

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

CORAM: MADHABI PURI BUCH, WHOLE TIME MEMBER

FINAL ORDER

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

In the matter of Trustline Reality Infra India Limited

In re Deemed Public Issue Norms

In respect of:

S.No.	Name of the Entity	PAN	CIN/DIN
1.	Aman Kumar	CBCPK8700N	03376344

1. Trustline Reality Infra India Limited (hereinafter referred to as “**TRIL**”/ “**the Company**”) is a Public company incorporated on February 17, 2011 and registered with Registrar of Companies–Jharkhand with CIN: U45200JH2011PLC014695. Its registered office is at Hari Om Mansion, 3rd Floor, Mithu Road, Bank More, District- Dhanbad, Jharkhand – 826001.
2. Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”) received a letter/complaint from some persons against TRIL in respect of issue of Redeemable Preference Shares (“RPS”) and undertook an enquiry to ascertain whether TRIL had made any public issue of securities without complying with the provisions of the Companies Act, 1956; Securities and Exchange Board of India Act, 1992 (hereinafter referred to as “**SEBI Act**”) and the Rules and Regulations framed thereunder.
3. On enquiry by SEBI, it was observed that TRIL had made an offer of RPS in the financial year 2011-2012 (hereinafter referred to as “**Offer of RPS**”) and raised an amount of Rs.

11,56,763 from at least 52 allottees. The number of allottees and funds mobilized has been collated from the documents submitted with the complaints received by SEBI. Therefore, it was concluded that the actual number of allottees and amount mobilized could be more than the above indicated figures.

4. As the above said *Offer of RPS* was found *prima facie* in violation of respective provisions of the SEBI Act, 1992 and the Companies Act, 1956. SEBI passed an interim order dated April 05, 2017 (hereinafter referred to as “**interim order**”) and issued directions mentioned therein against TRIL and its Directors and promoters, viz. Mohammad Qamar, Susweta Dutta, Md Mojahd, Rafat Naz, Md Aadil, Aman Kumar and Sarojani Devi (hereinafter collectively referred to as “**Noticees**”).
5. *Prima facie findings/allegations*: In the said interim order, the following *prima facie* findings were recorded. TRIL had made an *Offer of RPS* during the financial year 2011-2012 and raised at least an amount of Rs. 11,56,763 as shown below:

Year of Issue	Date of allotment	No. of RPS	Amount raised (Rs.)	Number of allottees
2011-12	20.09.2011	2	17000	2
	23.12.2011	1	5208	1
	28.12.2011	1	18321	1
	16.01.2012	48	1116234	48
Total			11,56,763	52

6. The above *Offer of RPS* and pursuant allotment were deemed public issue of securities under the first proviso to section 67(3) of the Companies Act, 1956. Accordingly, the resultant requirement under section 60 read with section 2(36), section 56, sections 73(1), 73(2) and 73(3) read with section 27(2) of the SEBI Act were not complied with by TRIL in respect of the *Offer of RPS*.

7. In view of the *prima facie* findings on the violations, the following directions were issued in the said interim order dated April 05, 2017 with immediate effect.
- i. “TRIL and the abovenamed Directors and Promoters shall not access the securities market or buy, sell or otherwise deal in the securities market, either directly or indirectly, or associate themselves with any listed company or company intending to raise money from the public;
 - ii. TRIL and the abovenamed Directors and Promoters shall neither dispose of, alienate or encumber any of its/their assets nor divert any funds raised from public through the offer and allotment of preference shares;
 - iii. TRIL and the abovenamed Directors / Promoters shall co-operate with SEBI and shall furnish all information/documents in connection with the offer and allotment of preference shares sought vide email dated December 21, 2015 and letters dated December 11, 2015 and December 21, 2015.
8. The interim order also directed TRIL and its Directors/promoters to show cause as to why suitable directions/prohibitions under sections 11(1), 11(4), 11A and 11B of the SEBI Act, and section 73(2) of the Companies Act, 1956 read with section 27(2) of the SEBI Act should not be passed against them:
- i. The Noticees to jointly and severally refund money collected through the offer and allotment of preference shares, with an interest of 15% per annum (the interest being calculated from the date when the repayments became due in terms of Section 73(2) of the Companies Act, 1956 till the date of actual payment) within a period of 180 days from the date of receipt of this Order, supported by a certificate of two independent Chartered Accountants to the satisfaction of SEBI; and
 - ii. The Noticees to be refrained / prohibited from accessing the securities market by issue of prospectus / offer document / advertisement and buying, selling or otherwise

dealing in securities in any manner whatsoever, directly or indirectly, for a period of four years from the date of effecting the refund as directed above.

9. Vide the said interim order the Noticees were given the opportunity to file their replies, within 21 days from the date of receipt of the said interim order. The Noticees were further directed to furnish an inventory of their assets in their reply. In the event the Noticees intended to avail an opportunity of personal hearing, they were given the opportunity to do so by seeking a confirmation in writing from SEBI for the same within 90 days from the date of receipt of this Order. The order further stated that in case the Noticees failed to file replies or to request for an opportunity of personal hearing within the aforesaid 90 days, then the directions as reproduced in paragraph 8 of this Order would become final and absolute against the said Noticees, without any further orders. It was also stated that upon the expiry of a period of 180 days from the date of receipt of this Order, SEBI may initiate appropriate enforcement action under SEBI Act, 1992 including Recovery, Adjudication or Prosecution in addition to making a suitable reference to State Government / Local Police.
10. *Service of interim order:* The copy of the said interim order was sent to the Noticees vide letter dated April 06, 2017 which were delivered to Ms. Susweta Dutta, Mr. Aman Kumar and Ms. Sarojani Devi. It was returned undelivered from the address of the Company and Mr. Md. Qamar. Vide letters dated May 22, 2017, the interim order was sent to the addresses of Mr. Md. Mojahd, Mr. Rafat Naz and Mr. Md. Aadil. However, the said letters were refused by the said Noticees. Subsequently, the said interim order was served by way of affixture on May 31, 2017 at the last known address of the Company and on June 9, 2017 at the last known addresses of Mr. Md. Qamar, Mr. Md. Mojahd, Mr. Rafat Naz and Mr. Md. Aadil.
11. *Hearing and submissions:* Vide reply dated May 2, 2017, Mr. Aman Keshri representing himself as Mr. Aman Kumar submitted a reply stating *inter alia* that he was an employee of Trustline Realty Infra India Limited and was getting a salary of Rs. 5000 per month and

that he was not involved in the incorporation of the Company. It was submitted that his name was fraudulently used by the management of the Company.

12. Thereafter, vide notice dated April 13, 2018, Mr. Aman Kumar was given an opportunity of personal hearing scheduled on May 15, 2018. However, Mr. Aman Kumar did not appear for the personal hearing on the said date. No further replies have been received from any of the Noticees in this matter. No one appeared on behalf of the Company and the other Noticees. I have perused the interim order in this regard and I find that in the absence of any reply or request for personal hearing from the aforesaid Noticees, (except Mr. Aman Kumar who was given an opportunity for hearing), within 90 days from the date of receipt of the interim order, the directions of the interim order as reproduced in paragraph 8 of this Order have become final and absolute against the Company and its other directors and promoters, viz. Mr. Md. Qamar, Mr. Md. Mojahd, Mr. Rafat Naz, Mr. Md. Aadil, Ms. Susweta Dutta and Ms. Sarojani Devi. Since Mr. Aman Kumar has filed his submissions, I proceed further in respect of Mr. Aman Kumar.
13. From the documents available on the *MCA21 Portal* I find that Mr. Aman Kumar is a promoter of TRIL and therefore, is liable for the *Offer of RPS* against the norms of deemed public issue. I note that Mr. Aman Kumar vide his reply dated May 2, 2017, had stated that he was only an employee at the Company and that his name was fraudulently used as a promoter of the Company. I find that the Noticee has not provided any further documentary proof to substantiate his claims. He has also failed to avail of the opportunity of personal hearing in this matter. In view of the absence of any supporting evidence, I find no merit in the submission made by Mr. Aman Kumar, and in line with MCA records, I determine him to be a promoter of TRIL. Since neither the Company nor the other Noticees have refuted the findings of the interim order, which has attained finality as against the other Noticees, therefore, without further going into the merits of the matter I find that Mr. Aman Kumar is liable as a promoter of the Company. Mr. Aman Kumar has not specifically agitated any other findings in the order dated April 5, 2017 relatable to him except that his name was fraudulently used as a promoter of the Company. Therefore,

I reiterate other factual and legal findings relatable to him in the order dated April 5, 2017 and find Mr. Aman Kumar liable to refund the money collected, jointly and severally along with TRIL, Mr. Mohammad Qamar, Ms. Susweta Dutta , Mr. Md. Mojahd, Mr. Rafat Naz, Mr. Md Aadil, and Ms. Sarojani Devi.

14. In view of the foregoing, the natural consequence of not adhering to the norms governing the issue of securities to the public and making repayments as directed under section 73(2) of the Companies Act, 1956, is to direct Mr. Aman Kumar jointly with TRIL and its Directors and Promoters, viz. Mr. Mohammad Qamar, Ms. Susweta Dutta , Mr. Md. Mojahd, Mr. Rafat Naz, Mr. Md Aadil, and Ms. Sarojani Devi to refund the monies collected, with interest to such investors.
15. Further, in view of the violations committed by Mr. Aman Kumar, to safeguard the interest of the investors who had subscribed to such RPS issued by the Company, to safeguard their investments, and to further ensure orderly development of securities market, it also becomes necessary for SEBI to issue appropriate directions against Mr. Aman Kumar.
16. It is further noted that in respect of TRIL, and its Directors and Promoters, viz. Mr. Mohammad Qamar, Ms. Susweta Dutta , Mr. Md. Mojahd, Mr. Rafat Naz, Mr. Md Aadil, and Ms. Sarojani Devi, the following directions against them have become already final:

“i. to jointly and severally refund money collected through the offer and allotment of preference shares, with an interest of 15% per annum (the interest being calculated from the date when the repayments became due in terms of Section 73(2) of the Companies Act, 1956 till the date of actual payment) within a period of 180 days from the date of receipt of this Order, supported by a certificate of two independent Chartered Accountants to the satisfaction of SEBI; and

ii. to be refrained / prohibited from accessing the securities market by issue of prospectus / offer document / advertisement and buying, selling or otherwise dealing in securities in any manner whatsoever, directly or indirectly, for a period of four years from the date of effecting the refund as directed above.”

17. In view of the aforesaid observations and findings, I, in exercise of the powers conferred under section 19 of the Securities and Exchange Board of India Act, 1992 read with sections 11, 11(4), 11A and 11B of the SEBI Act, hereby issue the following: directions:
- a. Mr. Aman Kumar shall, jointly and severally, with other Noticees as per Order dated April 5, 2017 refund money collected through the offer and allotment of preference shares, with an interest of 15% per annum (the interest being calculated from the date when the repayments became due in terms of Section 73(2) of the Companies Act, 1956 till the date of actual payment) within a period of 180 days from the date of receipt of this Order, supported by a certificate of two independent Chartered Accountants to the satisfaction of SEBI.
 - b. The repayments and interest payments to investors shall be effected only through Bank Demand Draft or Pay Order both of which should be crossed as “Non-Transferable”.
 - c. In case of failure of Mr. Aman Kumar to comply with the aforesaid applicable directions, SEBI, on the expiry of three months and seven days from the date of this Order may recover such amounts, from the company and the directors and promoters liable to refund as specified in paragraph 17(a) of this Order, in accordance with section 28A of the SEBI Act including such other provisions contained in securities laws.
 - d. Mr. Aman Kumar is directed not to, directly or indirectly, access the securities market, by issuing prospectus, offer document or advertisement soliciting money from the public and are further restrained and prohibited from buying, selling or otherwise dealing in the securities market, directly or indirectly in whatsoever manner, from the date of this Order, till the expiry of 4 (four) years from the date of completion of refunds to investors as directed above.
 - e. The above directions shall come into force with immediate effect.
18. Copy of this Order shall be forwarded to the recognized stock exchanges and depositories and registrar and transfer agents for information and necessary action.
19. A copy of this Order shall also be forwarded to the Ministry of Corporate Affairs/

concerned Registrar of Companies, for their information and necessary action with respect to the directions/ restraint imposed above against the Company and the individuals.

DATE: July 13, 2018

PLACE: Mumbai

**MADHABI PURI BUCH
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA**