WTM/AS/CFID/CFID-SEC1/32687/2026-27

SECURITIES AND EXCHANGE BOARD OF INDIA

FINAL ORDER

UNDER SECTIONS 11(1), 11(4), 11(4A), 11B(1) AND 11B(2) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992

In respect of –

Noticee No.	Name of the Noticee	PAN
1.	Trafiksol ITS Technologies Limited	AAGCT6473R
2.	Mr. Jitendra Narayan Das	AGGPD9095G
3.	Ms. Poonam Das	AEMPC2313Q

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

IN THE MATTER OF INITIAL PUBLIC OFFER OF TRAFIKSOL ITS TECHNOLOGIES LTD.

A. BACKGROUND

1. The present proceedings emanate from an investigation undertaken by SEBI pursuant to receipt of complaints by SEBI and BSE Ltd. ("BSE") in respect of the Initial Public Offer ("IPO") of Trafiksol ITS Technologies Ltd. ("**Trafiksol/ TITL/ Company**").

2. The Company had filed a Draft Red Herring Prospectus ("**DRHP**") with BSE Ltd. ("**BSE**") on May 31, 2024 for an IPO of its equity shares which were proposed to be listed on the Small and Medium Enterprises ("**SME**") Platform (of BSE). The Red Herring Prospectus ("**RHP**") was filed on September 04, 2024 and the Prospectus was filed on September 13, 2024 ("**Final Prospectus**"). Ekadrisht Capital Private

Limited ("**Ekadrisht / MB / ECPL**") having its office at 406, Summitt Business Bay, Andheri Kurla Road, Andheri East, Mumbai - 400093, acted as the sole Merchant Banker / Book Running Lead Manager to the issue.

[For the purpose of this Order, the term "Prospectus" shall refer to all three documents collectively, namely the DRHP, RHP and the Final Prospectus. Where reference is intended to be specifically made to any one of these documents, the relevant document is expressly identified.]

3. A fresh issue of 64.10 lakh shares was proposed through the aforesaid IPO. The issue was offered to investors in a price band of ₹66 to ₹70 per share. The IPO was open for subscription between September 10, 2024 and September 12, 2024. The offering was oversubscribed 345.65 times. The issue was priced at the upper end of the price band of ₹70 per share, raising a total of ₹44.87 crores. The objects of the issue, as disclosed in the Final Prospectus, are given in the following Table:

Table 1 – Objects of the Issue

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

4. Mr. Jitendra Narayan Das ("**Noticee No. 2 / Mr. Jitendra Das**") and Ms. Poonam Das ("**Noticee No. 3**") are the promoters of the Company. As disclosed in the Prospectus, Mr. Jitendra Das also serves as the Chairman and Managing Director

of the Company, while Ms. Poonam Das serves as its Whole-Time Director. The shareholding pattern, as per the Final Prospectus, is given in the following Table:

Table 2 – Shareholding Pattern of TITL

Particulars	% holding	No. of shareholders
Mr. Jitendra Narayan Das	6.73%	-
Ms. Poonam Das	53.98%	-
Public	39.29%	216

5. The basis of allotment was finalized on September 13, 2024 and the shares were credited to the demat accounts of the eligible applicants on September 16, 2024. The listing of the shares of the Company was scheduled for September 17, 2024.

6. Post the closure of the issue and allotment of shares on September 16, 2024, a complaint was received primarily alleging that there were discrepancies in proposed use of proceeds for procuring software worth ₹17.70 crores, as the Third-Party Vendor from which the Company had obtained the quote appeared incapable of executing the contract. Further, in a meeting held with Ekadrisht on September 17, 2024, it was noted that the Third-Party Vendor [i.e., Oasis Corpcare Pvt. Ltd. ("**Oasis / TPV/ OCPL**")] had not filed financial statements with Ministry of Corporate Affairs ("MCA") for more than 3 years and had reported NIL revenue in the last year for which financials were filed.

7. In view of the above complaint, BSE in consultation with SEBI deferred the listing of shares of the Company. Subsequently, SEBI passed an *Ad Interim Ex-parte* order dated October 11, 2024 ("**Interim Order**"), *inter alia,* directing BSE to ensure that the proceeds of the IPO of the Company are placed in an interest-bearing escrow account till further directions. The Interim Order also directed a detailed investigation to be undertaken in the matter.

8. Accordingly, an investigation was carried out by SEBI, which resulted in findings that can be clubbed under four heads as follows:
    8.1. Intent of diversion of funds through misleading objects of the issue;
    8.2. Misleading financial disclosures in Prospectus;
    8.3. Concealment of material fact in the Prospectus;
    8.4. Submission of false information in relation to Oasis.

9. Given the urgency arising from the fact that investors' funds were locked-in pursuant to the Interim Order, the proceedings pertaining to material mis-statements in the Prospectus related to the objects of the issue, were taken up separately and a Show Cause Notice dated November 14, 2024 covering only this aspect was issued to Trafiksol.

10. Pursuant to the above, SEBI vide Order dated December 03, 2024, *inter alia,* directed Trafiksol to refund the money paid by the investors, who were allotted shares in the IPO and cancel the shares that were issued to the allottees. The findings of the said Order *(qua* the Company) with regard to objects of the issue, are summarized below:

10.1. Purchase of software, as can be noted from Table 1 above, was a major object of the issue amounting to close to 40% of the issue size. The DRHP disclosed that Trafiksol is in need of an Integrated Command Control Centre Software (ICCC) to function as the core operational hub for smart cities. As per the submissions of Trafiksol, developing the ICCC software was a highly complex and challenging endeavour, requiring technical knowledge and domain expertise.

10.2. The estimated cost for the purchase of software was based on a quotation received from Oasis. As per the information available in MCA records, the directors of the TPV were Mr. Akshay Prajapat and Mr. Kishanlal Prajapat and the entire share capital was subscribed between Mr. Avesh Patel, Mr. Sudhakar Shetty and Mr. Vijay Vitthal. The records also indicated that these three individuals served as directors of the TPV till September 2019. The details are given in the following Table:

Table 3 – Directors of the TPV

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

10.3. During the investigation, Mr. Avesh Patel submitted that Mr. Kishanlal Bholu Ram Kumhar ("**Kishanlal**"), who served as a director of the TPV from February 12, 2022 to October 18, 2023, had acquired the entire shareholding of the TPV in 2019 for a consideration of ₹ 20,000.

10.4. In his statement dated October 17, 2024, Mr. Kishanlal *inter alia* submitted that he came into contact with Mr. Jitendra Das through a middleman, viz., Mr. Vijay Oswal (Contact No. – 77xxxxx191 / 83xxxxx927), who told him to give a quotation to Trafiksol for a commission. He and Mr. Akshay Prajapat had not met Mr. Jitendra Das at the time of giving the quotation. After BSE halted the IPO of Trafiksol, he along with Mr. Vijay Oswal, met Mr. Jitendra Das. The quotation submitted to Trafiksol was prepared by Mr. Vijay Oswal. This statement is corroborated by Call Data Records (CDR), which placed Mr. Kishanlal, Mr. Vijay Oswal, and Mr. Jitendra Das at a common location between 18:06 and 20:49 on September 17, 2024. A CDR analysis also corroborates the claim that Mr. Vijay

Oswal was the link between Mr. Jitendra Das and the directors / promoters of Oasis viz. Mr. Akshay Prajapat and Mr. Kishanlal Kumhar.

10.5. The financial statements of the TPV that were submitted to BSE were signed by Mr. Sunil Murmuria, Chartered Accountant, who is the proprietor of Murmuria & Associates, Kolkata. The UDINs for the financial statements for all three years were generated on September 18, 2024 (a day after the BSE had put on hold the listing of the shares of the Company), between 19:38:50 and 19:43:16 and emailed to BSE on the same day at 23:59.

10.6. The profile of the TPV submitted to BSE highlighted the expertise of the TPV's directors and provided details of their clients. The profile mentioned that the present directors of the TPV, viz., Akshay Prajapat and Kishanlal Prajapat are distinguished professionals specializing in traffic control software solutions for smart cities. The details of the directors appeared to be unusually tailored to match the requirements of Trafiksol, which by itself looked questionable. Further, one of the directors, when contacted by SEBI for questioning, initially answered the call but then switched off his phone.

10.7. Further, TPV claimed a project pipeline worth ₹12.82 crores, including software supplies of ₹5.73 crores to three entities. Two of these entities, Techno Industries Pvt. Ltd. and Manchanda Renewable Pvt. Ltd., replied and stated on record, that they had no dealings with the TPV. The ex-director’s sworn statement that the Company was sold for a nominal sum of ₹20,000 reinforces the conclusion that the TPV lacked the technical expertise and operational capacity to execute a complex project such as ICCC software.

10.8. The Company denied knowingly submitting fabricated documents, claiming it merely forwarded materials provided by TPV and had no incentive to falsify them. However, this contention was not accepted, since it could be reasonably concluded that the Managing Director of the Company, given his long association with this sector, at the very least, was aware that the profile of the TPV directors was fraudulent.

10.9. The TPV's office was found locked during a site visit conducted by BSE. In view of the same along with the facts that the financial statements of the TPV for FY22 to FY24 were obtained under questionable circumstances (as the statements were signed by the auditor on the same date that it was submitted to BSE), the client list and credentials of its directors were fabricated, and the statement of the director that the TPV was sold for a nominal sum of ₹20,000, the aforesaid Order concluded that the TPV in question is a “shell entity”.

10.10. SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“**ICDR Regulations**”) permit companies to rely on quotations for estimating the cost of contracts that have not yet been awarded. However, this cannot be taken as an excuse for obtaining quotations from companies which have no credentials. The Company offered multiple, and at times conflicting, explanations for its engagement with the TPV. It claimed that it merely obtained a quote from the TPV, that the TPV was selected after adhering to the rigorous procedures outlined in its procurement policy, and that the TPV was just an intermediate entity which would sub-contract the software development. The Company however, failed to provide a single credible justification for engaging such an entity in the first place.

10.11. The Order concluded that the Company relied on a quotation from a sham entity and then participated in a cover-up when the credentials of the TPV were being examined.

11. The Company preferred an appeal against the aforesaid Order before the Securities Appellate Tribunal ("**SAT**"). The Hon'ble SAT dismissed the appeal vide Order dated January 24, 2025 while noting the following:

"6.2 … The appellant Company while going for Initial Public Offer for inviting subscription from public at large, was duty bound to obtain quotation from a genuine software provider entity for the purpose of vendor selection for an important software, which in their scheme of things, was going to be integral object of the Issue. Despite being in the ITS sector, the company did not make desired professional efforts to evaluate whether the quotation by OCPL was genuine or not. We find that the quotation was received on May 16, 2024 and within two days on May 18, 2024, the Board of directors of the Company "noted and approved" procurement of ICCC software from the said vendor, even though in the DRHP dated May 30, 2024, in the notes to the 'Deployment of proceeds' segment, it has been qualified that no definitive agreement was signed with the said vendor and the Company may change vendor or quotation per se.

*6.3 We also **note that the decision of the Board of directors of the Company in 'approving' the purchase of software without due verification of credentials of the vendor and in utter disregard to its own purchase policy, which provides for taking at least three quotes for such an indent, did not the desired corporate governance norms.** Surprisingly the purchase committee of the company, which ought to have examined the credentials of the vendor in details and assessed whether the vendor had deserved capability to provide ICCC software in the given time-frame, cleared the quote merely on the basis of GST returns filed for last two months, which obviously are of no technical assistance for deciding purchase of software. The **committee also ignored that there was no business of OCPL during the FY 2020 and FY 2021 for which financials were available and turned blind eye on the absence of financials for the last 2 financial years i.e. FY2022 and FY 2023.***

6.4 The Company has mentioned in the prospectus and in its submissions about the rich experience, knowledge and skills in ITS sector of the Company and in particular, its ***Managing Director Mr. Jitendra Das. However, despite such a significant experience and success in implementation of ITS projects involving use of software, the appellant rather preferred to approach a middleman to access an entity such as Oasis with no credentials in providing software solution****, for obtaining the quotation for ICCC application software, which statedly is integral to their expected Smart City Projects Pipeline.*

…. If an established software player follows such a methodology to reach out to an entity with doubtful credentials, with an offer of commission of Rs. 50 lakhs for procuring quote from a Third Party, ***in our considered view, it cannot be treated as 'genuine' quotation and therefore we are not persuaded to accept the argument that the Company had made the disclaimer that such a quote was for budgetary estimate only****."*

B. SCOPE OF THE PRESENT PROCEEDINGS

12. The present proceedings pertain to the remaining findings of the investigation (i.e., the findings not covered in the SEBI Order dated December 03, 2024). The allegations relating to material misstatements in the Prospectus concerning the objects of the issue were already adjudicated *qua* TITL in the Order dated December 03, 2024 and are not being reopened against the Company. However, the individual role and liability, if any, of Noticee Nos. 2 and 3 in relation to those allegations remain to be examined. The present proceedings also cover the allegations relating to misleading financial disclosures and concealment of material facts in the Prospectus. In addition, they cover the allegations against TITL and Noticee No. 2 concerning submission of false information relating to Oasis, as well as the conduct of Noticee No. 2 during the investigation.

13. At this juncture, I deem it fit to note here that the investigation also examined the role of ECPL, the Merchant Banker and its Key Managerial Personnel ("KMPs"). The MB and its KMPs have subsequently filed settlement application(s), which are pending, as on date. Therefore, initiation of proceedings / passing of the final order *qua* the said entities is barred by regulation 8 of SEBI (Settlement Proceedings) Regulations, 2018. It is however made clear that reference shall be made to the acts/omissions/conduct on part of ECPL / its KMPs observed in the investigation, wherever found necessary, for assessment and examination of the allegations levelled against other Noticees.

C. ISSUANCE OF SHOW CAUSE NOTICE

14. A Show Cause Notice dated August 28, 2025 ("**SCN**") was issued to the Noticees. The key allegations set out in the SCN are summarized below:

I. MISLEADING FINANCIAL DISCLOSURES IN PROSPECTUS

Disclosure of top customers and suppliers

14.1. Significant discrepancies were observed between the customer-wise sales figures disclosed in the RHP and those reflected in the accounting records maintained in Tally. As per the books of account, sales to the top ten customers for FY 2023 – 24 aggregated to ₹56.61 crores, constituting 85.96% of the revenue from operations. In contrast, the RHP disclosed corresponding figures of ₹43.46 crores and 66.04%, respectively. The discrepancies pertained, *inter alia*, to Limco Global Services Pvt. Ltd. ("**Limco**"), TP Central Odisha Distribution Limited ("**TPC**"), TP Western Odisha Distribution Limited ("**TPW**"), Ishira Global Service (Debtors) ("**Ishira**"), N.G. Projects Limited ("**NGP**"), Anemoi Technologies Pvt. Ltd. ("**ATPL**") and ARS Technocrats Pvt. Ltd. ("**ARS**").

Further, Ishira was disclosed as a customer for FY 2022 – 23, while no sales had been made to it as per the books of accounts.

14.2. Limco and Ishira, apart from being customers of TITL, were also its suppliers. The value of purchases made from these two entities during FY 2023 – 24 exceeded the purchases made from a majority of the top suppliers. However, neither Limco nor Ishira was included in the list of top suppliers disclosed in the RHP.

14.3. Accordingly, the SCN alleged that TITL had made false and misleading disclosures in the RHP in relation to sales made to its top customers and purchases made from its top suppliers.

Revenue from Operations, Purchases and Corresponding Trade Receivables for FY 2023 - 24

14.4. In relation to FY 2023-24, the SCN alleged that the Company inflated revenue by an aggregate of ₹ 22.01 crores and purchases by ₹ 8.95 crores. The inflated revenue comprised sales of ₹13.59 crores to Limco, ₹5.92 crores to Ishira, ₹1 crore to TPC and ₹1.50 crores to TPW. The inflated purchases comprised ₹5.55 crores from Limco and ₹3.40 crores from Ishira.

14.5. In this context, it was observed that the sales recorded for March 2024 exceeded the total sales reported to the GST authorities by ₹4.5 crores. The difference corresponded to sales aggregating ₹4.5 crores recorded through Journal Entries / Journal Vouchers ("JVs"), comprising ₹2 crores, ₹1.5 crores and ₹1 crore in respect of Limco, TPW and TPC respectively. These transactions did not appear in the details submitted by the respective entities to SEBI. Mr. Jitendra Das, in his statement recorded on October 28, 2024, stated: "*This is a book entry passed* *to inflate the turnover in March 31, 2024. But as per my knowledge, this was ₹2.5 crores and not ₹4.5 crores."* The SCN, therefore, alleged that the aforesaid JVs aggregating ₹4.5 crores, recorded as sales to Limco, TPW and TPC, represented fictitious sales booked by TITL with a view to inflating its revenue from operations for FY 2023-24.

14.6. In respect of the sales / purchase transactions of TITL with Limco and Ishira, the SCN, *inter alia,* alleged the following:

14.6.1. The invoice dates mentioned by Limco differed from the dates of accounting entries passed by TITL a few days later.

14.6.2. The contract with Limco did not specify any value.

14.6.3. Limco's invoices showed that goods were directly shipped from Limco to Ishira with material never received by TITL; and certain vehicle/e-way-bill particulars were stated not to exist. Further, the stock movements recorded in accounting records maintained in Tally, show that the goods mentioned on the invoice, were sourced from Limco and exactly the same quantity was sold to Ishira in almost all of the items purchased from Limco / sold to Ishira.

14.6.4. Although TITL booked sale of ₹13.59 crores during FY 2023-24 to Limco, an amount of only ₹1.36 crores was received till September 30, 2024. Further, a fund flow analysis of bank statements showed that ₹1.36 crores received from Limco was funded by the Company itself through a circular fund flow involving Ishira.

In view of the above, the SCN alleged that the sale / purchase transaction with Limco and Ishira during FY 2023 - 24, were fictitious and booked merely to show a better financial position of the Company.

Revenue from Operations, and Purchases for FY 2021 – 22 and FY 2022 - 23

14.7. From the accounting records maintained in Tally, it was observed that an amount of ₹ 1.15 crores was booked by passing a JV on March 31, 2022 in the records maintained for Himachal Pradesh Business Area. This transaction was immediately reversed in April 2022. It was also observed that the sales reported by TITL in its accounting records were higher than those reported in its GST records for FY 2021-22 of Himachal Pradesh State. The SCN, therefore, alleged that the aforesaid JV of ₹ 1.15 crores was merely a book entry which resulted in an overstatement of revenue for FY 2021-22 by ₹ 1.15 crores. Its subsequent reversal in the following financial year correspondingly resulted in an understatement of revenue for that year by the same amount.

Understatement of Expenses and Overstatement of Loans & Advances

14.8. It was observed that payments aggregating to ₹45 lakhs were made by the Company to Topfilings India Pvt. Ltd. ("**Topfilings**") in December 2023 and January 2024. On the basis of the payment narration and Mr. Jitendra Das's statement, the SCN alleged that the payment represented IPO-related consultancy expenditure; and should have been disclosed as an issue expense. It was however, classified as "Loans & Advances (asset)" and was disclosed as "Short term loans & advances" in the Balance sheet for FY 2023 - 24.

14.9. The SCN further alleged that the amount of ₹45 lakhs paid to Topfilings was not disclosed in the RHP as an Expense. Further, incorrect disclosure of this amount as "Current Asset" instead of an "Expense" for FY 2023-24 led to understatement of the Expenses booked for FY 2023-24 by ₹45 lakhs, along with overstatement of Profit and Current Assets by the same amount.

II. CONCEALMENT OF MATERIAL FACTS IN THE DRHP

14.10. A review of the bank statement of TITL maintained with HDFC Bank, showed that on January 12, 2024 (i.e. the day when TITL paid ₹ 50 lakhs to ECPL as a part of Merchant Banking fees), TITL paid ₹ 67 lakhs in the personal account of Mr. Prakash Gourishankar Jhunjhunwala (father of Mr. Abhishek Jhunjhunwala, Director of ECPL). As per the accounting records maintained in Tally, an amount of ₹ 60 lakhs was recorded as "Security Deposit- Rent" and the balance amount of ₹ 7 lakhs was disclosed as "Rental Advance" and classified under "Sundry Creditors".

14.11. The SCN alleged that the rent transaction was not disclosed in the DRHP, that the cancellation letter (dated May 02, 2024) was an afterthought submitted to mislead the investigation, and that the transaction concealed a conflict of interest between the issuer and the Merchant Banker. It was further alleged that, in the absence of a genuine commercial rationale, the payment indicated illegal gratification connected with the IPO mandate and such concealment was alleged to have operated as a fraud on investors who subscribed to the Issue.

III. ROLE OF PROMOTERS OF TITL

14.12. The SCN alleged that the promoters of TITL i.e. Mr. Jitendra Das and Ms. Poonam Das manipulated / misrepresented the financial statements of TITL for FY 2023-24 to show better financial position and growth of business. They were also responsible for multiple inconsistent, false and misleading disclosures observed in the Prospectus.

14.13. Further, they colluded and conspired to create a scheme to procure a fabricated quotation from a paper company. This scheme / artifice/ device has acted as a fraud on the investors who have subscribed to the issue of TITL, based on the false and misleading information published in the Prospectus. In addition, they concealed material contracts involving a conflict of interest between TITL and ECPL.

IV. SUBMISSION OF FALSE INFORMATION PERTAINING TO DOCUMENTS OF OASIS

14.14. The SCN alleged that TITL submitted false and misleading information to SEBI in relation to documents concerning Oasis, with Mr. Jitendra Das being aware of such misrepresentation.

14.15. It further alleged that Mr. Jitendra Das made false and inconsistent statements before SEBI, concealed material facts and destroyed evidence. In particular, he initially denied having availed services from Mr. Prakash Jhunjhunwala but subsequently acknowledged taking office space on rent from him when confronted with the payment of ₹60 lakhs. He also stated that he had discarded his old mobile phone from the Bandra-Worli Sea Link after deleting its data, thereby allegedly destroying relevant evidence; and he denied meeting Mr. Kishanlal Kumhar of Oasis despite call-data analysis indicating otherwise.

V. ALLEGED VIOLATION OF REGULATORY PROVISIONS

14.16. In view of the above noted findings and observations, the SCN alleged that TITL has violated:

14.16.1. Section 12A(a), (b) and (c) of the SEBI Act, 1992 and Regulations 3(b), (c), (d), 4(1) and 4(2) (f), (k), (r) and (s) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (“**PFUTP Regulations**”)

14.16.2. Regulation 245(1) and (2) of ICDR Regulations

14.17. It further alleged that in terms of Section 27 of the SEBI Act, Mr. Jitendra Das and Ms. Poonam Das are responsible for the contraventions of the Company; and have therefore violated:

14.17.1. Section 12A(a), (b) and (c) of the SEBI Act, 1992 and Regulations 3(b), (c), (d), 4(1) and 4(2) (f), (k), (r) and (s) of PFUTP Regulations

14.17.2. Regulation 245(1) and (2) of ICDR Regulations

14.18. Additionally, TITL and Mr. Jitendra Das have allegedly violated Section 11(2) (ia) and Section 11C(3) of SEBI Act, 1992. Mr. Jitendra Das has further violated Section 11C(5) of SEBI Act, 1992.

15. The SCN further stated the following:

15.1. *Noticee Nos. 1 and 2 are hereby called upon to show cause as to why suitable directions, should not be issued and/or penalty be not imposed against them as deemed fit under Section 11(1), 11(4), 11(4A), 11B(1) and 11B(2) read with 15A(a), 15HA and 15HB of SEBI Act 1992, for the alleged violations mentioned above.*

15.2. *Noticee No. 3 is hereby called upon to show cause as to why suitable directions, should not be issued and/or penalty be not imposed against her as deemed fit under Section 11(1), 11(4), 11(4A), 11B(1) and 11B(2) read with 15HA and 15HB of SEBI Act 1992, for the alleged violations mentioned above.*

16. The Noticees were given 21 days to submit their replies to the SCN and were also afforded an opportunity of personal hearing. Further, the SCN informed the Noticees of the settlement mechanism available under the SEBI (Settlement Proceedings) Regulations, 2018.

17. Vide email dated September 22, 2025, the Noticees informed that a settlement application has been filed by them through online portal on September 12, 2025 and the physical copy has been submitted on September 16, 2025. It was requested that the proceedings may be kept in abeyance until the said settlement application was decided. Subsequently, after processing of the said settlement application in terms of the Settlement Regulations, SEBI, vide emails dated May 15, 2026 and May 25, 2026, informed the Noticees that their settlement application(s) have been rejected.

D. PERSONAL HEARING AND SUBMISSIONS OF THE NOTICEES

18. Multiple reminders were issued to the Noticees for submission of their replies to the SCN on merits. An opportunity of personal hearing was granted to them on March 20, 2026. Vide letter dated March 09, 2026, the Noticees sought adjournment of the scheduled hearing and raised certain grievances regarding their inability to access some of the data forming part of Annexures to the SCN. They, *inter alia*, sought eight weeks' time from the date of receipt of such data to file their replies and also requested that alternatively, the proceedings be kept in abeyance until disposal of their settlement applications.

19. The hearing was thereafter rescheduled to April 27, 2026, and the data sought by the Noticees was again made available to them. Vide letter dated April 13, 2026, the Noticees reiterated their grievance regarding accessibility of the data and once again sought adjournment of the hearing and additional time of eight weeks to file their replies. They also reiterated their request that the proceedings be kept in abeyance pending disposal of the settlement applications.

20. In order to address the difficulties stated to have been faced in accessing certain files, a call was held with the Authorized Representative of the Noticees on April

15, 2026. During the call, and subsequently through email, it was highlighted that the files in question contained data that had originally been submitted to SEBI by the Company itself. It was also clarified that no final order in the matter would be passed until a decision was taken on the settlement applications filed by the Noticees. Considering the substantial time that had elapsed since issuance of the SCN, the Noticees were advised to attend the hearing scheduled on April 27, 2026.

21. Vide letter dated April 24, 2026, the Noticees once again sought adjournment of the hearing and additional time to file their replies, while also seeking a copy of the complete Investigation Report along with its annexures. The requested material was thereafter provided to them, and another opportunity of personal hearing was granted on May 25, 2026. Vide letter dated May 22, 2026, the Authorized Representatives sought that the hearing be adjourned to a date after June 08, 2026, citing summer vacations and non-availability of counsel. They also submitted that their clients (i.e., the Noticees) were providing them information on a piecemeal basis.

22. In the interest of natural justice, a final opportunity of personal hearing was granted to the Noticees on June 15, 2026. They were also advised to submit their written replies on merits and were informed that, in the event of failure to submit such replies and/or appear for the hearing on the scheduled date, the proceedings would be undertaken on an *ex-parte* basis.

23. The Noticees filed their written submissions vide letters dated June 13 and 14, 2026 and, through their Authorized Representatives, appeared for the hearing held on June 15, 2026. The written submissions were reiterated during the hearing. Additionally, the Authorized Representative quoted extracts of judgments of the Hon'ble Supreme Court in the matters of *Excel Crop Care Ltd. vs. Competition Commission of India and another* and *K.K. Ahuja vs. V.K. Vora and another*.

24. A summary of the reply submitted by TITL i.e. Noticee No. 1, vide letter dated June 13, 2026, is as follows:

24.1. The Company is a genuine operating enterprise with experience in intelligent transportation systems and automation. It also operates as an EPC (Engineering, Procurement and Construction) contractor for advanced traffic management systems, toll management systems and tunnel management systems. The observations of the Hon'ble SAT have been relied upon to show that the Company's business credentials and experience were not in doubt.

24.2. These proceedings arise after the IPO has already been unwound and the investors refunded with interest. The Company has contended that the present case does not concern a sham issuer with no underlying business, but an operating company whose business has since suffered exceptional harm. According to the Company, the remaining allegations concern, at the highest, questions of accounting treatment and presentation, and not fraudulent design or wrongful gain.

24.3. The Company stated that it did not seek to reopen the December 2024 Order relating to the object of the issue and the quotation obtained from Oasis, that was carried in appeal and has been dismissed by the Hon'ble SAT.

Disclosure of top customers and suppliers

24.4. With respect to the disclosures pertaining to the top 10 customers, the Company has denied the allegations. It has submitted that the differences mainly arose due to netting of purchases against sales (adopting a conservative approach and avoiding duplication in the list of customers / suppliers), project/GSTIN-wise disclosure and certain inadvertent errors.

24.5. The Company has further submitted that the disclosures show a lesser concentration of sales and not any inflated figures; and the alleged short disclosures of sales / purchases due to netting are minimal in comparison to the total sales made during FY2023 – 24.

24.6. As regards FY 2022-23, the Company has acknowledged that Ishira had been included in the table of top 10 customers despite there being no sales to Ishira during the year. It submitted that the table inadvertently contained twelve names instead of ten and also duplicated TPW, and that the inclusion of Ishira was an inadvertent disclosure error.

24.7. With respect to the top-supplier disclosures (for FY 2023-24), the Company reiterated that Limco and Ishira had been presented on a net basis in the customer table to avoid showing the same parties in both customer and supplier tables. It has submitted that the alleged non-disclosure of purchases aggregating to ₹8.95 crores did not affect the audited totals and was immaterial against revenue from operations of ₹65.81 crores.

24.8. The Company has also submitted a certificate dated June 6, 2026 issued by an independent chartered accountant, M/s Amit Mehra & Co., to support its accounting treatment and reconciliations relating to the top customers, top suppliers and unbilled revenue. It has further stated that the issue is of presentation, and not of substance. The differences do not alter the audited totals; they are insignificant in amount against a total turnover of ₹65.81 crores; and the direction of the alleged variance was, in any event, incapable of influencing the decision of any investor. A reasonable investor's appraisal of the Company turned on its audited results, its order book and standing in the sector — not on whether a particular customer appeared at a net or gross figure in a supporting table.

<u>Revenue from Operations, Purchases and Corresponding Trade Receivables for FY 2023 - 24</u>

24.9. In response to the allegation concerning the March 31, 2024 journal entries aggregating to ₹4.50 crores, the Company submitted that these entries represented unbilled revenue recognized under the 'proportionate-completion method' prescribed by Accounting Standard (AS) 9. As per the said Standard, where performance consists of execution of more than one act, revenue is to be recognized proportionately by reference to the performance of each act. Accordingly, the Company has disclosed the costs incurred on partly completed contracts in the books of account and has recognized unbilled revenue to the extent of work completed as at the end of the financial year.

24.10. The Company has further submitted that as per the prescribed format and procedure, unbilled revenue is not reported in GSTR-1. Separate disclosure of unbilled revenue amounting to ₹4.50 crores has been made in the GST annualised return/reconciliation filed in Form GSTR-9C for FY 2023 - 24.

24.11. The intent of Mr. Jitendra Das's statement was to clarify that the unbilled revenue, required to be recognised as revenue income and to match corresponding expenses, had been included in turnover in accordance with AS-9 and duly recorded in the audited books of account.

24.12. With respect to sale / purchase transactions with Limco and Ishira, the Company has submitted that the transactions were genuine commercial dealings undertaken pursuant to a Technical Support, Services and Material Supply Agreement dated March 20, 2023 and a mutual non-disclosure agreement dated November 10, 2023. The Agreement with Limco is a variable contract, and not a fixed-value contract, for a period of 3 years.

24.13. The Company has stated that, in addition to transactions related to supply of goods, it had rendered maintenance, networking and technical-support services to Limco and earned service income of ₹7.10 crores. In terms of the contracts/agreements, the Company purchased various goods/materials, carried out requisite technical work and maintenance, and thereafter supplied the materials for use in projects of the Indian Air Force, Indian Navy etc.

24.14. The counterparties have unequivocally confirmed the purchases and sales transactions. The Company has made full and complete payments for purchases of goods / materials from Limco / Ishira through normal banking channels. The GST Department, being the competent authority to determine the genuineness of purchase and sale transactions, has not disputed the correctness of the transactions entered into with the said parties.

24.15. The invoices have been generated electronically through the official GST portal, and cannot be tampered with. The minor variation of a few days between the dates of invoices mentioned by Limco and the dates on which accounting entries were passed by the Company is attributable to the fact that Limco recorded the transactions on the date of issuance of e-tax invoices under GST law, whereas the Company recorded the entries in its books of account on the date of receipt and approval of the tax invoices. According to the Company, there was no discrepancy in the invoice number, value, GST charged or other material particulars of the transactions.

24.16. The allegation that certain items were directly shipped from Limco to Ishira does not disprove the transactions, as the supply of such goods / material was made on a ‘Bill-to-Ship-to’ basis, permitted under the GST regime, wherein goods can be supplied directly from the premises of the supplier to the premises of the ultimate customer. In such transactions, the supplier issues the tax invoice to the intermediary / service provider and the intermediary / service provider is entitled to issue its own tax invoice to the ultimate customer. The electronically generated E-way bills under GST law specifically reflect such transactions as 'Bill-to-Ship-to'.

24.17. The vehicles used for the transportation of goods/material are disclosed in the E-way bills and the details of vehicles, capacity, make, etc. of the vehicles are disclosed on the official websites of 'www.parivahaan.gov.in', 'www.transport.delhi.gov.in' etc.

24.18. The Company also purchased several goods/materials from other vendors/suppliers and sold the same to Limco and Ishira. The Company has enclosed item-wise details of purchases made by the Company from other suppliers and item-wise details of sales made by the Company to Limco.

24.19. The allegation that the Company received only ₹ 1,36,41,876/- from Limco against sale of goods and utilized the same funds to make payments of ₹1,36,43,883/- to Ishira towards purchase of goods, and that Ishira thereafter paid ₹1,36,50,000/- to Limco, does not disprove the bona fide nature of the transactions. Till date, the Company has made direct payments of ₹6.75 crores to M/s. Limco Global Services Pvt Ltd and ₹4.44 crores to M/s. Ishira Global Services, and has received direct payments of ₹9.27 crores from M/s. Limco Global Services Pvt Ltd. The "Technical Support, Services and Material Supply Agreement" itself provides for a credit period of 180 days. Accordingly, the balance payments were not due till September 30, 2024.

24.20. Copies of ledger accounts, sale / purchase invoices, e-way bills, extracts of bank statement and extracts of GSTR-1 disclosing bill-wise sales made to Limco and Ishira have also been submitted.

Revenue from Operations, and Purchases for FY 2021 – 22 and FY 2022 - 23

24.21. With respect to the entry of ₹1.15 crores in FY 2021-22, the Company has submitted that it represented unbilled revenue relating to partly executed work for Shapoorji Pallonji Infrastructure Capital Private Limited. Upon completion, a final bill of approximately ₹1.36 crores was raised in FY 2022-23. The year-end entry and subsequent reversal were stated to be the normal consequence of recognizing unbilled revenue and later raising the final invoice, and not inflation and understatement across two financial years.

24.22. As per GST law, GST liability arises on the date of issuance of the tax invoice. Accordingly, the Company did not make payment of GST on unbilled revenue during FY 2021-22 and discharged the entire GST liability in FY 2022-23, at the time of issuance of the final tax invoice and filing of GST returns.

24.23. As a whole, the allegations that the Company booked "fictitious" sales and purchases to inflate its revenue do not survive an examination of the Company's own contemporaneous records. The transactions impugned were genuine, were founded on a written agreement, were routed entirely through banking channels, were supported by tax invoices on which GST was charged and discharged, and were confirmed by the counterparties themselves.

Understatement of Expenses and Overstatement of Loans & Advances

24.24. On the ₹45 lakhs paid to Topfilings, the Company submitted that pre-IPO expenditure was correctly shown under current assets until completion of the IPO, having regard to Section 52 of the Companies Act, 2013, AS-13 and Section 35D of the Income-tax Act, 1961.

24.25. The provisions of Section 52(2) and Section 52(3) of the Companies Act, 2013 prescribe that the Securities Premium Account is to be utilized for writing off the Preliminary expenses of the Company, commission, etc., incurred on any issue of equity shares of the Company. Further, the provision of Section 35D(2)(c)(iv) of the Income Tax Act, 1961 specifies that expenditure incurred in connection with the issue, for public subscription of shares (IPO) is to be amortized over a period of 5 years.

24.26. The Company received an invoice from Topfilings, bearing Invoice No. 1434 dated 22/04/2024, which pertains to FY 2024-25. GST on such services was reflected in the Company's GSTR-2B for April 2024, which falls in FY 2024 – 25. Accordingly, the advance payment made to Topfilings was correctly disclosed under 'Current assets' during FY 2023 – 24.

24.27. The issue here is of accounting classification, and not falsification. The amount in question is ₹45 lakhs, approximately 0.7% of the Company's turnover, and is by any measure immaterial to the appraisal of an issue of ₹44.87 crores.

Misleading financial disclosures in Prospectus

24.28. There is no knowing misrepresentation or suppression of facts. The accounting treatment is independently vouched. Where a treatment is certified by an independent professional as compliant with a mandatory standard, it cannot simultaneously be a fraudulent device. The entire premise of the charge is that the financials were dressed up to attract investors. On SEBI's own case, the Company disclosed lower sales and lower purchases than its books reflected. A company bent on luring investors does not understate its turnover.

24.29. With respect to fraud and materiality, the Company has submitted that Section 12A and Regulations 3 and 4 of the PFUTP Regulations require a deceitful device and dishonest intention. It has contended that the books were open and the totals were audited. Any lapse, according to the Company, was technical, presentational or judgment-based. The Company derived no benefit and no wrongful gain from the manner of presentation. There was no inducement: the listing was withheld and no investor ever dealt in the security on the strength of these figures. No fraud has been committed on investors who subscribed to the Initial Public Offer, as there is no false or misleading information published in the Prospectus.

Concealment of material facts in the DRHP

24.30. Regarding the ₹67 lakhs paid to Mr. Prakash Gourishankar Jhunjhunwala, the Company has submitted that it had intended to establish a branch office in Mumbai and, for this purpose, entered into a registered leave-and-license agreement dated January 27, 2024 for furnished premises at Andheri at a monthly rent of ₹2 lakhs. Pursuant thereto, it paid ₹60 lakhs as security deposit and ₹7 lakhs as advance rent through banking channels.

24.31. Thereafter, since the Company was unable to commence business operations in Mumbai, it decided to terminate the Leave and License Agreement. The Company, vide letter dated May 02, 2024 duly acknowledged by the owner, requested termination of the agreement and refund of the entire security deposit and advance rent. The owner initially refused, citing the minimum lock-in period of 12 months. Mere absence of written correspondence does not imply that no such communication or exchange took place. The cancellation of the lease arrangement was being dealt with orally between the parties.

24.32. The delay in refund of security deposit and advance rent was due to prolonged negotiations between the Company and the owner. The Company has submitted a letter dated May 06, 2024, wherein the owner demanded minimum rent for 3 months amounting to ₹6 lakhs along-with reimbursement of renovation expenses for early termination. The Company thereafter again sought refund of the security deposit and advance rent vide letter dated June 29, 2024. It has submitted that the amounts continued to be reflected in its books pending resolution of the dispute and that ₹65 lakhs was ultimately refunded on September 04 and 05, 2024, after deduction of one month's rent of ₹2 lakhs in terms of the agreement.

24.33. The Company has contended that the lease arrangement had been terminated before filing of the DRHP and that the refund was received before opening of the Issue and filing of the Final Prospectus. According to it, a terminated arrangement which had resulted in no material financial loss to the Company was not required to be disclosed. It further submitted that the investigation commenced only after the refund and, therefore, the termination and refund could not be regarded as an afterthought undertaken in anticipation of the investigation.

24.34. The Company has further denied any conflict of interest or gratification. It has submitted that Mr. Prakash Jhunjhunwala was neither a shareholder nor a director of ECPL and that there was no evidence of any benefit having been passed to, or retained by, the Lead Manager. According to the Company, an allegation of illegal gratification cannot be sustained by drawing an adverse inference from an otherwise documented transaction, particularly without recording the statement of Mr. Jhunjhunwala.

24.35. The Company has also submitted that the transaction was undertaken on an arm's length basis and that the quantum involved was insignificant in comparison with the issue size of ₹44.87 crore. It therefore contended that disclosure of the arrangement would not have materially influenced prospective investors.

24.36. At the highest, according to the Company, the question whether the terminated arrangement should have been disclosed out of abundant caution was a debatable matter of disclosure judgment. The charge of fraud is disproportionate to a matter that lies at most at the level of disclosure judgment.

Doctrine of proportionality

24.37. The refund of IPO proceeds with interest and cancellation of the issue have already achieved the protective and restitutive objects of the SEBI Act. After the cancellation of the IPO, the Company has suffered a decline in revenue, losses, reduction in workforce, cancellation of work orders, withdrawal of customers, curtailment of banking facilities and inability to bid for new contracts.

24.38. A sanction must bear a reasonable relationship to the gravity of the conduct and the harm it caused, and a penalty should not be imposed for a technical breach. In this regard, the Company has relied on the Orders of the Hon'ble SAT in the matter of Almondz Global Securities Ltd vs SEBI (SAT Appeal No. 222 of 2015) and the Hon'ble Supreme Court in the matters of Excel Crop Care Ltd. v. CCI, (2017) 8 SCC 47 and Ranjit Thakur vs UOI & Others (1987 AIR 2386).

24.39. The statutory factors under Section 15J viz., disproportionate gain or unfair advantage, loss caused to investors, and the repetitive nature of the default — each point one way. The gain was nil (full refund); the investor loss was nil (refund with interest); and the default was confined to a single aborted issue. On a faithful application of Section 15J, the only proportionate outcome is that no penalty be imposed. Further, the Company has cooperated in complying with SEBI's directions, furnishing records, etc. Imposition of penalty would only hasten the destruction of the business. The doctrine of proportionality together with Section 15J leaves no room for any further penalty.

24.40. The Company has denied all violations. It has requested that the proceedings be dropped and that no direction or penalty be imposed; alternatively, it has requested a lenient and proportionate view that would not irreversibly impair its business.

25. A summary of the reply submitted by Mr. Jitendra Das i.e. Noticee No. 2, vide letter dated June 14, 2026, is as follows:

25.1. Mr. Jitendra Das has adopted and relied upon the substantive factual and legal submissions made by TITL in its reply on the accounting, disclosure, materiality and proportionality issues. He has reiterated TITL's submissions that the issue already stands unwound, the listing never took place, the IPO proceeds remained ring-fenced and were never deployed, the subscription monies were refunded with interest, and no investor suffered pecuniary loss.

25.2. The quotation was obtained solely as a budgetary estimate for the proposed ICCC software. Mr. Jitendra Das has relied upon the disclosures in the Prospectus that no definitive agreement or purchase order had been executed, the actual vendor and cost could change, and management retained flexibility to revise the estimates at the time of procurement. The quotation had expired prior to the listing of the IPO, thereby losing its validity. The Company had also obtained another quotation from M/s Logiciel Solutions Pvt. Ltd. for an amount exceeding ₹15 crores for the same software; thereby demonstrating that the quotation received from Oasis was not excessive or inflated. No commission, gratification or payment of any nature was made to or promised to Shri Kishanlal Kumhar, Mr. Vijay Oswal, or any other person.

25.3. The Company had obtained the quotation, GST certificate and profile of OCPL, for preliminary evaluation. As the quotation was only for budgetary purposes, no in-depth due diligence of OCPL's balance sheet or business experience was conducted. The decision to appoint any vendor remained subject to final technical and commercial evaluation and was inconclusive. In view of the urgency at the time of filing, the said documents were submitted to the Stock Exchange at night without detailed verification of contents of balance sheet and profile. The fact that the office of Oasis was found locked during a site visit conducted by BSE does not establish that the quotation was obtained with fraudulent intent.

25.4. Mr. Avinash Kumar, CTO, was exclusively handling all transactions and correspondence with Oasis. Mr. Jitendra Das had only 2 – 3 Zoom calls to understand the timelines and procurement process. Mr. Avinash Kumar expired in August 2024. Thereafter, Mr. Vijay Oswal contacted Mr. Jitendra Das, and they met at Nariman Point, Mumbai, and the documents including quotation, GST registration and company profile were handed over. The CDR data disclosing a common location of Mr. Jitendra Das, Mr. Kishanlal Kumhar and Mr. Vijay Oswal does not establish that the promoter had met the said person to devise any scheme. Mr. Jitendra Das has denied any link between promoters of the Company and Oasis.

25.5. The disclosure made in the Prospectus regarding the quotation obtained from M/s Oasis Corpcare Pvt. Ltd. is factually correct, complete, and compliant with ICDR Regulations. There is no material misstatement in the Prospectus and no intent to mislead investors, as no funds have been diverted and no transaction has been executed with Oasis. The Management retained full flexibility to change the vendor at the time of actual procurement.

25.6. The financial statements of Oasis for FY 2021 – 22, FY 2022 – 23 and FY 2023 – 24 disclose a paid-up share capital of ₹1 lakh and turnover of less than ₹50 lakhs in each year. The net profit disclosed therein is nominal. Given the insignificant scale of operations, nominal turnover, meagre profits, and minimal paid-up capital, there exists no motive, purpose, or economic rationale to fabricate such financial statements. Mr. Jitendra Das has denied that he was aware that the financial statements of the vendor contained false information.

25.7. Mr. Jitendra Das has denied that the promoters of TITL are responsible for multiple inconsistent, false and misleading disclosures in the Prospectus. He further denied that the promoters have colluded and conspired to create a scheme to procure a fabricated quotation from a paper company. Their conduct demonstrates absence of mala fide intent, wrongful gain, and any element of fraud or misrepresentation.

25.8. With regard to destruction of evidence, Mr. Jitendra Das has submitted that he did not delete any data from his mobile, and as the data was backed up / cloud stored, it remained retrievable from the new mobile handset. Further, there is no record to show that the old mobile handset contained any material which would have been relevant to the investigation or that its non-production hampered the investigation in any manner. In these circumstances, no inference of destruction of evidence, and no violation of Section 11C(5), can be sustained.

25.9. Mr. Jitendra Das has denied all violations. He has requested that the proceedings be dropped and that no direction or penalty be imposed; alternatively, he has requested that a lenient and proportionate view be taken.

26. A summary of the reply submitted by Ms. Poonam Das i.e. Noticee No. 3, vide letter dated June 14, 2026, is as follows:

26.1. Ms. Poonam Das has adopted and relied upon the submissions made by TITL in its reply on the accounting, disclosure, materiality and proportionality issues. She has reiterated TITL's submissions that the issue already stands unwound, the subscription monies were refunded with interest, and no investor suffered pecuniary loss.

26.2. She has submitted that as disclosed in the Prospectus, her functional remit has been confined to Human Resources and administration. She had no role in the day-to-day affairs or operations of the Company, save for the limited act of signing documents as required. The matters raised in the SCN including finance and accounts functions, revenue recognition, preparation of financial statements, vendor selection, and the Oasis quotation, lay within the domain of the Managing Director and the finance function.

26.3. Ms. Poonam Das has submitted that Section 27(1) of the SEBI Act contains two cumulative requirements - that the person was *in charge of* the business, *and* was *responsible to the company for the conduct* of that business, and both must be established in respect of the very conduct said to constitute the contravention. The terms denote a person in overall control of the day-to-day business of the Company, and a director is not automatically liable by virtue of holding office as director. The liability is founded on the role played in the conduct of the business, and a vague or general averment is insufficient.

26.4. Noticee No. 3 has further submitted that beyond her designation as director, promoter and signatory, there is no supporting material that she was in charge of or responsible for the conduct of the business related to the impugned disclosures, which lie wholly out of her domain. Her designation alone cannot meet the legal threshold for vicarious liability. The specific, knowledge-based allegations in the SCN concerning Oasis are attributed to the Managing Director. The SCN thus itself recognises, by its own selective attribution, that Ms. Poonam Das had no part in the conduct it impugns.

26.5. A director outside the finance function signs the audited accounts in reliance on the statutory auditor's certification and on the finance team. The inference that an administrative director knew of, or controlled, their making is unsustainable. The declaration is a standard attestation and cannot be elevated into knowledge of each underlying disclosure. The responsibilities attached to promoters under the ICDR framework do not convert an administrative director into a person "in charge of, and responsible for, the conduct of the business" under Section 27.

26.6. At the very highest, the case against Noticee No. 3 is of alleged omission and a failure to detect, and not of any active deceptive design. Omission by a director outside the relevant function cannot sustain a finding of fraud, which requires a deceitful act done with intent to mislead.

26.7. Ms. Poonam Das has denied all the allegations. She has further submitted that a charge under Section 12A and Regulations 3 and 4 of the PFUTP Regulations requires a fraudulent device coupled with a dishonest intention to deceive. These ingredients are not present in the current matter. She had no role in the impugned transactions or disclosures, no knowledge of the entries said to be objectionable, and no intention to mislead anyone. Fraud requires specific attribution, which is absent. The Company's submissions further establish that there was no falsity and no inducement at all. A fraud charge that fails against the Company *a fortiori* fails against a director who had no part in the conduct alleged.

26.8. Ms. Poonam Das has requested that the proceedings be dropped and that no direction or penalty be imposed. Alternatively, should any finding be made, it would at the very highest concern a signing formality — and not any fraudulent conduct. Such a finding would attract, if anything, only the residuary consequence under Section 15HB, and not the penalty under Section 15HA, which is reserved for fraud. Having regard to her limited role, absence of any gain and any investor loss, the only just course would be a lenient and proportionate view.

E. CONSIDERATION OF ISSUES AND FINDINGS ON MERITS

27. I have considered the allegations levelled in the SCN, replies, oral / written submissions made by the Noticees and the material available on record. On perusal of the same, the following issues arise for consideration:

(1) Whether the offer documents of TITL contained misleading financial disclosures? If so, whether the provisions of the ICDR Regulations and PFUTP Regulations alleged in the SCN are violated?

(2) Whether there was concealment of material facts in the offer documents? If so, whether the provisions of the ICDR Regulations and PFUTP Regulations alleged in the SCN are violated?

(3) Whether the promoters of TITL are liable for the contraventions alleged in the SCN, including those relating to the objects of the issue, misleading financial disclosures and concealment of material facts?

(4) Whether TITL and Mr. Jitendra Das furnished false or misleading information relating to Oasis during the investigation and whether Mr. Jitendra Das concealed material facts in his statement on oath and destroyed evidence?

(5) Whether the violations, if any, by the Noticees warrant any direction and monetary penalty under Sections 11(1), 11(4), 11(4A), 11B(1) and 11B(2) read with Section 15A(a), 15HA and 15HB of the SEBI Act?

(6) If the answer to Issue No. (5) is in the affirmative, what directions need to be issued and what should be the amount of monetary penalty, to be imposed on the Noticees, considering the factors provided under Section 15J of the SEBI Act?

28. Before proceeding further, it is pertinent to refer to the relevant provisions of the SEBI Act, ICDR Regulations and the PFUTP Regulations, which have allegedly been violated by the Noticees. The same are reproduced hereunder:

SEBI Act

Functions of Board.

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

…

(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

Investigation.

11C…

(3) The Investigating Authority may require any intermediary or any person associated with securities market in any manner to furnish such information to, or produce such books, or registers, or other documents, or record before him or any person authorized by it in this behalf as it may consider necessary if the furnishing of such information or the production of such books, or registers, or other documents, or record is relevant or necessary for the purposes of its investigation.

…

(5) Any person, directed to make an investigation under sub-section (1), may examine on oath, any manager, managing director, officer and other employee of any intermediary or any person associated with securities market in any manner, in relation to the affairs of his business and may administer an oath accordingly and for that purpose may require any of those persons to appear before it personally.

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;

<u>PFUTP Regulations</u>

3. Prohibition of certain dealings in securities

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 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 manipulative, fraudulent or an unfair trade practice in securities markets...

(2) Dealing in securities shall be deemed to be a manipulative, fraudulent or an unfair trade practice if it involves any of the following:—

…

(f) knowingly 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…

(k) disseminating information or advice through any media, whether physical or digital, which the disseminator knows to be false or misleading in a reckless or careless manner and which is designed to, or likely to influence the decision of investors dealing in securities;…

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

(s) mis-selling of securities or services relating to securities market;

Explanation - For the purpose of this clause, "mis-selling" means sale of securities or services relating to securities market by any person, directly or indirectly, by ─

(i) knowingly making a false or misleading statement, or (ii) knowingly concealing or omitting material facts, or (iii) knowingly concealing the associated risk, or (iv) not taking reasonable care to ensure suitability of the securities or service to the buyer

<u>ICDR Regulations</u>

245. (1) The offer document shall contain all material disclosures which are true and adequate so as to enable the applicants to take an informed investment decision. (2) Without prejudice to the generality of sub-regulation (1), the offer document shall contain: a) disclosures specified in the Companies Act, 2013; and b) disclosures specified in Part A of Schedule VI…

29. I shall now proceed to examine the aforesaid issues, having regard to the allegations in the SCN, the replies and submissions of the Noticees, and the material available on record.

<u>Issue No. (1) - Whether the offer documents of TITL contained misleading financial disclosures? If so, whether the provisions of the ICDR Regulations and PFUTP Regulations alleged in the SCN are violated?</u>

REVENUE FROM OPERATIONS, PURCHASES AND CORRESPONDING TRADE RECEIVABLES FOR FY 2023 - 24

30. The SCN, *inter alia,* alleged that TITL inflated its revenue from operations for FY 2023-24 by ₹22.01 crores, comprising sales of ₹13.59 crores, ₹5.92 crores, ₹1 crore and ₹1.50 crores to Limco, Ishira, TPC and TPW, respectively. It further alleged that TITL booked fictitious purchases aggregating to ₹5.55 crores and

₹3.40 crores from Limco and Ishira, respectively. As a result, the aforesaid transactions resulted in inflation of the revenue, purchases and corresponding trade receivables reported by TITL for FY 2023-24.

31. The SCN notes that the "Sales-Central", a sub-head of revenue from work contract and consultancy from "Electrical", increased from ₹4.24 crores in FY 2021-22 to ₹33.40 crores in FY 2023-24, of which ₹20.68 crores was booked in March 2024 itself.

32. I note that the above allegations pertaining to FY 2023-24 broadly arise from 2 issues – (i) unbilled revenue of ₹4.50 crores recorded by TITL on March 31, 2024, and (ii) the purchase and sale transactions entered into by TITL with Limco and Ishira. I shall examine these separately.

Unbilled revenue of ₹4.50 crores

33. The SCN states that on March 31, 2024, TITL recorded through journal entries unbilled revenue aggregating to ₹4.50 crores, comprising ₹2 crores relating to Limco, ₹1 crore relating to TPC and ₹1.50 crores relating to TPW. These amounts were not reflected in the sales reported in the corresponding GSTR-3B for March 2024, resulting in a difference of ₹4.50 crores between the accounting records and the sales reported to the GST authorities. The corresponding amounts were also not reported by the counterparties in the transaction details furnished by them during investigation.

34. The Noticees have contended that recognition of unbilled revenue is permissible under AS-9. According to the Company, it has consistently followed the proportionate completion method and was therefore required to recognize revenue to the extent of work completed as at the end of the financial year. Form GSTR-1

was filed in accordance with the prescribed procedure, which requires disclosure of only actual sale bills / tax invoices and not of unbilled revenue. In support thereof, the Company has relied upon AS-9, certain articles/opinions concerning the accounting and GST treatment of unbilled revenue, Form GSTR-9C for FY 2023-24 and a certificate dated June 06, 2026 issued by Amit Mehra & Company. The relevant extract of AS-9 relied upon by the Company is reproduced below:

> *Proportionate completion method is a method of accounting which recognises revenue in the statement of profit and loss proportionately with the degree of completion of services under a contract.*
>
> *7 Rendering of Services*
> *Revenue from service transactions is usually recognised as the service is performed, either by the proportionate completion method or by the completed service contract method.*
>
> *(i) Proportionate completion method - Performance consists of the execution of more than one act. Revenue is recognised proportionately by reference to the performance of each act. The revenue recognised under this method would be determined on the basis of contract value, associated costs, number of acts or other suitable basis. For practical purposes, when services are provided by an indeterminate number of acts over a specific period of time, revenue is recognised on a straight line basis over the specific period unless there is evidence that some other method better represents the pattern of performance.*

35. In my view, the recognition of unbilled revenue is not objectionable, by itself. Accounting standards permit revenue to be recognized before issuance of an invoice, where the underlying performance giving rise to such revenue has in fact occurred. The question in the present proceedings is therefore, whether the specific

amount of ₹4.50 crores represented revenue arising from work actually performed by TITL during FY 2023-24 and whether there existed a rational and verifiable basis for quantifying the said amount.

36. In this regard, I note that no work order, milestone / completion record, or any other underlying document has been produced to substantiate the extent of performance achieved as of March 31, 2024, or to explain the basis on which the precise amounts of ₹2 crores, ₹1 crore, and ₹1.50 crores were determined. Although the Company has asserted that expenses corresponding to the unbilled revenue were duly recorded, no specific documentary evidence has been furnished in support of this assertion. Insofar as Limco is concerned, the agreement relied upon by the Company merely sets out a broad framework for the provision of technical support, maintenance, and supply of materials, and itself contemplates that the actual execution would be undertaken pursuant to individual work, supply, or purchase orders. The agreement neither specifies any contract value nor provides any quantifiable basis from which the year-end entry of ₹2 crores could be derived or independently verified.

37. The statement of Noticee No. 2 recorded during investigation is also significant in this context. When confronted with the year-end journal entry, he stated that, "*This is a book entry passed to inflate the turnover in March 31, 2024. But as per my knowledge this was of Rs. 2.5 crores and not Rs. 4.5 crore.*" The Noticees have subsequently sought to explain this statement as referring only to recognition of unbilled revenue in accordance with AS-9. I am unable to accept this explanation, as the statement expressly describes the purpose of the entry as being *'to inflate the turnover'* and the subsequent explanation is not supported by any material evidencing the degree of completion of the underlying contracts.

38. I further note that the Company has not been able to produce any subsequent invoices raised by TITL on Limco, TPC and TPW for the corresponding amounts; or evidence of payment of GST. The Company has contended that the unbilled revenue amounting to ₹4.50 crores was disclosed in the GST annualized return / reconciliation filed in Form GSTR-9C for FY 2023-24. I however note that this submission is for reconciliation purposes only, and does not imply that any GST liability was recorded or invoices were subsequently raised with regard to the unbilled revenue.

39. I also note that the statutory auditor (Vijay Darji and Associates) had issued a qualified opinion for the financial statements for FY 2024-25 (obtained from MCA filings), in relation to the aforesaid unbilled revenue. The extract of the basis for qualified opinion is placed below:

> *The company has passed a journal entry in its books of accounts as on 31st March, 2024 as unbilled revenue for an amount of ₹4,50,00,000 (Rupees Four Crores Fifty Lakhs Only). As on the date of issue of previous statutory audit report for the Financial Year 2023-2024 i.e. on 21st May, 2024, these transactions were still underway to completion and the revenue recognition was due to be recorded in the books of the company in the following financial years. However, on scrutiny of the GST Annual Return of the Company for FY 2023-2024, the said transactions stand reversed due to non-fulfillment of the obligations. These transactions do have an impact on the financial statements of the company further on its profit….*

40. I have also perused the certificate dated June 6, 2026 issued by Amit Mehra & Company. The certificate reconciles the accounting entries and refers to the permissibility of unbilled revenue under AS-9; however, it does not specifically certify that the underlying work corresponding to the ₹4.50 crores had in fact been

performed as on March 31, 2024, nor does it disclose any material from which the degree of completion or the quantum of revenue can be independently verified. Therefore, there is no merit in the contention of the Company that the treatment of unbilled revenue has been certified by an independent professional.

41. In view of the substantial year-end journal entries, absence of material evidencing the underlying performance and its quantification, absence of subsequent invoices/GST evidence, along with the statutory auditor's observation, I am unable to accept the genuineness of the unbilled revenue. The allegation that the aforesaid entries pertaining to unbilled revenue resulted in inflation of the revenue from operations of TITL for FY 2023-24 by ₹4.50 crores, therefore stands established.

Transactions with Limco and Ishira

42. I now turn to the purchase and sale transactions with Limco and Ishira. As per the SCN and further details submitted by the Company, the transactions are summarized in the following Table:

Table 4 – Purchase / sale transactions (excl. GST) with Limco and Ishira (In ₹ crores)

Month	Limco		Ishira	
	Purchase	**Sale**	**Purchase**	**Sale**
Dec-23	-	3.72	2.08	-
Jan-24	-	0.01	0.13	-
Feb-24	-	3.39	1.14	-
Mar-24	5.55	6.47	0.07	5.92
Total	**5.55**	**13.59***	**3.42**	**5.92**

*Of which, ₹7.10 crores relates to maintenance, service, networking fees and fees towards technical support at various locations to Limco and ₹2 crores pertains to unbilled revenue.

43. The SCN *inter alia* alleged that the invoices and e-way bills relating to the sale / purchase transactions with Limco and Ishira were sham documents created to legitimize the fictitious transactions recorded in the books of TITL and show a better

financial position. To support these allegations, the SCN relied, *inter alia*, on the direct shipment of goods between Limco and Ishira, the non-availability of certain vehicle and e-way bill particulars, the absence of substantial settlement of the outstanding amounts as of September 30, 2024, and a fund-flow analysis indicating that the ₹1.36 crores received (by TITL) from Limco had been funded by TITL itself.

44. In this context, I note that the material subsequently placed on record by TITL, includes invoices and e-way bills in respect of some of the transactions. TITL has also provided material to explain certain vehicle particulars which were not found during the investigation. It therefore cannot be reasonably concluded that the invoices, or e-way bills were fictitious or fabricated documents. However, this does not dispose of the broader allegation in the SCN that the transactions with Limco and Ishira were undertaken to inflate the Company's financial position. The substantive issue that remains for consideration is whether the purchase and sale transactions between TITL, Limco and Ishira represented ordinary independent commercial transactions, or whether, viewed as a whole, they had the effect of artificially enlarging the purchases, sales and corresponding receivables reported for FY 2023-24 without commensurate independent economic substance.

45. In this regard, the material on record reveals a distinct pattern. As noted from Table 4, the transactions were substantially concentrated towards the close of FY 2023-24. The purchases worth ₹5.55 crores from Limco were concentrated in the second half of March 2024, while all the sales of approximately ₹5.92 crores to Ishira were recorded through invoices raised between March 22 and March 29, 2024.

Transactions related to goods / products

46. A sample analysis based on limited invoices related to sale / purchase of goods as submitted by the Company, reveals a recurring three-party pattern. Ishira raised

invoices on TITL (i.e. TITL purchased goods from Ishira) followed by a corresponding invoice for same goods raised by TITL on Limco, at a standard mark-up of ~10% (i.e. TITL sold the same goods to Limco). Examples illustrating the invoicing and mark-up are placed in the following Table:

Table 5 – Illustration of purchase of goods from Ishira and sale to Limco

Product and Quantity	**Ishira invoice to TITL, Date**	**Purchase value***	**TITL invoice to Limco, Date**	**Sale value***	**Mark-up**
Voltas Inv. 1.5 ton 183V XAZP3S, Qty. - 40	GST-105 dtd. Feb. 13, 2024	₹9.73 lakhs	TSITPL/23-24/239 dtd. Feb. 19, 2024	₹10.70 lakhs	~10%
Microtek EB 1700 inverter, Qty. - 73	GST-106 dtd. Feb. 13, 2024	₹4.34 lakhs	TSITPL/23-24/240 dtd. Feb. 19, 2024	₹4.77 lakhs	~10%
Livguard 1700 sine-wave inverter, Qty. - 80	GST-107 dtd. Feb. 13, 2024	₹4.89 lakhs	TSITPL/23-24/241 dtd. Feb. 19, 2024	₹5.38 lakhs	~10%
Exide Invahomz 1500 Battery, Qty. - 120	GST-110 dtd. Feb. 14, 2024	₹9.79 lakhs	TSITPL/23-24/244 dtd. Feb. 19, 2024	₹10.77 lakhs	~10%
Mitsubishi air-conditioner Qty. - 10	GST-118 dtd. Feb. 14, 2024	₹3.07 lakhs	TSITPL/23-24/252 dtd. Feb. 19, 2024	₹3.37 lakhs	~10%

**Excludes GST*

47. The reverse pattern is also visible wherein, Limco raised invoices on TITL (i.e. TITL purchased goods from Limco), after which TITL raised invoices on Ishira (i.e. TITL sold the same goods to Ishira). The ledger narration relating to TITL invoice TSITPL/23-24/304 is particularly noteworthy, as it expressly describes the transaction as “third party invoicing from Limco to Ishira”. Examples illustrating the invoicing and mark-up are placed in the Table on the next page:

Table 6 – Illustration of purchase of goods from Limco and sale to Ishira

Product	Limco invoice to TITL, Date	Purchase value*	TITL invoice to Ishira, Date	Sale value*	Mark-up
Mixed goods including inverter, steel coil, ACs etc.	GST-435 dtd. Mar. 18, 2024	₹12 lakhs	TSITPL/23-24/302 dtd. Mar. 22, 2024	₹12.75 lakhs	~6.3%
AL- HOM-501- Premixed Coolant (50% Ethylene) (Pack - Size 25 Ltr) Qty. – 3,100 litres	GST-539 dtd. Mar. 22, 2024	₹64.53 lakhs	TSITPL/23-24/317 dtd. Mar. 26, 2024	₹68.20 lakhs	~5.7%
AL- HOM-501- Premixed Coolant (50% Ethylene) (Pack - Size 25 Ltr) Qty. – 3,100 litres	GST-540 dtd. Mar. 23, 2024	₹64.53 lakhs	TSITPL/23-24/318 dtd. Mar. 26, 2024	₹68.20 lakhs	~5.7%

**Excludes GST*

48. More significantly, the material also reveals that in several cases, the same type of goods / products first invoiced by Ishira to TITL and then by TITL to Limco, reappear shortly thereafter in the reverse Limco-to-TITL-to-Ishira leg. Illustrative examples are set out below:

Table 7 – Circular trading in the same type of goods / product

Product / Direction	Invoice No.	Invoice Date
MICROTEK EB 1700 INVERTER *Ishira → TITL → Limco*	Ishira GST-106 → TITL TSITPL/23-24/240	13-Feb-2024 → 19-Feb-2024
MICROTEK EB 1700 INVERTER *Limco → TITL → Ishira*	Limco GST-464 → TITL TSITPL/23-24/323	19-Mar-2024 → 27-Mar-2024
VOLTAS INV 1.5 TON 183V XAZP3S *Ishira → TITL → Limco*	Ishira GST-105 → TITL TSITPL/23-24/239	13-Feb-2024 → 19-Feb-2024
VOLTAS INV 1.5 TON 183V XAZP3S *Limco → TITL → Ishira*	Limco GST-476 → TITL TSITPL/23-24/334	19-Mar-2024 → 28-Mar-2024

Product / Direction	Invoice No.	Invoice Date
LIVGUARD 1700 SINE WAVE INVERTER *Ishira → TITL → Limco*	Ishira GST-107 → TITL TSITPL/23-24/241	13-Feb-2024 → 19-Feb-2024
LIVGUARD 1700 SINE WAVE INVERTER *Limco → TITL → Ishira*	Limco GST-453 → TITL TSITPL/23-24/339	18-Mar-2024 → 29-Mar-2024
LUMINOUS RC 18000ST *Ishira → TITL → Limco*	Ishira GST-113 → TITL TSITPL/23-24/247	14-Feb-2024 → 19-Feb-2024
LUMINOUS RC 18000ST *Limco → TITL → Ishira*	Limco GST-460 → TITL TSITPL/23-24/323	19-Mar-2024 → 27-Mar-2024
EXIDE INVAHOMZ 1500 BATTERY *Ishira → TITL → Limco*	Ishira GST-110 → TITL TSITPL/23-24/244	14-Feb-2024 → 19-Feb-2024
EXIDE INVAHOMZ 1500 BATTERY *Limco → TITL → Ishira*	Limco GST-460 → TITL TSITPL/23-24/323	19-Mar-2024 → 27-Mar-2024

49. An examination of the outstanding ledger balances and fund flows is also relevant to assessing the transactions. The SCN alleged that, although TITL recorded sales of ₹13.59 crores to Limco during FY 2023-24, only ₹1.36 crores had been received from Limco up to September 30, 2024. It further alleged that this amount had itself been funded by TITL through a circular fund flow involving Ishira. In this regard, the Company has contended that the said fund flow does not disprove the *bona fide* nature of the underlying transactions. It has further submitted that it paid ₹6.75 crores to Limco, ₹4.44 crores to Ishira and received ₹9.27 crores from Limco up to the date of its response. It has relied upon the 180-day credit period under the agreement with Limco to explain the absence of earlier settlement.

50. In this context, I note that, as of March 31, 2024, the Limco debtor ledger reflected an outstanding amount of approximately ₹14.08 crores. In FY 2024 - 25, the ledger records only one fresh sale of approximately ₹15.28 lakhs on April 16, 2024 and no fresh sale has been made in FY 2025-26. The debtor ledger continued to reflect an outstanding balance of approximately ₹4.97 crores as of March 31, 2025 and

approximately ₹4.68 crores as of March 31, 2026. Thus, despite the Company's claims of aggregate receipts of approximately ₹9.27 crores from Limco (up to the date of its response), a substantial amount of receivables arising principally from the transactions pertaining to FY24, continued to remain unpaid for over 2 years, well beyond the stated credit period of 180 days.

51. With respect to Ishira, as of March 31, 2024, the debtor ledger reflected approximately ₹7.17 crores in receivables. Significantly, no sales or any payment receipt from Ishira is reflected in the debtor ledger during FY 2024-25, and the ledger continued to show approximately ₹7.17 crores as receivables as on March 31, 2025. Further, in its reply, the Company has not referenced any payments received from Ishira and no other material has been placed on record to demonstrate any subsequent recovery from Ishira, up to the date of the Company's response dated June 13, 2026.

52. Thus, even without going by the SCN's allegation that the ₹1.36 crores received from Limco was funded by TITL itself through the circular fund flow involving Ishira, the subsequent ledger position independently shows that a substantial portion of the consideration recorded as receivable against the FY 2023-24 sales (of goods or services) was not realized well beyond the stated 180-day credit period and infact continues to remain unrealized till the date of the Company's response. This demonstrates that cash realisation was materially lesser than the gross volume of transactions recorded between the parties and lends further support to the concerns regarding the commercial substance of the transactions.

53. I have also considered the certificate dated June 06, 2026 issued by M/s Amit Mehra & Co., on which the Company has relied in support of its transactions with Limco and Ishira. While the certificate corroborates the accounting and documentary trail of the transactions, it does not address the issue regarding the

commercial substance of the transactions. These reciprocal sale / purchase transactions, direct shipment of goods, matching goods/quantities in the mapped transactions, concentration of the transactions at the close of the financial year, absence of a demonstrated independent commercial rationale for the trading legs, and an analysis of the subsequent fund flows cumulatively demonstrate that the transactions of TITL with Limco / Ishira cannot be regarded as ordinary independent trading transactions.

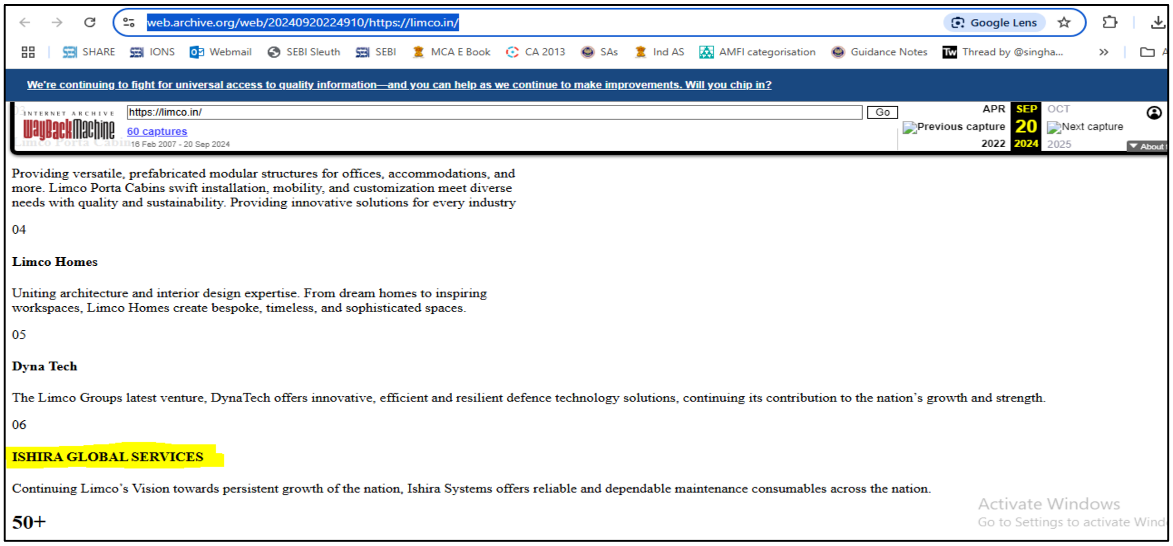
54. With regard to the sales to Limco, the Company has contended that not all goods sold to Limco were procured from Ishira and that goods were also procured from other vendors. It has further contended that the goods purchased from Ishira were different from those sold to Limco. In this regard, I note that the value of the transactions identified by the Company as goods having been procured from other vendors and thereafter sold to Limco aggregates to only approximately ₹14.87 lakhs. This constitutes only about 3.3% of the approximately ₹4.49 crores of sales of goods to Limco recorded during FY 2023-24 (after excluding the ₹7.10 crores of service revenue and the ₹2 crores unbilled-revenue entry). On the other hand, the Company itself has stated that purchases from Ishira aggregated to approximately ₹3.42 crores, excluding GST. Significantly, at least 37 invoices available on record representing purchases of approximately ₹2.92 crores from Ishira identify Limco as the 'ship to' destination. Thus, as per the invoices, approximately 85% of the purchases from Ishira (by value) were shipped directly to Limco. Further, since the transactions mapped on a sample basis generally reflect a mark-up of approximately 10% on the onward sale by TITL, on an indicative basis, the purchases of ₹2.92 crores from Ishira would correspond to onward sales of over ₹3 crores to Limco.

55. In the reverse direction, TITL recorded purchases of ₹5.55 crores from Limco and sales of ₹5.92 crores to Ishira, with the relevant transactions concentrated during

the second half of March 2024. The SCN specifically relied upon the stock-movement records maintained by TITL in Tally to allege that, in almost all cases, goods sourced from Limco were supplied onward to Ishira in the same quantities. Significantly, the Company has not disputed this factual pattern. Its contention is that this observation does not disprove the transactions, since direct shipment of goods from the original supplier to the ultimate customer is recognized under the GST "Bill-to-Ship-to" mechanism. It has further stated that in such transactions, Limco is entitled to issue the tax invoice to the Company, and the Company is permitted to issue its own tax invoice to Ishira.

56. I am conscious that back-to-back trading and "bill-to ship-to" arrangements are not impermissible *per se*. The recurring mark-up of around 5% or 10%, by itself, is also not evidence of fictitious transactions. The concern in the present case, however, arises from the commercial substance of the arrangement. No material has been placed on record explaining the necessity for routing the transactions through TITL or the independent value added by TITL. This assumes further significance in light of the archived webpage of Limco contained in the Investigation Report, which reflects an association between Limco and Ishira (screenshot placed on the next page). Further, as discussed above, the same type of product originated from Ishira, moved through TITL to Limco, and thereafter reappeared within a short period in the reverse Limco–TITL–Ishira leg. No credible commercial explanation has been offered which explains why the same two entities alternately became supplier and customer for the same type of product. The corresponding fund flows do not demonstrate cash realization commensurate with the gross scale of trading reflected in the books; rather, they corroborate that the arrangement enabled substantial invoicing between the same counterparties without a corresponding economic movement of funds of comparable magnitude.

Snapshot of website of Limco (as per webarchive.org)



Service-related Transactions

57. The service-related transactions of ₹7.10 crores also contain unusual patterns. Out of the ₹7.10 crores, ₹4.40 crores (approximately 62%) were invoiced during the four-day period from March 27 to March 30, 2024. Sixteen invoices were raised during those four days in repeated taxable values of ₹25 lakhs and ₹30 lakhs. There is also apparent overlap in the periods described in some of the technical-support invoices, where available. For example, invoice TSITPL/23-24/193 dated December 30, 2023 records ₹9 lakhs for technical-support services for October to December 2023 at the Amritsar site, whereas invoice TSITPL/23-24/267 dated February 29, 2024 again records ₹9 lakhs for technical-support services for April to December 2023 at Amritsar. Similar overlapping descriptions appear in respect of Agra as well.

58. These features raise legitimate questions and suspicion regarding services provided by TITL to Limco, particularly in the absence of site-wise work orders, service-completion records or other material corresponding to the individual

invoices. At the same time, I am of the view that in the absence of additional evidence, the concentration of entries at year-end, round values and apparent overlap in descriptions of invoices, do not affirmatively establish that no services whatsoever were performed.

Findings with regard to the allegation of inflating revenue from operations, purchases and corresponding trade receivables for FY 2023 - 24

59. Out of the ₹22.01 crores of TITL's revenue alleged in the SCN to have been inflated, ₹7.10 crores pertains to services to Limco. As discussed above, although the circumstances surrounding such revenue is suspicious, it cannot be conclusively established that the said ₹7.10 crores was inflated.

60. With regard to the goods related sale / purchase transactions with Limco and Ishira, taking a considered view of the facts and circumstances, I find that TITL's demonstrated role in these transactions was substantially that of an invoicing intermediary, earning a mark-up. By positioning itself between Limco and Ishira, TITL was able to record the full purchase value and thereafter the full onward sale value in its books, thereby creating a substantially larger footprint in terms of sales, purchases and corresponding trade receivables relative to the economic activity on record. The fact that Limco and Ishira were not disclosed as major suppliers further obscured the reciprocal nature of these dealings from an investor reading the RHP – this allegation is further examined in the succeeding paragraphs. The significance of this arrangement is heightened by the concentration of the transactions towards the close of FY 2023-24, i.e., the financial year immediately preceding the proposed IPO as well as by the fact that the ledger pertaining to the subsequent year reflects limited sales to Limco and purchases from Ishira, and no sales to Ishira or purchases from Limco.

61. On a conservative basis, the discussion at paragraphs 54 - 55 above indicates that sales of goods worth approximately ₹8.9 crores to Limco and Ishira (comprising ~₹3 crores to Limco and ₹5.92 crores to Ishira) can be linked to purchases from the other counterparty (Ishira / Limco). The fact that the cash realization from sales to Limco / Ishira was not commensurate with the gross volume of transactions recorded as discussed at paragraphs 50 - 51 and receivables of over ₹11 crores continue to remain unrealised from Limco and Ishira till the date of the Company's response, further corroborates the inference that these transactions were structured so as to artificially enlarge TITL's reported sales, purchases and corresponding trade receivables. Taken together, the approximately ₹8.9 crores of sales of goods identified above and the year-end unbilled-revenue entries of ₹4.50 crores, already found to have resulted in inflating revenue, aggregate to approximately ₹13.4 crores, representing over 20% of TITL's revenue from operations of ₹65.81 crores for FY 2023-24. The magnitude was, therefore, material to the scale of operations presented by the Company. The corresponding allegation regarding purchases follows from the above findings on sales.

62. In view of the above, I find that the financial information for FY 2023-24 consequently did not present the true nature and scale of the Company's operations and was materially misleading to prospective investors.

DISCLOSURE OF TOP CUSTOMERS AND SUPPLIERS IN FY 2023-24 and 2022-23

63. The SCN has alleged that there were significant differences between the sales to the top customers as appearing in the accounting records and the figures disclosed in the RHP, as shown in the Table on the next page:

Table 8: Sales data disclosed in RHP Vs. Accounting records

(Figures in ₹ crores)

Sr. No.	Customer Name	Sales for FY 2023-24		Difference
		As per books of accounts	As per RHP	
		A	B	A-B
1	Limco Global Services Pvt. Ltd. ("Limco")	13.59	6.04	7.55
2	TP Central Odisha Distribution Limited ("TPC")	9.69	8.69	1.00
3	TP Western Odisha Distribution Limited ("TPW")	6.10	4.60	1.50
4	Ishira Global Service (Debtors) ("Ishira")	5.92	2.50	3.42
5	Trafiksol Electromechanical Private Limited	6.89	6.89	-
6	N.G. Projects Limited ("NGP")	4.61	2.17	2.44
7	Tecsidel India Pvt Ltd	3.67	3.67	-
8	MKC Infrastructure Limited	2.43	2.43	-
9	Shapoorji Pallonji Infrastructure Capital Pvt Ltd	1.97	1.97	-
10	Anemoi Technologies Pvt Ltd ("ATPL")	1.73	-	1.73
11	ARS Technocrats Pvt. Ltd.("ARS")	-	4.50	-4.50
	Total (A)	**56.61**	**43.46**	**13.14**
	% of Total Revenue from Operations of ₹65.81 crores	**85.96%**	**66.04%**	

64. In respect of Limco, the Company sought to reconcile sales of ₹13.59 crores recorded in its books with the figure of ₹6.04 crores disclosed in the RHP by deducting purchases of ₹5.55 crores and unbilled revenue of ₹2 crores. Similarly, in respect of Ishira, the Company reconciled sales of ₹5.92 crores with the disclosed figure of ₹2.50 crores by deducting purchases of ₹3.42 crores. The Company submitted that, since it had both sales and purchase transactions with Limco and Ishira, these transactions were presented on a net basis so as to avoid showing the same entity both as a customer and as a supplier. According to the Company, such treatment was conservative, avoided duplication, and, if anything, presented its financial position less favourably. The Table on the next page contains the details of the reconciliation submitted by the Company:

Table 9: Submission of TITL regarding reconciliation of sales to Limco and Ishira as per RHP and as per books of accounts

	Limco (In ₹)	Ishira (In ₹)
Sales as per Books	13,59,56,785	5,92,24,400
Less: Purchases as per books	5,55,28,015	3,42,02,632
Less: Unbilled Revenue (Included separately under Sr. no.5 in RHP i.e. ARS)	2,00,00,000	
Sales as per RHP	6,04,28,770	2,50,21,768

65. I am unable to accept the above submissions that the netting of purchase and sales was a conservative treatment. The purpose of separately disclosing an issuer's top customers and top suppliers is to enable investors to independently assess the concentration of its revenues and its dependence on key suppliers. I further note that the Company has not followed a consistent practice with regard to netting of sales and purchases. The RHP discloses Trafiksol Electromechanical Private Limited as a top supplier as well as a top customer. An extract of the Table of top suppliers for FY 2023-24, as disclosed in the RHP is placed below, for reference:

Table 10: Extract of top suppliers Table from RHP for FY2023 - 24

Name of supplier	Amount (In ₹ lakhs)	% wise of total purchase
Trafiksol Electromechanical Private Limited	971.38	23.98%
Trays Tunnel Solutions Pvt Ltd	246.41	6.08%
Anemoi Robotics And EV Labs Pvt Ltd	190.70	4.71%
Anemoi Technologies Private Limited	150.03	3.70%
Industrial Forging Industries Private Limited	114.10	2.82%
Tangent Infocom Pvt. Ltd.	111.64	2.76%
Lango InfraKonnect	78.25	1.93%
Triflex Solutions	65.84	1.63%

Name of supplier	Amount (In ₹ lakhs)	% wise of total purchase
Gupta Enterprises	62.80	1.55%
A.K.Steel Works	58.89	1.45%

66. From the above Table, I note that purchases of approximately ₹5.55 crores from Limco and ₹3.42 crores from Ishira were material and exceeded the purchases from all entities included in the disclosed list of top suppliers for FY 2023-24, other than Trafiksol Electromechanical Pvt. Ltd.. Netting such purchases against sales did not constitute a conservative presentation. On the contrary, it obscured the full extent of TITL's dealings with these counterparties and prevented investors from appreciating that Limco and Ishira had material relationships with the Company on both the revenue and procurement sides of its business. I note that, absent such netting, on the Company's own figures, sales to Limco and Ishira would have constituted approximately 30% of the total sales disclosed, whereas, after netting, their share stood at only around 13%. Further, purchases from Limco and Ishira represented over 22% of total purchases for FY 2023-24 (as per RHP, amount of total purchase was ₹40.5 crores). The fact that the same entity is simultaneously a top customer as well as a top supplier makes the relationship more relevant to an investor assessing concentration risk, counterparty dependence and the nature of the issuer's commercial arrangements. Disclosure on a gross basis would have revealed the substantially greater extent to which TITL's business was concentrated in these two counterparties.

67. I also find no merit in the contention that such netting presented the Company's financial position less favorably. The aggregate revenue and profit reported in the audited financial statements were not reduced by this treatment. What was reduced was the apparent magnitude of TITL's relationship with Limco and Ishira in the Top Customers disclosure, while the corresponding purchase relationships were omitted from the Top Suppliers disclosure. The effect, therefore, was not to portray a smaller or less profitable business, but to understate the extent and reciprocal

nature of TITL's dealings with these entities. This assumes further significance in light of the findings recorded above concerning the inflation of transactions, which underscored the need for a clear and transparent disclosure of the nature, scale and concentration of TITL's dealings with Limco and Ishira.

68. With regard to ARS, the Company has expressly acknowledged that *no* sales of ₹4.50 crores were, in fact, made to ARS in FY 2023-24. It has stated that the amount of ₹4.50 crores reflected against ARS in the Top 10 Customers Table represented unbilled revenue attributable to Limco, TPC and TPW, and has characterized the inclusion of ARS as *an inadvertent error*. Thus, an entity to which no sales had been made was nevertheless presented in the RHP as one of TITL's top customers, with sales of ₹4.50 crores.

69. In relation to N.G. Projects Limited, the Company submitted that it maintained separate project/branch ledgers and GST registrations for its operations in Uttar Pradesh and Rajasthan, and that the RHP reflected the ledger of only one of its projects i.e. the TMS-project ledger, since the other projects operated under separate GST registrations. I note, however, that the disclosure in question was customer-wise and not GSTIN-wise, project-wise or branch-wise. The fact that transactions with the same customer were undertaken through different branches, projects or GST registrations does not alter TITL's aggregate commercial exposure to that customer. For the purpose of identifying and disclosing the Company's top customers, the transactions with NGP were therefore required to be considered on an aggregate basis.

70. As regards Anemoi Technologies Private Limited, the Company submitted that the entity did not appear in the Top 10 Customers list because sales of ₹1.73 crores placed it in the eleventh position, below the tenth-ranked customer whose sales amounted to ₹1.97 crores. This explanation, however, cannot be considered in

isolation, since the admitted erroneous inclusion of ARS as a customer with sales of ₹4.50 crores, distorted the composition and ranking of the customers disclosed as the Company's top customers.

71. As regards the FY 2022-23 top-customer Table, the Company has accepted that Ishira had been erroneously included despite there being no sales to Ishira in that year.

72. The Company has sought to characterize the above discrepancies as mere presentation errors which would have had no bearing on an investor's decision. I am unable to accept this contention. Disclosures relating to customers and suppliers are not intended merely to reproduce aggregate figures of turnover or purchases; they convey material information regarding customer and supplier concentration, dependence, and the nature of the issuer's business relationships. An investor may legitimately assess a company that derives a substantial proportion of its revenue from a limited number of customers, differently from one whose revenues are more widely dispersed. The discrepancies discussed above were neither isolated nor insignificant. They included the netting of material purchase and sale transactions, the omission of material suppliers, the failure to aggregate sales made to the same customer, and the identification of an entity as a customer accounting for ₹4.50 crores of sales when, in fact, no sales had been made to it.

73. In view of the foregoing, the allegation that TITL made false and misleading disclosures in the RHP with respect to sales to its top customers and purchases from its top 10 suppliers stands established.

UNDERSTATEMENT OF EXPENSES AND OVERSTATEMENT OF LOANS & ADVANCES

74. The SCN notes that TITL paid ₹20 lakhs on December 18, 2023 and ₹25 lakhs on January 03, 2024 to Topfilings. The payment voucher described the amount as an advance against preparation of IPO-related documents and consultancy work, while Mr. Jitendra Das stated that the entity had assisted in introducing ECPL to TITL. The amount continued to be classified as "Loans & Advances", a current asset as on March 31, 2024. On this basis, the SCN alleges, first, that FY 2023-24 expenditure was understated by ₹45 lakhs and, secondly, that the ₹45 lakhs was omitted from the disclosure of issue expenses in the RHP.

75. The Company has submitted that Topfilings raised an invoice only on April 22, 2024 and that the corresponding GST appeared in GSTR-2B for April 2024. It therefore contends that, as at March 31, 2024, the amounts remained advances and were correctly classified as current assets.

76. I find that the two allegations need to be examined separately. As regards the accounting classification as at March 31, 2024, the material does not establish that the entire service underlying the ₹45 lakhs had already been rendered by that date. Further, the invoice was raised only on April 22, 2024. Accordingly, I am unable to sustain the allegation that the classification of the entire ₹45 lakhs as a current asset necessarily resulted in understatement of FY 2023-24 expenses and overstatement of profit/current assets by the same amount.

77. With regard to disclosure, the Company's own case is that the invoice was raised on April 22, 2024. It therefore pre-dated the filing of the DRHP on May 31, 2024 and the subsequent RHP. The expense should therefore have been disclosed, in terms of ICDR Regulations.

78. The Company has contended that the amount of ₹45 lakhs represents approximately 0.7% of its turnover and is immaterial in the context of an issue size of ₹44.87 crores. I note that this is not the appropriate benchmark for assessing the significance of the amount. The relevant comparison is with the issue-related expenses disclosed in the RHP, which stated that ₹78.05 lakhs had been incurred/deployed towards issue expenses and custodian connectivity charges up to August 28, 2024. Viewed in that context, the additional payment of ₹45 lakhs to Topfilings is significant. Further, no reconciliation has been placed on record to demonstrate that this amount was included in, or otherwise accounted for within, the issue expenses disclosed in the RHP.

79. I also note that the provisions of the Companies Act, 2013 relied upon by the Company, concerning utilization of the securities premium account for writing off expenses incurred in connection with an issue of equity shares, and the provisions of the Income-tax Act concerning amortization of such expenditure, are not relevant to the issue of disclosure of expenses in the RHP.

80. In view of the above, I find that while the allegation regarding understatement of FY 2023-24 expenses is not established, the IPO-related expenditure of ₹45 lakhs was not appropriately reflected in the disclosure of "Expenses of the Issue" in the RHP.

REVENUE FROM OPERATIONS, AND PURCHASES FOR FY 2021–22 and FY 2022-23

81. The SCN alleged that TITL inflated its revenue for FY 2021-22 by approximately ₹1.15 crores by passing a journal entry on March 31, 2022 under the head "Supply, Erection, Testing & Commissioning – UR" and thereafter reversed the same in April 2022, thereby also understating revenue during FY 2022-23.

82. The Noticees have submitted that the amount represented unbilled revenue in respect of a partly executed contract with Shapoorji Pallonji Infrastructure Capital Pvt. Ltd. (“**Shapoorji**”) and that, once the work was completed, final tax invoices aggregating to ₹1.36 crores were raised during FY 2022-23.

83. The documents placed on record support this explanation. The year-end accrual was ₹1,14,89,963. The Company thereafter raised three tax invoices on Shapoorji having taxable values of ₹41,27,707, ₹26,46,975 and ₹47,75,951, aggregating to ₹1,15,50,633 (excl. GST) and ₹1,36,29,747 (incl. GST). Each of the three invoices pertains to “Supply, Erection, Testing and Commissioning” and refers to the same Buyer’s Order No. SPINFRA/PT/2020/013 dated June 27, 2020. This materially distinguishes the Shapoorji Pallonji transaction from the ₹4.50 crores of unbilled revenue recognized against Limco, TPC and TPW. In the former, the year-end accrual subsequently crystallized into identifiable billing under the same contract for substantially the same taxable value; in the latter, notwithstanding the specific challenge raised in the SCN, no comparable project-wise evidentiary linkage has been produced.

84. I also note that TITL has submitted an opinion of a Chartered Accountant which states that the reversal of the accrual in April 2022 followed by recognition of the actual invoices, is a permissible accounting treatment.

85. In view of the above, in the absence of additional supporting material, I note that the reversal of the entry of ₹1.15 crores on April 01, 2022 does not, by itself, establish that the original entry was fictitious. Accordingly, I find that the allegation that TITL inflated its revenue for FY 2021-22 by ₹1.15 crores and correspondingly understated revenue for FY 2022-23 is not established based on the material available on record.

VIOLATION OF REGULATORY PROVISIONS

86. The findings recorded above establish substantial and material discrepancies in the financial disclosures contained in the DRHP / RHP. These include, *inter alia*, inflation of revenue, purchases and corresponding trade receivables for FY 2023–24; incorrect disclosure of the top customers and suppliers, thereby obscuring the actual concentration of the Company's business with certain counterparties; and omission of ₹45 lakhs paid towards IPO-related consultancy expenditure from the issue-expense disclosure. I will therefore proceed to examine the violations arising from the allegations that stand established.

87. Regulation 245(1) of the ICDR Regulations requires an offer document to contain all material disclosures which are true and adequate so as to enable applicants to take an informed investment decision. Regulation 245(2) of the ICDR Regulations requires the offer document to contain the disclosures specified, *inter alia*, in Part A of Schedule VI, which in-turn requires disclosure of the expenses of the issue. Given that the offer documents did not contain true and adequate financial and expense related disclosures as recorded above, I find that TITL has violated Regulations 245(1) and 245(2) of the ICDR Regulations.

88. The next question is whether the aforesaid conduct can be regarded merely as a collection of accounting, classification or disclosure errors, as contended by the Company, or whether the nature, pattern and cumulative effect of the conduct attract the provisions of PFUTP Regulations.

89. The Company has contended that a finding of fraud requires a deceitful device accompanied by dishonest intention and that, at the highest, the matters in question constitute technical or presentational lapses. It has further submitted that neither the Company nor its promoters derived any wrongful gain; that the shares were

never listed; and that no investor ultimately traded in the securities or suffered pecuniary loss.

90. In this regard, I note that the definition of "fraud" under the PFUTP Regulations specifically contemplates acts, omissions and concealments that induce any person to deal in securities, irrespective of whether any wrongful gain has actually accrued or any loss has been avoided. Therefore, the absence of any demonstrated gain to the Company or its promoters does not, by itself, preclude a finding of fraudulent conduct.

91. I also find it relevant to refer to the judgment of the Hon'ble Supreme Court in the matter of *SEBI vs. Kanaiyalal Baldevbhai Patel and connected matters*[1], wherein it was observed as under:

"…If Regulation 2(c) of the 2003 was to be dissected and analyzed it is clear that any act, expression, omission or concealment committed, whether in a deceitful manner or not, by any person while dealing in securities to induce another person to deal in securities would amount to a fraudulent act. The emphasis in the definition in Regulation 2(c) of the 2003 Regulations is not, therefore, of whether the act, expression, omission or concealment has been committed in a deceitful manner but whether such act, expression, omission or concealment has/had the effect of ***inducing another person to deal in securities****."*

92. As observed in the aforesaid judgment by the Hon'ble Supreme Court, the relevant consideration for determining whether the provisions of Regulation 3 of PFUTP Regulations are attracted, is whether the conduct in question was capable of inducing investors to deal in securities. The aforesaid judgment further notes the

[1] (2017) 15 SCC 1

dictionary meaning of the word “induce” as the act or process of enticing or persuading another person to take a certain course of action.

93. In a public issue, the offer document is the principal means by which an issuer represents its financial position, operating performance and business profile to prospective investors and solicits their investment. The misstatements and omissions found in the present matter cannot be treated as inconsequential errors of presentation. Their cumulative effect was to present a financial and commercial profile materially different from that borne out by the underlying transactions and records. The manner and timing of the Company’s conduct assume particular significance. The transactions and accounting entries were substantially concentrated towards the close of FY 2023–24, immediately preceding the proposed IPO. By using invoicing arrangements and year-end entries to enlarge the financial footprint reflected in its books, the Company presented in the offer documents, an appearance of greater business activity and financial strength. Inaccurate disclosures concerning the Company’s top customers and suppliers obscured the true extent of its concentration and dependence upon Limco and Ishira.

94. Revenue, receivables and customer concentration are fundamental indicators by which investors assess the scale, growth, quality and sustainability of an issuer’s business. Viewed cumulatively, the conduct was not a mere accounting or disclosure lapse, but blatant misconduct aimed at placing a more favorable financial picture before prospective investors. The IPO was thereafter subscribed approximately 345.65 times and subscription monies aggregating to ₹44.87 crores were mobilized from applicants.

95. The Company’s contention that no investor ultimately suffered loss, since the IPO proceeds were not utilised and the subscription monies were refunded with interest,

does not negate the fact that investors had already been induced to subscribe to the IPO. The eventual refund was a consequence of regulatory intervention and does not efface the conduct at the time the securities were offered to the public. While the absence of investor loss may be relevant as a mitigating factor, it does not diminish the seriousness of the misconduct established above.

96. In the above backdrop, I find it relevant to also refer to the judgment of the Hon'ble Supreme Court in the matter of *Reliance Industries Limited & Ors vs. SEBI*[2], wherein the Hon’ble Court has held as under:
“....in situations where deceitful or mala fide intention to defraud and manipulate the securities market is clear from the blatant misconduct or attending circumstances that cogently establish wrongful intention, then injury would not be required.”

97. The nature, multiplicity, timing and interconnectedness of the established misstatements and omissions demonstrate a deceptive course of conduct that materially distorted the financial and commercial profile presented to prospective investors. Such conduct was plainly capable of influencing and inducing prospective investors to subscribe to the proposed issue. I accordingly find that TITL has violated Section 12A(a), (b) and (c) of the SEBI Act, 1992 and Regulations 3(b), 3(c), 3(d), 4(1), 4(2)(f), 4(2)(k) and 4(2)(s) of the PFUTP Regulations.

98. With regard to the allegation of violation of Regulation 4(2)(r) of PFUTP Regulations, I note that the provision concerns the knowing planting of false or misleading news which may induce the sale or purchase of securities. The allegations in the present matter concern false or misleading disclosures in the offer documents and not the planting of false or misleading news. I therefore find that the charge under Regulation 4(2)(r) is not established.

[2] 2026 INSC 585

Issue No. (2) - Whether there was concealment of material facts in the offer documents? If so, whether the provisions of the ICDR Regulations and PFUTP Regulations alleged in the SCN are violated?

99. The SCN alleged concealment of a financial arrangement entered into by TITL with Mr. Prakash Gourishankar Jhunjhunwala, father of Mr. Abhishek Jhunjhunwala, who was a director and 99% shareholder of ECPL, the sole Book Running Lead Manager to the IPO. On January 12, 2024, TITL transferred ₹67 lakhs to the personal bank account of Mr. Prakash Jhunjhunwala, of which ₹60 lakhs was subsequently accounted for as "Security Deposit – Rent" and ₹7 lakhs as rental advance. Significantly, this payment was made on the same date on which TITL paid ₹50 lakhs to ECPL towards merchant-banking fees. The SCN alleged that the purported rental arrangement was not genuine, that the subsequent cancellation documents were an afterthought, and that the payment represented illegal gratification connected with the IPO mandate. It was further alleged that non-disclosure of this arrangement concealed a conflict of interest and operated as a fraud upon investors who subscribed to the Issue.

100. The Company has explained that it intended to establish a branch office in Mumbai and, for this purpose, entered into a registered leave-and-license agreement dated January 27, 2024 in respect of furnished premises at Andheri, at a monthly rent of ₹2 lakhs. According to the Company, it subsequently decided not to commence operations from Mumbai and, vide letter dated May 02, 2024, sought cancellation of the arrangement and refund of the amounts paid. The owner initially resisted early termination and, vide communication dated May 06, 2024, demanded three months' rent together with reimbursement of renovation expenses. TITL thereafter made a further request for refund on June 29, 2024. Ultimately, an amount of ₹65 lakhs was refunded to the Company in two instalments on September 04 and September 05, 2024, after deduction of ₹2 lakhs towards one month's rent.

101. The material on record lends support to the existence of an underlying leave-and-license arrangement and its subsequent termination. I also note the Company's submission that the termination process as well as the eventual refund preceded commencement of SEBI's investigation in October 2024. The fact that the payment was made to the father of the person who effectively controlled the sole Merchant Banker undoubtedly warranted close scrutiny. However, having regard to the documentary material relating to the lease (leave-and-license), the correspondence concerning its termination and the eventual refund, I do not find sufficient material to conclude that the arrangement was devised for payment of illegal gratification, or that the cancellation documents were fabricated merely as an afterthought to mislead the investigation.

102. With regard to the allegation regarding non-disclosure of the agreement and its potential conflict of interest, I note that at the time of filing of the DRHP on May 31, 2024, the ₹67 lakhs had not been refunded to TITL. Although the Company relies upon its cancellation request dated May 02, 2024, its own submissions show that the owner had not accepted an unconditional termination and that negotiations regarding refund remained ongoing. Indeed, TITL addressed a further request for refund only on June 29, 2024, i.e., after filing of the DRHP. The amounts continued to remain reflected in the Company's books as security deposit and rental advance until their refund in September 2024. Thus, as on the date of filing of the DRHP, the financial relationship had not been fully extinguished and TITL continued to have a financial exposure of ₹67 lakhs to the father of the major shareholder of the Merchant Banker.

103. I am unable to accept the Company's submission that the materiality of the transaction ought to be assessed by comparing ₹67 lakhs with the overall issue size of ₹44.87 crores. Such a comparison is misplaced. Significantly, the amount of ₹67 lakhs exceeded the ₹50 lakhs merchant-banking fee paid by TITL to ECPL

on the very same date. Viewed in this context, the transaction cannot be regarded as immaterial merely because it constituted a relatively small proportion of the total issue size.

104. A prospective investor examining the DRHP was entitled to be informed of a subsisting financial relationship of this nature so as to independently assess its relevance to the relationship between the issuer and its sole Merchant Banker, including any potential conflict of interest arising therefrom. The eventual refund of ₹65 lakhs before opening of the Issue does not retrospectively cure the omission in the DRHP, which must be tested with reference to the facts existing on the date on which that document was filed. As noted above, on May 31, 2024, the financial exposure remained outstanding and the termination and refund had not crystallized.

105. In view of the above, I find that the allegations stand established to the extent that the arrangement with Mr. Prakash Jhunjhunwala, and the potential conflict arising from that financial relationship, was not disclosed in the DRHP. TITL has therefore violated Regulation 245(1) of the ICDR Regulations. Further, having concluded that the material does not establish that the underlying arrangement was devised for payment of illegal gratification, I do not find sufficient basis to hold that the non-disclosure of the arrangement, by itself, constituted fraud under the PFUTP Regulations.

Issue No. (3) - Whether the promoters of TITL are liable for the contraventions alleged in the SCN, including those relating to the objects of the issue, misleading financial disclosures and concealment of material facts?

106. Before examining the respective roles of Mr. Jitendra Das and Ms. Poonam Das, it is relevant to note that the misstatement in the offer documents concerning the

object of the issue, namely, purchase of ICCC software for ₹17.70 crores on the basis of the quotation obtained from Oasis Corpcare Pvt. Ltd., has already been adjudicated *qua* the Company. The Final Order dated December 03, 2024 concluded that Oasis lacked the technical expertise and operational capacity to execute a complex project such as the ICCC software; and the profile furnished in respect of Oasis contained fabricated information. Further, TITL had relied upon a quotation from a 'shell entity'; and that the Company participated in a cover-up when the credentials of Oasis came under examination.

107. The aforesaid findings were carried in appeal by TITL before the Hon'ble SAT. The Hon'ble SAT dismissed the appeal and upheld the finding that the disclosure relating to the Oasis quotation constituted a misstatement in the Prospectus. The Tribunal noted the findings of the investigation that Oasis had no credentials for developing or procuring the software, had no business till October 2023, had negligible capital and no employees at its premises, and that its erstwhile owner had stated on oath that the quotation had been procured for a commission through a middleman. The Tribunal further held that the process of reaching Oasis through Mr. Vijay Oswal for procuring the quotation was a sham transaction and rejected the argument of the Company that a disclaimer had been made that the quotation had been obtained for budgetary purposes.

108. The Hon'ble SAT also noted the manner in which the Board dealt with the quotation. The Oasis quotation was dated May 16, 2024 and, within two days, on May 18, 2024, the Board "noted and approved" procurement of the ICCC software from Oasis. The Tribunal observed that such approval was granted without adequate verification of the vendor's credentials and in disregard of TITL's own purchase policy, which contemplated obtaining at least three quotations for techno-commercial evaluation. It further noted that the Purchase Committee had relied essentially upon recent GST returns, notwithstanding the absence of financial

statements for the preceding financial years and the absence of any demonstrated technical capability on the part of Oasis.

109. These findings have attained finality *qua* TITL since it did not appeal the order of Hon'ble SAT before Hon'ble Supreme Court. I am not called upon in the present proceedings to re-adjudicate whether the Oasis quotation was genuine or whether the disclosure based upon it constituted a misstatement. The issue in the present proceedings is the individual role and responsibility of the two promoter-directors, Mr. Jitendra Das and Ms. Poonam Das, in relation to that misstatement together with their role in respect of the remaining findings.

110. Mr. Jitendra Das and Ms. Poonam Das are promoters of TITL. The offer documents disclose that they are related as spouses. Mr. Jitendra Das is its Chairman and Managing Director, while Ms. Poonam Das is its Whole-Time Director. Both were signatories to the financial statements and to the Prospectus containing declarations as to the truth and correctness of the information disclosed therein.

111. Mr. Jitendra Das has sought to shift responsibility upon Mr. Avinash Kumar (erstwhile CTO of TITL) in relation to Oasis, stating that the latter was handling the technical specifications and correspondence relating to the vendor. He has also stated that the matter was not taken seriously, since the quotation was obtained for budgetary purposes only. Ms. Poonam Das has submitted that all matters related to finance function, vendor selection and the Oasis quotation were the domain of Mr. Jitendra Das and the finance function, and did not fall within her functional responsibilities.

112. In this context, I note that the material on record does not support a case of detachment on the part of Noticee No. 2. In his own reply, he has acknowledged participating in Zoom calls concerning the proposed vendor and, after the demise

of Mr. Avinash Kumar, personally meeting Mr. Vijay Oswal, from whom documents relating to Oasis, including its quotation and profile, were received. The Oasis quotation was not an inconsequential operational document. It formed the basis for proposed deployment of ₹17.70 crores, representing nearly 40% of the total Issue proceeds. The Board had also approved procurement of the software from Oasis. In these circumstances, the Chairman and Managing Director cannot shift responsibility for such a significant component of the IPO to an employee, who has since expired.

113. This responsibility assumes greater significance in view of the extensive experience claimed by Mr. Jitendra Das in the ITS and software-related business. Hon'ble SAT specifically observed that such experience imposed a greater responsibility upon TITL to identify and verify a genuine software provider and found it inexplicable that an established player would reach an entity such as Oasis through a middleman despite the absence of demonstrated credentials. The contention that the quotation was merely budgetary and that the vendor could subsequently be changed, was also considered and rejected by the Hon'ble SAT. Whether the proposed diversion of funds would ultimately have taken place cannot now be determined, since regulatory intervention prevented deployment of the IPO proceeds. That, however, does not dilute the seriousness of procuring and placing before investors a fabricated quotation, as the basis for deployment of a substantial portion of the Issue proceeds.

114. Additionally, as discussed above, TITL's financial disclosures for FY 2023-24 materially overstated the scale of its operations and obscured the true nature and concentration of its dealings with Limco and Ishira. Mr. Jitendra Das's statement recorded during investigation expressly acknowledged that a year-end book entry had been passed "*to inflate the turnover*". He was also the signatory to the leave-and-license arrangement with Mr. Prakash Jhunjhunwala, which gave rise to the

undisclosed financial relationship examined under Issue No. (2). Viewed cumulatively, these facts demonstrate that Mr. Jitendra Das was directly involved in, and aware of, material matters forming the basis of the offer documents. His conduct reflects a blatant disregard for the standards of accuracy, transparency and governance expected in a public issue.

115. With regard to Ms. Poonam Das, I am unable to accept her submission that she bears no responsibility because finance, accounts and vendor selection did not fall within her stated functional portfolio. While I agree to her contention that the material on record does not establish the same degree of active involvement on her part as is the case for Mr. Jitendra Das, the absence of such direct involvement does not absolve her of responsibility. I note that she was the Whole-Time Director of TITL, signatory to its financial statements and certified the correctness of the information placed before prospective investors through the offer documents. These are matters of considerable significance, having a direct bearing on investor decision-making. A Whole-Time Director who signs and certifies such documents assumes responsibility for their correctness and is expected to exercise reasonable diligence in doing so. Such certification cannot be treated as a mere formality, nor can responsibility be disclaimed solely on the ground that the relevant function was internally handled by another director.

116. Her responsibility is also evident in relation to the Oasis transaction. Ms. Poonam Das certified a true copy of the Board resolution by which procurement of ICCC software from Oasis was approved. Hon’ble SAT has already found that the Board dealt with the Oasis quotation without the degree of verification and corporate governance expected in the circumstances. The proposed procurement involved ₹17.70 crores, constituting nearly 40% of the issue proceeds and forming one of the principal objects represented to prospective investors. The importance and magnitude of the proposal itself demanded a reasonable degree of scrutiny from

the Whole-Time Directors of the Company. In these circumstances, Ms. Poonam Das cannot completely distance herself from the misstatement by relying upon an internal division of responsibilities.

117. Having regard to her position as a Whole-Time Director, her execution and certification of the financial statements and offer documents, and her involvement in the Board-level processes, relating to the IPO, as discussed above, I am satisfied that Ms. Poonam Das was not detached from the conduct of the Company's business in relation to these matters. Her acts and omissions facilitated the issuance of offer documents containing material misstatements and omissions to prospective investors. I, therefore, find that she was in charge of, and responsible for, the conduct of the business of the Company within the meaning of Section 27(1) of the SEBI Act.

118. As discussed in the preceding paragraphs, the acts of the Company have already been found to be fraudulent. Material financial information was distorted, significant commercial relationships were obscured and a fabricated quotation issued by an entity lacking credible credentials was relied upon to support a substantial object of the issue. The conduct of the promoters, therefore, cannot be regarded as being confined merely to disclosure-related lapses. In the case of Mr. Jitendra Das, the material establishes direct involvement in key aspects of the misconduct. In the case of Ms. Poonam Das, her liability arises principally from her position and responsibilities as a Whole-Time Director, her certification of the relevant documents and her failure to exercise the requisite diligence before doing so. Their respective acts and omissions demonstrate blatant and reckless misconduct in the handling of the IPO process. Such conduct resulted in materially false and misleading information being placed before prospective investors and facilitated the solicitation of public subscription on the basis of a distorted representation of the

Company's financial position, business operations and proposed utilization of the IPO proceeds.

119. In terms of Section 27(1) of the SEBI Act, where a contravention of any of the provisions of the Act or regulations made thereunder has been committed, every person in charge of, and responsible to the company for the conduct of the business of the company, shall be deemed to be guilty of the contravention. In view of the above findings, I hold that Mr. Jitendra Das and Ms. Poonam Das have violated:

119.1. Section 12A(a), (b) and (c) of the SEBI Act and Regulations 3(b), (c), (d), 4(1) and 4(2) (f), (k) and (s) of PFUTP Regulations.

119.2. Regulation 245(1) and (2) of ICDR Regulations.

120. For the reasons already recorded in relation to the Company at paragraph 98, I find that the allegation under Regulations 4(2)(r) of the PFUTP Regulations, concerning the planting of false or misleading news, is not established for the promoters as well.

Issue No. (4) - Whether TITL and Mr. Jitendra Das furnished false or misleading information relating to Oasis during the investigation and whether Mr. Jitendra Das concealed material facts in his statement on oath and destroyed evidence?

121. The SCN has alleged that TITL and Mr. Jitendra Das furnished false information pertaining to Oasis, and that Mr. Das destroyed evidence and made materially inconsistent statements while being examined on oath.

122. I have perused the information furnished by TITL in response to SEBI's summons. TITL *inter alia* submitted that Mr. Avinash Kumar had circulated the specifications and requirements for the ICCC software amongst his known suppliers, pursuant to which a representative of Oasis approached him and represented that Oasis could

liaise with software companies capable of developing the requisite software. It was further submitted that discussions were thereafter held with Mr. Jitendra Das and that Oasis subsequently forwarded a quotation after factoring in its mark-up and service fees. TITL has further contended that the said quotation was obtained only for budgetary purposes.

123. The aforesaid explanation portrayed the engagement with Oasis as a *bona fide* preliminary vendor-identification exercise in which Oasis was acting as an intermediary for a reputed software developer. That account cannot be reconciled with the findings already recorded in the Final Order and upheld in appeal by Hon’ble SAT, including that the quotation was procured through Mr. Vijay Oswal for a commission and that fabricated credentials and financial material were subsequently furnished when the credentials of Oasis came under scrutiny. The response to the summons therefore contained a materially incorrect account of the manner in which Oasis came to be engaged and of the circumstances in which its quotation was obtained.

124. In view of the above and given the active involvement of Mr. Jitendra Das in the matters relating to Oasis, I find that TITL and Mr. Jitendra Das furnished false and misleading information in response to the summons issued during investigation. Accordingly, I find that Noticee Nos. 1 and 2 failed to furnish true and correct information in response to the requisitions/summons issued in exercise of powers under Section 11(2)(ia) read with Section 11C(3) of the SEBI Act.

125. I now turn to the allegation concerning the statement of Mr. Jitendra Das recorded on oath under Section 11C(5) of the SEBI Act. The SCN alleged that Mr. Das made inconsistent statements regarding his dealings with Mr. Prakash Jhunjhunwala, initially stating that he had not availed any services from him, but when confronted with the payment of ₹60 lakhs, subsequently disclosing that office premises had

been taken on rent from him. Further, Mr. Das stated that he had not met Mr. Kishanlal Kumhar of Oasis, whereas the call-data analysis indicated otherwise. The SCN also alleged that, when called upon to produce correspondence and other data from his mobile phone relating to ECPL, Oasis and their representatives, it was found that the data had been deleted. Mr. Das stated that he had purchased a new mobile phone on October 26, 2024 and had discarded his old handset from the Bandra-Worli Sea Link on the same day. On this basis, the SCN alleged that he had deliberately destroyed relevant evidence with a view to hamper the investigation.

126. The relevant extract of Mr. Jitendra Das's statement recorded on oath is reproduced below:

Question 20: *Do you know Mr. Prakash Jhunjhunwala? Have you availed any services from him?*

Reply: *Yes, I know him. He is father of Mr. Abhishek Jhunjhunwala. I met him more often after the withholding of Listing. No, I have not availed any services from him.*

Question 21: *Why you have made a payment of ₹60 lacs to Mr. Prakash Jhunjhunwala from TITL in Jan 2024?*

Reply: *It was for security deposit for the renting of office space in Andheri. The rent was agreed at ₹2 lacs per month. The office was meant for operating from Mumbai. I was about to accept a work from a client whose condition was that my team should be there in Mumbai. But I haven't received the contract and the amount for the Security Deposit was refunded by Mr. Prakash Jhunjhunwala in Oct 2024 after deducting 2 months' rent. I will submit the agreement copy through email on 29th October 2024.*

Question 33: *Have you ever met or exchanged telephonic calls with any of the Directors/Shareholders of M/s Oasis Corpcare Private Limited?*

Reply: *Personal meeting, I have not had with anyone except Mr. Vijay Oswal. I have spoken to Mr. Girish Jain/Vishwanath in Zoom Meeting. I don't recollect meeting Mr. Kishanlal Kumhar.*

127. With respect to Question No. 20, I note that the question was specifically framed in terms of whether Mr. Jitendra Das had himself availed any services from Mr. Prakash Jhunjhunwala. In this context, it is relevant to note that the payment of ₹60 lakhs was made by TITL pursuant to a leave-and-license arrangement entered into by the Company, with Mr. Jitendra Das acting as an authorised signatory. His statement that he had not personally availed any services from Mr. Jhunjhunwala, therefore, cannot be regarded as technically false. I also note that Mr. Jitendra Das provided details regarding the payment made, in response to the immediately succeeding Question No. 21 forming part of the same statement.

128. With respect to Question No. 33, I note that Mr. Jitendra Das's statement that he *did not recollect meeting* Mr. Kishanlal Kumhar is difficult to reconcile with the material on record, from which such a meeting has been inferred. At the same time, the answer does not amount to a categorical denial of the meeting. While the manner in which the question was answered appears evasive, it is not sufficient to conclusively establish the charge under Section 11C(5) of the SEBI Act as framed in the SCN.

129. The SCN has also relied upon the disposal of Mr. Das's earlier mobile handset as constituting destruction of evidence. The disposal of a handset during the pendency of an investigation undoubtedly raises questions as to his conduct. However, there is insufficient material on record to establish what specific information relevant to the investigation was stored exclusively on that handset, or whether any such

information became irretrievable as a consequence of its disposal. Mr. Jitendra Das has, moreover, contended that the data had been backed up or stored on the cloud and remained retrievable. In the absence of sufficient material establishing that evidence relevant to the investigation was in fact destroyed or rendered irretrievable, I am unable to sustain this allegation.

130. In view of the above findings, I find that the allegation concerning violation of Section 11C(5) of the SEBI Act is not sustained.

Issue No. (5) - Whether the violations, if any, by the Noticees warrant any direction and monetary penalty under Sections 11(1), 11(4), 11(4A), 11B(1) and 11B(2) read with Section 15A(a), 15HA and 15HB of the SEBI Act?

131. The findings recorded under the preceding issues establish multiple and serious violations in connection with the proposed public issue. The financial disclosures overstated the scale of TITL's operations through unsupported year-end recognition of unbilled revenue and sale / purchase transactions with Limco and Ishira. The manner in which these entities were presented in the customer and supplier disclosures also obscured the true extent and concentration of the Company's dealings with them. Further, material issue-related expenditure was not appropriately disclosed, while a financial relationship giving rise to a potential conflict with the Merchant Banker was omitted from the DRHP.

132. The conduct of the promoters, especially Mr. Jitendra Das, in relation to the Oasis quotation was particularly egregious. A substantial portion of the issue proceeds was proposed to be deployed on the basis of a fabricated quotation obtained from an entity lacking credible technical and operational capability. Such conduct falls severely short of the standards of diligence, integrity and responsible stewardship expected from promoters of an issuer seeking to access public capital.

133. The public issue framework proceeds on the premise that investors can rely on the offer document as a fair and reliable representation of the issuer's financial position, business operations, material risks and proposed use of funds. An investor considering investment in an IPO does not have the same access to the issuer's internal records as its management. The integrity of the disclosure regime is therefore critical. Where the reported scale of operations is overstated, material aspects of customer and supplier concentration are obscured, or information relevant to the proposed deployment of issue proceeds is unreliable, the very basis on which investors evaluate the issuer stands impaired.

134. I note that TITL itself has submitted that investor interest in the issue was driven by its audited results, order book and standing in the sector. The accuracy of its financial disclosures was therefore central to the proposition placed before the investing public.

135. While the absence of ultimate pecuniary loss to investors is relevant in calibrating the nature and extent of regulatory action, I am unable to accept the contention that it extinguishes the need for such action. The IPO had opened for subscription, was substantially oversubscribed, the basis of allotment had been finalised and securities had been credited to the allottees before listing was deferred. Investors had thus acted upon the offer document and committed funds on the basis of the disclosures made therein. The subsequent protection afforded to them was the consequence of regulatory intervention, which cannot be allowed to operate as a defence to the violation itself.

136. The Company has contended that SEBI's jurisdiction is protective and remedial rather than retributive, and that, in the present case, investors have ultimately been made whole. In this regard, I note that the exercise of SEBI's jurisdiction is not confined to compensating investor loss; it also extends to preserving the integrity

of the securities market, deterring misconduct, and ensuring that persons whose conduct demonstrates serious disregard for the regulatory framework are appropriately restricted from accessing the securities market.

137. Confidence in the primary market depends upon the reliability of offer documents and the expectation that issuers seeking public capital will present their financial position, business operations and proposed use of funds truthfully and transparently. Manipulation of financial information or concealment of material commercial realities undermines that confidence. Such conduct, if left unaddressed, lowers confidence in disclosures and can ultimately raise the cost of capital for compliant issuers as well.

138. As regards the submission that adverse regulatory action may impair the Company's operations, I note that financial hardship cannot justify violations of securities laws. An entity seeking to access public markets is expected to maintain high standards of governance, transparency and compliance. In the facts of the present case, the nature and multiplicity of the violations warrant an appropriate regulatory response. Permitting the Company and its promoters to access the securities market without adequate regulatory action would, in my view, be inconsistent with the interests of investors and the integrity of the securities market.

139. Considering the above, I am convinced that this is a fit case for issuance of appropriate directions and imposition of penalty. The relevant penalty provisions invoked in the SCN viz. Sections 15A(a), 15HA and 15HB of the SEBI Act, are reproduced below for reference:

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 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;*

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.

Issue No. (6) - If the answer to Issue No. (5) is in the affirmative, what directions need to be issued and what should be the amount of monetary penalty, to be imposed on the Noticees, considering the factors provided under Section 15J of the SEBI Act?

140. One cannot emphasize enough of the point that disclosure is central to the functioning of securities market, in particular, the primary market wherein funds are raised from public investors. Investors subscribing to an IPO necessarily rely upon the offer document to assess the issuer's financial position, quality and scale of operations. Inaccurate and misleading disclosures in such a document therefore strike at the informational foundation on which the primary market operates.

141. Having concluded that this is a case wherein suitable directions are required to be issued against the Noticees as well as monetary penalty needs to be imposed, I observe that directions / penalties have to be issued against the Noticees, after taking into consideration the peculiar facts and circumstances discussed hereinabove. For the purpose of adjudging the quantum of penalty to be levied, the factors mentioned in Section 15J of the SEBI Act have to be considered. Section 15J provides as under:

*"**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."

142. The present case did not result in any loss to the IPO subscribers, since due to regulatory intervention, the issue was ultimately cancelled and the subscription monies were refunded with interest. These factors will be considered while determining the quantum of monetary penalty.

143. The findings also indicate a difference in the degree of involvement of Mr. Jitendra Das and Ms. Poonam Das. While Mr. Jitendra Das was directly involved in key aspects of the misconduct, including procuring the fabricated quotation from Oasis, Ms. Poonam Das's role appears to have arisen principally from her failure to exercise due diligence while signing the relevant documents. This distinction merits consideration while determining the appropriate action against her.

ORDER

144. In view of the foregoing, I, in exercise of the powers conferred upon me in terms of Sections 11(1), 11(4) and 11B(1) read with Section 19 of the SEBI Act, hereby direct as under:

144.1. Noticees Nos. 1, 2 and 3 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 1 year from the date of this Order.

144.2. If the above Noticees have any open position(s) in any exchange traded derivative contracts, as on the date of this Order, they may close out / square off such open position(s) within 3 months from the date of order or at the expiry of such contracts, whichever is earlier. The Noticees are permitted to settle the pay-in and pay-out obligations in respect of transactions, if any, which have taken place before the close of trading on the date of this Order.

144.3. In exercise of the powers under Section 11(4A) and 11B(2) read with Section 15A(a), 15HA and 15HB of the SEBI Act, I direct that the Noticees shall be liable to pay a monetary penalty as indicated in the Table on the next page:

Noticee No.	Name of the Noticee	Corresponding Section of SEBI Act	Penalty (In ₹)
1.	Trafiksol ITS Technologies Limited	Section 15A(a)	5,00,000
		Section 15HA	20,00,000
		Section 15HB	5,00,000
2.	Mr. Jitendra Narayan Das	Section 15A(a)	5,00,000
		Section 15HA	40,00,000
		Section 15HB	5,00,000
3.	Ms. Poonam Das	Section 15HA	20,00,000
		Section 15HB	5,00,000

145. The Noticees shall remit / pay the said amount of penalties within forty-five (45) days from the date of receipt of this order, through online payment facility available on the website of SEBI, i.e. www.sebi.gov.in by clicking on the payment link: ENFORCEMENT -> Orders -> Orders of Chairperson/Members-> PAY NOW. In case of any difficulties in online payment of penalties, the said Noticees may contact support at portalhelp@sebi.gov.in.

146. The details/ confirmation of e-payment should be sent to “The Division Chief, CFID, SEBI, SEBI Bhavan, 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)	

147. This order comes into force with immediate effect.

148. A copy of this order shall be sent to the Noticees, all the recognized Stock Exchanges, Banks, Depositories and Registrar and Transfer Agents of Mutual Funds to ensure that the directions given above are strictly complied with.

AMARJEET SINGH

Digitally signed by AMARJEET SINGH
Date: 2026.08.28 18:18:17 +05'30'

PLACE: MUMBAI

AMARJEET SINGH
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA