91 crore and the purchase of traded goods is approximately Rs. 106 crore. Further it was observed from the 'Extract of Annual Return' that as on the financial year ended March 31, 2016 attached by the company to the Director's report in the Annual Report 2015-16, the principal business activities disclosed by the company was of "IT & Software Products and Interest Income" and not investment in shares.

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Further, it was observed from the annual reports of IISL for the years 2014-15 and 2013-14, that the Revenue from operations schedule shows the income (sales of goods/ services) of companies and purchase of traded goods. The Company stated that in the financial year 2015-16, the company as an NBFC Company also traded in various equity shares of Listed and Unlisted Company both through the Online Platform and Offline mode and the amount of Rd. 91 crore reflect the purchase of shares and not purchase of goods, however, from the Cash flow statement for the year ended March 31, 2016, the Cash flow with respect to purchase of Investments appears to be Rs. 37.50 lakhs only. Further, it was observed that the company stated that there was a typo error in the Annual Report of the Company for Financial Year 2015-16, wherein the "Purchase of Shares" is mentioned as "Purchase of goods", "Sale of Shares" is mentioned as "Sale of Goods". Hence, it is alleged that the company had made wrong representation about the business in its annual report and Annual Return for the year 2015-16.

5.5. The company's HDFC bank statement of account no. 00600350115229 and Yes Bank statement of account no 020185700000189 revealed that there were numerous entries of funds received by Noticee 1 from multiple entities and transferred to other entities on the same day, leaving a negligible closing balance in the bank accounts. Noticee 1 stated that as the company was maintaining negligible balance, the transactions made by it cannot be treated as accommodation entries just because it does not maintain the balance in its account. Noticee 1 further replied that it has current account with the bank which does not provide any interest on the amount kept with them, whereas company earns interest if such funds are deployed as loans & advances. Noticee 1 stated that if it maintains heavy balance in the bank account and company cannot generate revenue which

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may affect shareholders' interests. It was observed that Noticee 1 had not submitted any documentary evidence pertaining to Loans & Advances and therefore, the authenticity of the loans & advances schedule submitted by the company could not be verified and also the claim of the company vide its reply that *"....the company earns interest if such funds are deployed as loans & advances...."* remained to be substantiated. The company had not provided evidence to substantiate whether the transfer of funds or receipt of funds relate to the loans and advances and that the funds received were "immediately deployed for lending purpose". Hence, it is alleged that the company is being used as a conduit to facilitate accommodation transactions.

6. The forensic auditor was appointed by BSE pursuant to SEBI's directions. However, despite affording reasonable number of opportunities to the company by the forensic auditor, the company failed to furnish requisite information / documents essential to conduct the exercise of forensic audit. However, the Noticee 1 had failed to provide information to forensic auditor despite repeated reminders and thus has failed to provide information to SEBI. Therefore, it is alleged that the Noticee 1 has failed to provide information and documents sought under Sections 11(2)(i) and 11(2)(ia) of the SEBI Act.
7. BSE conducted physical inspection of the registered office of the company on October 19, 2018 at Room No. – 122, Block D, 1st Floor, Sitala Devi Chs. Ltd., D. N. Nagar, Ambivali, Andheri (West), Mumbai – 400 053. BSE in its report dated October 23, 2018, observed the following:

(a) *"Office was situated in a residential complex. Further, there were neither any furniture nor any computers/printers available at the said office."*



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- (b) None of directors of IISL or company secretary were present at the time of visit. Mr. Sachin Merchande, the only company official who was present there, could not clarify regarding operations carried out from the said premises. According to him, none of the directors visited the office.
- (c) As per electricity bills provided to the team for the month of July 2018, August 2018 and September 2018, these bills were in the name of R. K. Developers. Further, it was observed that there was very minimum electricity consumption of 25 units during these 3 months. As per the society maintenance bill provided by Mr. Sachin Merchande, bill is in the name of Mr. Sandeep Rasiklal Sheth & Others. Upon enquiring, Mr. Sachin could not clarify relationship of Mr. Sandeep Rasiklal Sheth with IISL. Thus, it appeared that the premises was on a rent. However, no rent agreement was provided to the team.
- (d) As per attendance sheet of the Annual General Meeting ("AGM"), it appeared to have been held at the office for last 3 years, it was observed that, more than 30 shareholders of IISL have attended these meetings. As per records, company's total area is about 225 sq. ft. which includes a room, kitchen and facilities. In view of the same, there was suspicion as to how such a small room could accommodate more than 30 shareholders in addition to other company directors and officials attending such AGMs."

8. In view of the aforesaid findings, it is alleged that the Company i.e., Noticee 1 had failed to present true and fair financial statements and had executed transactions which were non-genuine in nature tantamounting to misrepresentation of the accounts/ financials statement and misuse of books of account/ funds of the company. Further, that Noticee 1 had misused funds/ misrepresented books of accounts which are detrimental to the interests of genuine investors and thus, such acts are fraudulent in nature. It is further

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alleged that Noticee 1 did not cooperate with the forensic auditor and failed to furnish requisite information and documents sought under Sections 11(2)(i) and 11(2)(ia) of the SEBI Act.

9. The details of the directors and CFO of the company for the relevant period i.e. during the FY 2015-16, are as under:

Sr. No.	Noticee No.	Name of the Director	Designation
1	2	Kamal Nayan Sharma	Executive Director and Managing Director
2	3	Varsha Murarka	Non-Executive Independent Director
3	4	Harish Joshi	Non-Executive Non-Independent Director
4	5	Mukund Bhardwaj	Executive Director and Chief Financial Officer

10. SEBI observed that it was the duty and responsibility of the directors (Noticees 2 to 5) to ensure that proper systems and controls are in place for financial reporting and to monitor the efficacy of such systems and controls. The directors of the listed companies have greater responsibility as they have access to inside information such as the financial position of the company, annual accounts, etc., and they take major decisions on behalf of the company, which affects the investors. Further, Noticee 3 and 4, being Independent Directors, had the duty of being vigilant. SEBI, further, observed that it was duty of the Noticee 5, who was Chief Financial Officer (herein after referred to as 'CFO') of the Company at the relevant time, to certify that the financial results do not contain any false or misleading statement and do not omit any material fact which may make the statements or figures contained therein misleading while placing the financial results. In view of the same, it is alleged that the directors including the CFO of the company have failed to exercise duty of care by misrepresenting the financials. The directors and CFO have failed to discharge their fiduciary responsibility. Therefore, it is alleged that Directors of

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the Company viz., Noticees 2 to 5 were responsible for all the acts of omission and commission by the company.

11. In view of the above, it is alleged that the Noticees 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 books of account/ funds of the company and such acts were found to be fraudulent in nature. Thus, it is alleged that the Noticees 1 to 5 have violated the provisions of Section 12A(a), (b) & (c) of the SEBI Act, Regulations 3(b), (c) & (d) and Regulation 4(1), 4(2)(f) & (r) of the PFUTP Regulations, Regulations 4(1)(c),(e) & (g), 4(2)(f)(i)(2), 4(2)(f)(ii)(6) & (7), 4(2)(f)(iii)(1), (3), (6) & (12) of LODR Regulations and Section 21 of SCRA. It is further alleged that Noticee 5 has violated Clause 49(ix) of the erstwhile Listing Agreement. It is also alleged that Noticee 1, Noticee 2, Noticee 3 and Noticee 4 have failed to cooperate with the forensic auditor appointed by BSE and did not provide documents requested by the forensic auditor and, therefore, have violated the provisions of Section 11(2)(i) and Section 11(2)(ia) of the SEBI Act.

12. The provisions of SEBI Act, SCRA, PFUTP Regulations and LODR Regulations are reproduced herein below:

Section 11(2)(i) and 11(2)(ia) of the SEBI Act, 1992

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—

(a).....



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(b)....

(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;...

Section 12A (a) (b) and (c) of the SEBI Act

Section 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 recognised 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;

(d)”

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Section 21 of SCRA

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

Regulations 4(1)(c),(e) and (g), 4(2)(f)(i)(2), 4(2)(f)(ii)(6) and (7), 4(2)(f)(iii)(1),(3),(6) and (12) of LODR Regulations

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

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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.

(a).....

(b).....

(f) Responsibilities of the board of directors: The board of directors of the listed entity shall have the following responsibilities:

(i) Disclosure of information:

(1).....

(2) The board of directors and senior management shall conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture of good decision-making.

(ii) Key functions of the board of directors-

(1)

(2).....

(3).....

(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,

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financial and operational control, and compliance with the law and relevant standards

...

(iii) Other responsibilities : (1) The board of directors shall provide strategic guidance to the listed entity, ensure effective monitoring of the management and shall be accountable to the listed entity and the shareholders.

...

(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.

...

Regulation 3(b), (c) and (d) and Regulation 4(1) and 4(2) (f) and (r) of the PFUTP Regulations

Regulation 3 of PFUTP Regulations

3. No person shall directly or indirectly—

- (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 thereunder;*

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- (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 thereunder.*

Regulation 4 of PFUTP Regulations

(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 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.*

13. The aforesaid violations, if established, make the Noticees liable for monetary penalty under Sections 23E & 23H of SCRA and Sections 15A(a), 15HA and 15HB of SEBI Act, the provisions of which are reproduced hereunder:

Section 15A(a) of SEBI Act

If any person, who is required under this Act or any rules or regulations made thereunder,—

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(a) to furnish any document, return or report to the Board, fails to furnish the same

or who furnishes or files false, incorrect or incomplete information, return, report, books or other documents, 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.

Section 15HA of SEBI Act

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

Section 15HB of SEBI Act

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.

Section 23E of SCRA

If a company or any person managing collective investment scheme or mutual 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 not exceeding twenty-five crore rupees.

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अनुवर्ती :
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भारतीय प्रतिभूति
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**Securities and Exchange
Board of India**

Section 23H of SCRA

Whoever fails to comply with any provision of this Act, the rules or articles or byelaws 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 may extend to one crore rupees.

14. The Noticees are, therefore, called upon to show cause as to why an inquiry be not held against them in terms of Rule 4 of SCRA AO Rules read with Section 23 I of SCRA and Rule 4 of SEBI AO Rules read with Section 15 I of SEBI Act and penalty be not imposed under Section 15A(a), 15HA, 15HB of the SEBI Act and Section 23E, 23H of the SCRA as mentioned in Paragraph 1 above of this SCN, for aforesaid alleged violations by them.
15. The Noticees shall submit the reply to the Show Cause Notice supported by such documentary evidence, which they may like to adduce in support of the reply within fifteen days from the date of receipt of this notice by them. Further, a soft copy of the reply may also be sent via email at somam@sebi.gov.in and manishg@sebi.gov.in. In case no reply is received from the Noticees within the prescribed time mentioned above, it would be presumed that the Noticees have no submissions to make and the matter shall be proceeded with on the basis of material/ facts on record. A copy of PAN Card, contact details (contact person, phone number, email details, fax etc.) of the Noticees may also be submitted along with the reply.
16. The Noticees may also note that a settlement mechanism is provided under the Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018. If they wish to avail the benefit of the settlement process, they may apply

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अनुवर्ती :
Continuation :

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**Securities and Exchange
Board of India**

for the same in the manner provided in the said regulations under intimation to the undersigned.

17. Further, the Noticees may note that if there is any change in their addresses during the period of the current Adjudication proceedings, they are required to inform the same to the Adjudicating Officer, immediately.

Soma Majumder
Adjudicating Officer

Enclosures (Annexures):

1. Copy of Appointment Order dated December 31, 2021;
2. Copy of IISL letter dated September 12, 2017;
3. Copy of IISL letter dated October 17, 2017;
4. Copy of BSE letter dated October 12, 2018;
5. Copy of BSE Inspection Report dated October 23, 2018
6. Copy of Holding and Transaction Statements;
7. Copy of Annual Report of IISL for the period 2015-16;
8. Copy of Annual report of IISL for the period 2014-15;
9. Copy of details as provided on RBI website.

SECURITIES AND EXCHANGE BOARD OF INDIA
Communication of Order appointing Adjudicating Officer

1. Whereas in exercise of the powers conferred upon the Competent Authority, Shri B.J.Dilip, Chief General Manager was appointed as Adjudicating Officer vide order/s issued earlier (hereinafter referred as "Original Orders") in respect of cases/entities mentioned at **Flag 'Y'**.
2. Whereas vide order dated December 29th, 2020, the competent authority has approved the transfer of the Adjudication proceedings in respect of case/entities enumerated in the said Flag 'Y' to Adjudicating Officer – Ms. Soma Majumder, General Manager.
3. Except for the change of Adjudicating Officer, all other terms and conditions of the Original Orders shall remain unchanged and shall be in full force and effect. The Adjudicating Officer shall proceed in accordance with the terms of reference made in the Original Orders read with this Order.
4. The said proceedings of transfer/appointment are hereby communicated to the Adjudicating Officer to conduct the Adjudication Proceedings in the manner specified under SEBI Act, 1992, Depositories Act, 1996, SCRA Act, 1956 and the respective rules made thereunder. The Adjudicating Officer shall inquire into and adjudicate the alleged violations and if satisfied that the entities have become liable to penalty, may impose such penalty, as the Adjudicating Officer thinks fit, in terms of SEBI Act, 1992, Depositories Act, 1996, SCRA Act, 1956 and the respective rules made thereunder.

Dated at Mumbai, on this 31st day of December, 2020.



ASHUTOSH ARUN
DEPUTY GENERAL MANAGER
SECURITIES AND EXCHANGE BOARD OF INDIA

20	Indian Infotech and Software Limited	Mr. Kamal Nayan Sharma	GM (SM)
		Ms. Varsha Murarka	
		Mr. Harish Joshi	
		Mr. Mukund Bhardwaj	
		Indian Infotech and Software Limited	