

SECURITIES AND EXCHANGE BOARD OF INDIA

ORDER

UNDER SECTIONS 11(4), 11B AND 11D OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH REGULATION 35 OF SECURITIES AND EXCHANGE BOARD OF INDIA (INTERMEDIARIES) REGULATIONS, 2008.

IN RE VIOLATION OF PROVISIONS OF STOCK BROKER REGULATIONS AND OTHER CIRCULARS.

IN RESPECT OF

S. No.	Entity's Name	PAN
1	FICUS SECURITIES PVT. LTD	AAACV0429K
2	FICUS COMMODITIES PVT. LTD.	AABCV4377P
3	MR. VINOD KUMAR BANSAL	AAGPB8255Q
4	MR. SURENDER SINGH	EFTPS4215D
5	MS. NEENA BANSAL	AIDPB7112P
6	MR. PRASHANT KUMAR NAYAK	AFTPN9303D
7	MS. POONAM RAJBHAR	AGQPR0343D
8	MS. TRIPTA KAPOOR	ASVPK5946Q
9	MS. SHABNAM JOHN	AGUPJ1830F

Background:

1. Ficus Securities Private Limited. (hereinafter referred as 'FSPL' / 'Ficus' / 'Broker') having its registered office at 805, Indra Prakash Building, Connaught Place, New Delhi-110001 is registered with SEBI as a stock broker of National Stock Exchange of India Ltd. (NSE) of equity segment, equity derivative segment and Currency Derivative Segment, a stock broker of Bombay Stock Exchange Ltd. (BSE) in equity segment and equity derivative segment, a stock broker in equity segment of

Metropolitan Stock Exchange of India Ltd. (MSEI), a stock broker in equity derivative segment and Currency Derivative Segment of MSEI, and as a Depository Participant of Central Depository Services Ltd. (CDSL).

2. Ficus Commodities Pvt. Ltd. (FCPL) having its registered office at 802, Indra Prakash Building, Connaught Place, New Delhi-110001 is registered with SEBI as a commodity derivatives broker of Multi Commodity Exchange of India Ltd (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX).
3. Mr. Vinod Kumar Bansal and Mr. Surender Singh are the present directors of FSPL, and Ms. Neena Bansal was its past director. Mr. Prashant Kumar Nayak and Mr. Surender Singh are the present directors of FCPL. Ms. Poonam Rajbhar, Ms. Tripta Kapoor and Ms. Shabnam John were FCPL's past directors.
4. Vide email dated August 01, 2017, NSE forwarded to SEBI the inspection report of FSPL wherein, NSE made several adverse observations against the broker *inter alia*; observing *improper use of clients funds & securities, non-settlement of client accounts, difference between quantity of securities between back office register of securities and holding statement of beneficiary accounts, margin collected from clients was not correctly reported to exchange in F&O segment, etc.* The key findings of the inspection report of NSE are as under:
 - a) Improper use of Clients securities.
 - b) Unexplained use of funds raised by pledging of client securities.
 - c) Actual Settlement of client accounts not done.
 - d) False reporting of Margin collected from clients in CD and F&O segments.
 - e) Receipt & payment of funds from/to FCPL.
 - f) Non-disclosure of DP account details to the Exchange.
 - g) Dealing with another Trading Member for transactions in proprietary account in another Exchange without prior intimation.
 - h) Contract Notes were not issued to Clients.
 - i) Balances in bank account were not sufficient to cover client credit balances.
5. SEBI also conducted a surprise inspection of FSPL on January 23, 2018 at its registered office address. The main observations of the inspection are, *inter alia*, as under-

- i. *The Broker was not available on the aforesaid address. A notice mentioning “805 ficus shifted to 810” was pasted on the main door of 805 premise.*
 - ii. *Only 5 employees, doing mutual fund distribution related work, were present. Upon enquiring about the director and other employees, one of the employee, informed that Mr. Vinod Kumar Bansal (Director of FSPL) is out somewhere and will not be able to come to office. Further, it was also informed that the compliance Officer, Mr. Pradeep and many other employees have left their jobs few days back.*
 - iii. *Upon inspection team’s request, one of the employees Ms. Shabnam provided access to the back office and the data like trail balance, clients’ ledgers, Client master, etc. for the period from 01.04.2015 to till date of inspection i.e. from April 01, 2015 till January 23, 2018 retrieved in the presence of the employees.*
 - iv. *Subsequently, FSPL was asked to provide certain information/details.*
6. The data which was extracted from the back office of FSPL was also analysed, and the following points were observed:-
- a) Non-availability of funds.
 - b) Non-availability of securities.
 - c) Unexplained transfer of funds between FSPL and FCPL.
7. In view of the above observations of SEBI and NSE, it was observed that *prima facie* FSPL committed the following violations: -
- a) *By not disclosing all its DP a/cs to the Exchange, FSPL is in violation of clause 2.2 of annexure of the SEBI Circular SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016 and the provisions of Clause A (1) (4) and (5) of the Code of Conduct prescribed for the stock brokers under the SEBI (Stock Brokers and Sub-brokers) Regulations, 1992.*
 - b) *By not doing segregation of clients funds from own funds, FSPL is in violation of SEBI Circular SMD/SED/CIR/93/23321 dated November 18, 1993 and Clause 15 of Rights and Obligations document for Stock Broker, Sub-brokers and Clients as prescribed by SEBI vide its circular no. CIR/MIRSD/16/2011 dated August 22, 2011.*

- c) *By transferring clients' funds to FCPL, FSPL is in violation of SEBI Circular no. SMD/SED/CIR/93/23321 dated November 18, 1993 and Clause 15 of Rights and Obligations document for Stock Broker, Sub-brokers and Clients as prescribed by SEBI vide its circular no. CIR/MIRSD/16/2011 dated August 22, 2011.*
 - d) *By not doing settlement of client's funds and securities, as can also be seen from pending investor grievance, FSPL is in violation of Clause 12 of SEBI circular no. MIRSD/SE/Cir-19/2009 dated December 03, 2009 and Clause 31 of Rights and Obligations document for Stock Brokers, Sub-Brokers and Clients as prescribed by SEBI vide its circular no. CIR/MIRSD/16/2011 dated August 22, 2011.*
 - e) *By raising funds by pledging clients' securities FSPL has violated the provisions of Clause A(1) and (5) of the Code of Conduct prescribed for the stock brokers under the SEBI (Stock Brokers and Sub-brokers) Regulation, 1992*
 - f) *By not reporting correct margin to Exchange in CD and FO segment, FSPL is in violation of provisions of SEBI Master Circular on "Matters relating to Exchange Traded Derivatives" dated April 1, 2013 read with NSE Circular No. NSE/INSP/19583 dated December 14, 2011 and provisions of Clause A (1), (2) and (5) of the Code of Conduct prescribed for the stock brokers under the SEBI (Stock Brokers and Sub-brokers) Regulations, 1992.*
8. Further, FSPL and FCPL were also found to have been *prima facie* connected to each other on account of a common website, same registered office as per the MCA records and Ms. Neena Bansal, being a subscriber to memorandum of association of FCPL. It was observed that there were huge fund transfers between FSPL and FCPL which *prima facie* did not entirely relate to trading. In the accounts of FSPL, there was a debit balance of Rs. 7,69,98,468 in the name of FCPL. The fact that the accounts of FSPL had insufficient funds/securities to meet the claims of the investors and that funds had been inexplicably transferred from FSPL's accounts to FCPL's account, give rise to the *prima facie* inference that funds belonging to investors were transferred from FSPL to FCPL.

Directions issued vide the interim order

9. Considering the facts and circumstances and the *prima facie* findings of violations by FSPL and FCPL, SEBI passed an interim order dated March 20, 2018 against FSPL, FCPL and their directors (present and past) namely, Mr. Vinod Kumar Bansal, Mr. Surender Singh, Ms. Neena Bansal, Mr. Prashant Kumar Nayak, Ms. Poonam Rajbhar, Ms. Tripta Kapoor and Ms. Shabnam John (hereinafter collectively referred to as “the Noticees” and individually by their respective names). SEBI issued the following directions vide the interim order against the Noticees:

- a. *Ficus Securities Pvt. Ltd., Ficus Commodities Pvt. Ltd., Mr. Vinod Kumar Bansal, Mr. Surender Singh, Ms. Neena Bansal, Mr. Prashant Kumar Nayak, Ms. Poonam Rajbhar, Ms. Tripta Kapoor and Ms. Shabnam John are restrained from accessing the securities market and are further prohibited from buying, selling or otherwise dealing in securities, either directly or indirectly, or being associated with the securities market in any manner whatsoever, till further directions;*
- b. *The aforesaid entities and persons shall cease and desist from undertaking any activity in the securities market, directly or indirectly, in any manner whatsoever till further directions;*
- c. *The aforesaid entities and persons are directed to provide a full inventory of all their assets, whether movable or immovable, or any interest or investment or charge in any of such assets, including details of all their bank accounts, demat accounts and mutual fund investments immediately but not later than 5 working days from the date of receipt of these directions.*
- d. *The aforesaid entities and persons are directed not to dispose of or alienate any assets, whether movable or immovable, or any interest or investment or charge in any of such assets excluding money lying in bank accounts except with the prior permission of SEBI.*
- e. *Till further directions in this regard, the assets of these entities shall be utilized only for the purpose of payment of money and/or delivery of securities, as the case may be, to the clients/investors under the supervision of the concerned stock exchange(s).*
- f. *The depositories are directed to ensure that no debits are made in the demat accounts, held jointly or severally, of the aforesaid entities and persons*

except for the purpose mentioned in sub-para (e) after confirmation from the concerned stock exchange in this regard.

- g. The banks are directed to ensure that no debits are made in the bank accounts held jointly or severally by Ficus Securities Pvt. Ltd., Ficus Commodities Pvt. Ltd., Mr. Vinod Kumar Bansal and Ms. Neena Bansal except for the purpose of payment of money to the clients/investors under the written confirmation of the concerned stock exchange(s).*
- h. The above directions are without prejudice to the right of SEBI to take any other action that may be initiated in respect of aforesaid entities/persons.*
- i. Since FSPL is a DP with CDSL having Registration no. IN-DP-CDSL-487-2008, CDSL is also directed to closely monitor the activities of FSPL as a DP.*

Service of the interim order and filing of replies by the Noticees

10. The interim order was served on all the Noticees. Vide the interim order, the Noticees were provided a time period of twenty one days to file their replies / objections to the interim order. They were also advised that if they want to avail an opportunity of personal hearing, they may do so by giving a specific written request in that regard to SEBI.

11. Pursuant to the interim order, replies were received from all the Noticees except on behalf of the two companies - FSPL and FCPL, for whom none of their directors (present or past) filed any authorized reply / representation.

Hearing:

12. An opportunity of hearing was provided to all the Noticees on May 23, 2018. Hearing notices in that regard were delivered to all the Noticees except Mr. Surender Singh and Ms. Shabnam John. However, subsequently, Mr. Surender Singh and Ms. Shabnam John also submitted their respective confirmations for attending the hearing. On the said date of hearing, Mr. Prashant Kumar Nayak, Ms. Poonam Rajbhar, Ms. Tripta Kapoor and Ms. Shabnam John attended the hearing in person (through video-conference facility) and made their submissions. Ms. Poonam Rajbhar, Ms. Tripta Kapoor and Ms. Shabnam John were asked to provide all their respective bank statements since January 2015 till the date of their replies.

13. On behalf of Ms. Neena Bansal, her nephew – Mr. Mayur Bansal appeared and submitted that she has not been keeping well for some time and requested that another date of hearing may be provided to her. As regards Mr. Vinod Bansal, it was submitted by Mr. Mayur Bansal that Mr. Vinod Bansal is in judicial custody, and handed over certain written submissions on his behalf to SEBI. No authorized representation was received on behalf of FSPL and FCPL while Mr. Surender Singh, who had confirmed his attendance for the hearing, did not appear. During the hearing, Mr. Mayur Bansal was advised to ask Mr. Vinod Bansal to communicate within 2-3 days whether he wants to be represented in the matter through a lawyer / authorized representative or whether he wants to represent his own case from jail. He was also advised that Mr. Vinod Bansal should submit his stand regarding FCPL.
14. Subsequently, another opportunity of hearing was provided to Ms. Neena Bansal, Mr. Vinod Bansal, Mr. Surender Singh, FSPL and FCPL on June 28, 2018. On the said date of hearing, Mr. Surender Singh once again failed to appear despite having confirmed his attendance. Also, no authorized representation was received on behalf of FSPL and FCPL. Ms. Neena Bansal and Mr. Vinod Bansal attended hearing in person (through video/tele-conference facility) and made their submissions.

REPLIES AND SUBMISSIONS OF THE NOTICEES:

15. The replies of the Noticees and the submissions made by them during their respective hearings are summarized as under:

Mr. Vinod Kumar Bansal

- i) I have been in judicial custody since March 2018 and me and my family are in a poor and miserable condition.
- ii) FSPL was controlled and managed by me. My wife had no role in the functioning of the company and she was a mere namesake director. Ms. Neena Bansal is/was neither a director nor a shareholder in FCPL. Though she had subscribed to its memorandum of association at the time of its incorporation, (22 years ago) but she not holding any position and/or any stake in the company.

- iii) Mr. Prashant Nayak and Mr. Surender Singh also had no role. They were also made directors for meeting with the legal requirement. Surender Singh is a director in FSPL as well as FCPL but since Nov 2017 only. Before that, both the companies had no connection in their management and administration.
- iv) There was no siphoning of funds by me. As a part of the expansion plan, FSPL had opened offices in Mumbai, Jaipur and Punjab. Unfortunately, the company could not sustain competition and went into severe losses. Then shares of certain clients were pledged with their permission with NBFCs. When the NBFCs invoked the pledges, the clients suffered losses. My intention was to inform the clients about this. There was no ill intention on my part.
- v) I had around 30-35 clients out of which around 8-10 clients had portfolios of more than Rs. 1 crore. These clients orally allowed pledging of their shares. However, no written approval was taken from them. No power of attorney was given by any client.
- vi) I have no role to play in any irregularity of FSPL as alleged in SCN. The Company went into deep losses, due to which the whole problem arrived. The main reasons of the losses were
 - a.) High Interest cost
 - b.) Uncontrolled cost of expenses and overheads
- vii) As checked by NSE, there is no siphoning of any funds. We never had any bad intention, the losses happened and we could not control the situation and it increased to such an extent.
- viii) I used to give fair advice to my clients and they have faith in me. Many of them have visited me in jail also.
- ix) FSPL and FCPL are different entities. For the purpose of cost cutting, they were operating from one office. The records on MCA could be checked; both the companies were having different offices since last many years. It was only in Nov. 2017 when FSPL and FCPL shared their registered office on path of Cost cutting due to business losses incurred. (As the director of both

companies happened to know each other). There is no common website of FSPL and FCPL. <http://ficuswealth.com> is the official website of FSPL. The website belonged only to FSPL and not to FCPL. FCPL was given to old employees.

- x) FSPL and FCPL are each other's clients. The fund transfers took place between them in normal course of their transactions. Since FCPL was a client of FSPL for trading and investments, so the inter transfer of funds was a routine, but as the books of accounts of FSPL were incomplete (due to lack of staff), the debit or credit figure cannot be taken as true.
- xi) Since, I was arrested, the accounts of FSPL could not be closed and therefore the discrepancies in the accounts appeared. If the accounts are properly maintained, the anomalies will be cleaned.
- xii) Since most of the employees of FSPL had resigned, there were many pendencies in the books of accounts, hence the debit figure of 1.44,01,041 in my accounts is totally fallacious.
- xiii) I was unable to join the DAC meeting due to bad health, it was attended by my Nephew.
- xiv) My personal assets were created by using personal resources only, so my personal assets should not be used for any liability of company. Since, in case of Pvt. Ltd. Company Directors and company are separate entities, so I request SEBI to not utilize my personal assets for any liability of the company.
- xv) Because of the ban imposed by SEBI, I am unable to meet day to day expenditures. My elder son has schizophrenia. My wife is suffering from chronic illness. I am unable to even pay their medical expenses.
- xvi) I pray SEBI to de-freeze my bank accounts and to allow me to do some new business through which I can attempt for revival. At least his personal account should be released so that I can manage day to day activities.
- xvii) By investing in equity market, mutual funds, I would be able to fight inflation, so would be able to survive. I intend to pay back all the losses to the investors.

The investors have faith in me. This is evident from the fact that till date only one complaint has been filed against me. I also intend to pay back the amount to stock exchanges which they have given towards settlement of clients' claims.

- xviii) I have not purchased any property in my name from Jan 2016 to till date.
- xix) SEBI is requested to take note of my poor health condition (heart related disease, due to which I was not able to travel to NSE DAC meeting). The said SCN may kindly be dropped against me.

Ms. Neena Bansal

- i) I was a director of FSPL till November 2017. My husband, Mr. Vinod Bansal used to take care of the business. I never went to office and had no idea about the business. I used to sign papers and cheques as told by him.
- ii) I resigned as director of FSPL on 2nd Nov, 2017. However, even during the time when I was a director, I was not participating in the affairs of FSPL on account of my ill health. I have submitted my resignation to FSPL three-four times since Feb, 2016 (the copies of which are enclosed). FSPL, however, did not accept my resignation on the pretext that it would accept it only when it gets a new director. (The copy of minutes of meeting is attached). Also I had urged personally many times to free me from Company related things as my health never allowed me to join office even for a single day.
- iii) Despite having subscribed to MOA of FCPL more than two decades ago, I am neither holding any equity in the said company nor am I a director in the said company as such. I have no role to play in its management in any manner whatsoever.
- iv) As I have already mentioned, I was never involved in the day to day affairs of any of these companies, and despite being the director of FSPL (16/04/1992 to 02/11/2017). I was never a beneficiary of any funds and/or securities of any client of FSPL in any manner whatsoever; (My DEMAT account statement and bank statement is enclosed). Further as I have already mentioned that subscribing to MOA of FCPL was 22 years ago, but since then I am no longer

holding any stake or any post in the said company. And debit in my name in books of FSPL could be due to any pendency in the accounts of the company as my husband told me once that all of his employees have left their jobs.

- v) Further, freezing my bank account is completely out of my understanding, since I have not been Beneficiary of any company and /or clients of company, so why am I being restricted to use my Bank account for my day to day household expenses.
- vi) During the aforesaid period to till date, I have not received any funds and/or securities from FSPL. (My bank statement for the said period is enclosed). During the aforesaid period I have also not acquired any movable and/or immovable property in my name. (My latest DEMAT account statement is enclosed herewith).
- vii) Since it is already mentioned that my tenure as a sleeping director was from 16/04/1992 to 02/11/2017 in FSPL, but my role and involvement in the day to day affairs of the company has always been zero. Since my husband Mr. Vinod Bansal is a director of this company, that's my only relation with this company.
- viii) I am a devotee of Shri Mataji Nirmala devi since so long, and most of my time goes in House hold work and rest in mandir of mataji. I have always been an orthodox person whose day starts with the prayers to my holy God and Shri mataji, and taking care of both my sons. I am very much disturbed since the receipt of this letter and have not been able to concentrate on my daily routine. I am only praying to mata ji, that everything will be fine very soon.
- ix) There has been some wrong impression regarding my role in the above matter and it has been wrong implementation on me.
- x) Mr. Vinod told her that clients' funds were used to cover up losses of FSPL and now the money is lost. He told her 2 months ago that complaints have been filed and she might also go to jail since she was also a director of FSPL.
- xi) Currently, office correspondence is being looked after by her nephew, Mayur Bansal.

- xii) I have no role to play in any irregularity of FSPL as alleged in SCN. The said SCN may kindly be dropped against me. Your immediate attention is required in this matter as I have completely cleared my actual position and current situation in this regard.
- xiii) Continuation of your order will cause great harm, loss and damage to an innocent woman.

Prashant Kumar Nayak

- i) I was working with FSPL for around 8-10 years as a peon. i used to get Rs. 12,000 as salary per month which was normally transferred to my bank account except for the last 2 months when I was paid in cash.
- ii) I am educationally not qualified and had become a director at the instructions of Mr. Vinod Bansal. I became a director on December 30, 2017 because Ms. Shabnam John had left the position and Mr. Bansal told me to become a director to ensure compliance with the Companies Law.
- iii) I had left the job in February 2018 since all other employees were leaving the company.
- iv) I am actually an employee director, who has nothing to do with the corporate and business activity of the company. My role was very much limited to small office tasks related to printing, scanning, couriers, etc. and ever since I have been appointed as the director, all the business activities of the company are suspended. (It could be confirmed from the exchanges also).
- v) It may be confirmed from my bank statement that I have not been a beneficiary of any kind of fund and/or securities of the company as well as any of the clients. My bank account statement for the aforesaid period is also attached. I do not have any other movable or immovable asset in my name.
- vi) I am neither a beneficiary nor a shareholder in the company FCPL. Moreover, I am in search of a job and it is being very difficult for me to run my home as I

have my wife and a school going kid in my family. My family's life will become miserable if this order continues against me.

Mr. Surender Singh

- i) I became a director in Ficus Commodities Pvt. Ltd from 02/11/2017 onwards. I was made director only because the old directors resigned from their positions all of a sudden.
- ii) I am actually an inactive director, who has nothing to do with the corporate and business activity of the company. I don't have any role in the company and ever since I have been appointed as the director, all the business activities of the company are suspended. (It could be confirmed from the exchanges also). I resigned from this company when I came to know that some legal enquiry is in process against company.
- iii) It may be confirmed from my bank statement that I have not been a beneficiary of any kind of fund and/or securities of the company as well as any of the clients. My bank account statement for the aforesaid period is also attached. I have no other movable or immovable asset in my name.
- iv) I am neither a beneficiary nor a shareholder in the company FCPL. Moreover, I am in search of a job and it is being very difficult for me to run my home, as I have my wife and two school going kids In my family. My family's life will become miserable if this order continues against me.

Poonam Rajbhar

- i) My reply with the relevant documents would show that I was only an employee with and my designation on the post of Director in FCPL was a mere namesake at the instance of the Management of FCPL.
- ii) On 22nd July, 2008, I joined M/s V.N. Portfolio Private Limited, now known as FSPL. Mr. Vined Kumar Bansal was/is the owner of FSPL. I was appointed as Senior Executive, Back Office Department on a monthly salary of Rs 15,000/- which included all perquisites and allowances. True Copy of Offer-cum-Appointment Letter dated 22nd July, 2008 is annexed. I used to trade on F&O

terminal for clients. Later I used to do other office work like preparing vouchers for the company.

- iii) I was asked by Mr. Vinod Kumar Bansal to become Director in V.N. Capital Private Limited (now known as FCPL). Thus, I became Director in FCPL in the year 2009. I became a director of V N Capital Pvt. Ltd. (now known as FCPL) in the year 2009 without knowing the responsibilities of a director. I had no idea about the violations alleged in the interim order.
- iv) I was given the designation of Director but, in fact, I was merely an employee in the Company and my job profile in the company was administrative Manager. I was a paid employee with FCPL and I was being paid salary for the work assigned to me. I bring on record the following documents to show that I was employee of FCPL:-
 - a) Salary slip(s) for the month of January, 2015, December, 2015; January, 2016 to June, 2016, October, 2016 to April, 2017 which are annexed
[The salary slips show my designation as Administration Manager, and if I was appointed as Administration Manager, then it is evident that my designation as a Director was a mere namesake and I did not have role in managing the affairs of the Company.]
 - b) The above Salary slips also reflect that Provident Fund was being deducted my salary. The P.F. which was being deducted was Rs. 1800.
[The deduction of Provident Fund from my salary shows that my designation as Director in the company was a mere name sake and I did not have role in managing the affairs of the Company.]
- v) I also bring on record my Passbook Issued by Employees Provident Fund Organisation showing the deposit towards Provident Fund standing in my name for the period December, 2014 till August, 2017. The Pass Book reflects the Establishment D/Name of FCPL and my Member ID/Name as Poonam Dubey. True Copy of Pass Book is annexed.
[The deduction of Provident Fund from my salary shows that my designation as Director In the company was a mere name sake and I did not have role in managing the affairs of the Company.]

vi) While I was under employment with FCPL, various Office Circulars and Notices were being issued by the Management to me, informing the Office Hours of the Company. if I had to take leave then I had to inform well in advance to the Management. True Copy of E-mail dated 17.10.2016 sent by me seeking half day's leave on 1.11.2016; E-Mail dated 6.12.2016 sent by the Management informing that grace period of 10 minute was being given to employees to be in office, and in case, there was one minute delay, his/her salary would be deducted from further month; E-Mail informing change of timings; E-Mail dated 9.3.2017 stating that all employees were to report/mall their respective Seniors regarding the work done, before leaving the office; E-Mails dated 26.04.2017 seeking sanction of leave for 10.5.2017. True Copy of E-Mails dated 17.10.2016; 6.12.2016; 9.3.2017; 26.4.2017 are annexed.

[The above directives shows that my designation as Director in the company was a mere name sake and I did not have role in managing the affairs of the Company.]

vii) I was asked to work as a Director by Mr. Vinod Kumar Bansal, but I was not an authorised signatory of FCPL in the Bank Accounts of the Company which were operated at HDFC Bank Limited, 209-214, Kailash Building, 26, Kasturba Gnadhi Marg, New Delhi-1. I am placing on record certificate issued by HDFC Bank Ltd., New Delhi bearing Serial No. 2017/0003 dated 26th October, 2017 which certifies that FCPL. was maintaining three Current Accounts as detailed under:-

- i. In the name of Ficus Commodities Private Ltd. Business A/c, being Account No. 00030340037043 with signatory as Mukesh Chand, Vinod Kumar Bansal, Neena Bansal and Mayur Bansal;
- ii. in the name of Ficus Commodities Private Ltd. MCX Client Ne, being Account No. 00030340037036 with signatory as Mukesh Chand, Vinod Kumar Bansal, Neena Bansal and Mayur Bansal;
- iii. in the name of Ficus Commodities Private Ltd. NCDEX Client A, being Account No. 00030340057671 with signatory as Vinod Kumar Bansal, Neena Bansal and Mayur Bansal.

[Non-mentioning of my name as authorised signatory In the bank accounts of the company shows that my designation as Director in the company was a mere name sake and did not have role in managing the affairs of the company.]

- viii) I had signed a revised declaration with NCDEX in capacity of Director. However, the details of the Chief Executive/ Managing Partner/Proprietor was reflected i.e. Vinod Kumar Bansal. True Copy of Revised declaration is annexed.
- ix) I am annexing my bank statement for the period 20.12.2015 till 26.03.2018 which would reflect that my salary which I was getting as an employee from FCPL was being deposited in the Bank. True Copy of Statement of Account for the above period of Yes Bank, Connaught Place Branch, New Delhi is annexed.
- x) After 2-3 years of job, I requested Mr. Bansal to remove me as a director of FCPL but he did not accede to my request. However, I continued in the company as director because I was in need of a job. I was not a beneficiary of FSPL's or FCPL's transactions in any manner and I had not received any money other than my salary.
- xi) I had been asking Mr. Vinod Kumar Bansal to accept my resignation for a long time but every time he was coming out with some reason or another reject my request.
- xii) On 26th October, 2017 I sent an e-mail to Human Resource Department, Ficus Wealth; Vinod Kumar Bansal stating that I had sent my resignation but the same was not being accepted nor the changes were being made. True Copy of e-mail dated 26th October, 2017 is annexed.
- xiii) With great persuasion, my resignation as a Director from the Company was accepted which fact also finds mention in your Notice.
- xiv) My designation as a Director in FCPL was again namesake by the Management of FSPL which is evident from the facts stated above.
- xv) I was not drawing any Remuneration as a Director in any shape or form.

- xvi) I never attended any meeting of the Company in any capacity either as a Director or an employee of the company. The signatures, if any, in the Board Meeting would be forged and fabricated.
- xvii) I had no concern much less any financial stakes or financial concern in the affairs of the Company and I was not involved in the management of the Company or any day-to-day affairs of the Company. All financial or managerial decisions were being taken by Mr. Vinod Kumar Bansal.
- xviii) I was coerced to become a Director in the Company on account of my economic position and as I needed an employment I agreed to become a Director in the Company.
- xix) I have no knowledge of the affairs of the Company. It was Mr. Vinod Kumar Bansal who used to bring papers to me for signing on behalf of the Company for being given to statutory bodies.
- xx) I request you to lift the corporate veil and take action against the concerned persons in the Management of the Company. I, therefore, request to drop the proceedings against me and close the case against me. I am ready to provide all the information to assist the Board.

Ms. Tripta Kapoor

- i) I had joined FSPL (earlier known as VN Portfolio Pvt. Ltd) in the year 2004. Mr. Vinod Kumar Bansal was/is the owner of FSPL. I was asked by Mr. Vinod Kumar Bansal to become Director in FCPL. I became a director of FCPL in 2006. I took up directorship of the company because I needed a job.
- ii) I used to sign what Mr. Bansal used to tell me. I had no idea about the shares held in my name. I did not pay anything for the shares. I do not hold any share certificate for the shares.
- iii) Though I was given the designation of Director in FCPL but, in fact, I was merely an employee in the Company and my job profile in the company was namely, to do trading; Opening the account of clients; Back up work with MCX, NCDEX, all CTCL details to enter in e-nit; D.P. work, to maintain all depository

and KRA register; generating online/offline trading ID; Issuing DS Booklets to clients; Account Closing / Transmission and all modification of clients etc. My reply with the relevant documents would show that I was only an employee and my designation on the post of Director in FCPL was a mere namesake at the instance of the Management of FCPL.

- iv) As stated I was a paid employee with FCPL and I was being paid salary for the Work assigned to me: I bring on record the following documents to show that I was employee of FCPL, which is as under:-

a) Salary slip(s) for the month of December, 2009 which reflects my Employment D No. and my Basic Wages as Rs. 11,781.00; H.R.A.as 4207.50 .and Conveyance as Rs. 841.50, thus, making total salary as Rs. 16,830.00. Salary slips for the month of January, 2010; March; 2010; May, 2010; May. 2012, December, 2012; February, 2013 are annexed.

[The salary slips show my designation as Back Office- Head and Manager, and if I was appointed as Back office - Head and Manager on a salary which was initially Rs. 16,830.00 in December, 2009 and which became Rs. 27,378.00 in September, 2017, then it is evident that my designation as a Director was a mere namesake and did not have role in managing the affairs of the Company.]

b) Salary slips for the month of January, 2015; November, 2015; December, 2015; February, 2016; April, 2016; September, 2016; November, 2016; April, 2017; August, 2017 and September, 2017 are annexed. These salary slips reflect that Rs. 1800 per month was being deducted from salary towards Provident Fund.

[The deduction of Provident Fund from my salary shows that my designation as Director in the company was a mere name sake and I did not have role.in managing the affairs of the Company.]

- v) I also bring on record my Passbook issued by Employees Provident Fund Organisation showing the deposit towards provident Fund standing in. my name for the period December, 2014 till August, 2017. The Pass Book reflects the Establishment ID/Name of FCPL and my Member ID/Name as Tripta Bhandari. True Copy of Pass Book is annexed.

[The deduct on of Provident Fund from my salary shows that my designation as Director in the company was a mere name sake and did not have role in managing the affairs of the Company.]

- vi) While I was under employment with FCPL, various Office Circulars and Notices were being issued by the. Management to me, informing the Office Hours of the Company. One such email addressed to me is annexed as Annexure-4. Not only this, an e-mail was addressed to me on 22nd January, 2015 by one Mukesh Khandelwal, President, Ficus Wealth informing that as I had left office premises during office hours and without permission and information to management for more than one hour, my half day salary was deducted. True Copy of e-mail is annexed.

[If I was a Director in the Company, then my salary would not have been deducted on amount of early leaving from the office or that no direction would have been issued to me. All this shows that my designation as Director in the company was a mere name sake and I did not have role in managing the affairs of the Company.]

- vii) Though I was asked to work as a Director, by Mr. Vinod Kumar Bansal, but I was not an authorised signatory of FCPL in the Bank Accounts of the Company which were operated at HDFC Bank Limited, 209214, Kailash Building, 26, Kasturba Gandhi Marg, New Delhi-1. I am placing on record certificate issued by HDFC Bank Ltd. New Delhi bearing Serial No. 2017/0003 dated 26th October, 2017 which certifies that FCPL was maintaining three Current Accounts as detailed under:-

- a) In the name of Ficus Commodities Private Ltd. Business A/c, being Account No. 00030340037043 with signatory as Mukesh Chand, Vinod Kumar Bansal, Neena Bansal and Mayur Bansal;
- b) In the name of Ficus Commodities Private Ltd. MCX Client A/c, being Account No. 00030340037036 with signatory as Mukesh Chand, Vinod Kumar Bansal, Neena Bansal and Mayur Bansal;
- c) In the name of Ficus Commodities Private Ltd. NCDEX Client A, being Account No. 00030340057671 with signatory as Vinod Kumar Bansal, Neena Bansal and Mayur Bansal.

[Non-mentioning of my name as authorised signatory in the bank amounts of the Company shows that my designation as Director in the company was

a mere same sake and I did not have role in managing the affairs of the Company.]

- viii) I have signed a revised declaration with NCDEX in capacity of Director. However, the details of the Chief Executive/ Managing Partner/Proprietor 'was reflected i.e.: Vinod Kumar Bansal. True Copy of Revised declaration is annexed.
- ix) I am annexing my bank statement for the period 01.01. 2016 till 31.12.2017 which would reflect that my salary which I was getting as an employee from FCPL was being deposited in the Bank. True Copy of Statement of Account for the period 1st January, 2016 till 31st December, 2017 of Yes Bank, Connaught Place Branch, New Delhi is annexed.
- x) I had been asking Mr. Vinod Kumar Bansal to accept my resignation for a long time but every time he was coming out with some reason or another.
- xi) On 17th October, 2017, I sent an e-mail to Human Resource Department, Ficus wealth; Vinod Kumar Bansal stating that I had sent my resignation but the same was not being accepted nor were the changes being made. True Copy of e-mail dated is annexed.
- xii) With great persuasion, my resignation as a Director from the Company was accepted which fact also finds mention in SEBI's Notice.
- xiii) The management of FCPL issued a letter on 1st November, 2017 showing that I was relieved from their services and 'I was under their employment from 4th December, 2004 till 1st November, 2017. True Copy of Letter dated 1st November, 2017 is annexed.
- xiv) In the notice it has been stated that I am a shareholder and holding 1,51,900 shares i.e. 49% shares of FCPL but the fact is that I never applied for allotment of shares and I did not pay a single paisa for purchase of even one share what to say 1,51,900 shares. I never applied for allotment of any shares and it is a mystery to me how I have been shown to be 49% shareholder in the company. The allotment of shares in my name appears to be handwork of Management of the Company.

- xv) My designation as a Director in FCPL was again namesake by the Management of Ficus Securities Private Limited which is evident from the facts stated above. I was not drawing any Remuneration as a Director in any shape or form.
- xvi) I never attended any meeting of the Company in any capacity either as a Director or an employee of the company. The signatures, if any, in the Board Meeting would be forged and fabricated.
- xvii) I had no concern much less any financial stakes or financial concern in the affairs of the Company and I was not involved in the management of the Company or any day-to-day affairs of the Company. All financial or managerial decisions were being taken by Mr. Vinod Kumar Bansal.
- xviii) I was coerced to become a Director in the Company on account of my economic position and as I needed an employment I agreed to become a Director in the Company. That the person responsible for the management of the Company is Mr. Vinod Kumar Bansal. It was Mr. Vinod Kumar Bansal who used to bring papers to me for signing on behalf of the Company for being given to statutory bodies.
- xix) I request you to lift the corporate veil and take action against the concerned persons in the Management of the Company. I, therefore, request to drop the proceedings against me and close the case against me. I am ready to provide all other information to assist the Board.

Ms. Shabnam John

- i) I became a director in FCPL from 12/06/2006 to 30/12/2017. I was made director way back in 2006 as an inactive director for namesake only. I was an office administrator.
- ii) I am actually an inactive director, who has nothing to do with the corporate and business Activity of the company. I don't have any role in the company. And ever since I came to know about irregularities and NSE inspection, I immediately resigned as a director.

- iii) I requested FCPL to remove my name from shareholders as well but they are not doing the same even after my constant reminders every week.
- iv) I do not have any other movable or immovable asset in my name.
- v) I am not a beneficiary in the company, FCPL. Moreover, for last months, I am in search of a job and it is being very difficult to him to run my home as I am from a lower middle class family and have to work hard to support my family.
- vi) Due to this order my career has finished as no company is willing to give me any kind of job until my name is cleared.
- vii) My family's life will become miserable if this order continues against me. I am a victim here and not an accused. My whole life is in front of me which is getting worse day by day due to all this.
- viii) I joined VN Capital in the year 2000. I used to do all petty work at the office. I also did trading for some time. I used to handle client related issues. The company had around 500 clients all from Malviya Nagar, New Delhi.
- ix) I became a director of FCPL in 2006. I did not sign any documents after I requested for removal as a director. I used to get a salary of Rs. 27,000 always in cash.
- x) I was a client of FCPL in the year 2013-14. At that time I used to trade in commodities on MCX including gold.

CONSIDERATION OF ISSUES

16. I have considered the replies / oral submissions / written submissions filed by the Noticees. The issue to be considered at this stage is as follows:

Whether in light of the facts and circumstances of the case, the findings of the interim order and the submissions of the Noticees in response thereto, the directions issued against the Noticees vide the interim order need to be confirmed, revoked or modified in any manner?

17. The consideration of the issue in light of the oral/ written submissions made by the Noticees is contained in subsequent paragraphs.
18. As noted above, the interim order /hearing notice was served on FSPL and FCPL but no reply / representation has been received on their behalf disputing the allegations/findings against them. None of their directors, past or present, have submitted any authorized representation on behalf of these companies.
19. The directors of FSPL / FCPL (except Mr. Vinod Bansal) have raised a common contention that they were only namesake directors and had no role in the day to day affairs of FSPL/FCPL. They also submitted that they had become directors only to ensure statutory compliance at the instructions of Mr. Vinod Bansal and everything was being controlled and looked after by him. In this regard, I find it relevant to mention that in terms of the order of Hon'ble SAT in the matter of *Manoj Agarwal v. SEBI* (Order dated July 14, 2017), a director cannot be absolved from his obligations under the provisions of the Companies Act on the ground that he had merely lent his/her name to be a director of the Company or had not paid any subscription money or was not involved in the day to day affairs of the company.
20. With regard to liability of a director even in cases where no specific allegation has been levelled against him, the following observations of the Hon'ble Supreme Court of India in the matter of *Official Liquidator, Supreme Bank Ltd. Vs. P. A. Tendolkar (dead) by L. Rs. And Ors.* 1973 SCR (3) 364 are noteworthy:

"It is certainly a question of fact, to be determined upon the evidence in each case, whether a Director, alleged to be liable for misfeasance, had acted reasonably as well as honestly and with due diligence, so that he could not be held liable for conniving at fraud and misappropriation which takes place. A Director may be shown to be so placed and to have been so closely and so long associated personally with the management of the Company that he will be deemed to be not merely cognizant of but liable for fraud in the conduct of the business of a Company even though no specific act of dishonesty is proved against him personally. He cannot shut his eyes to what must be obvious to everyone who examines the affairs of the Company even superficially. If he does so he could be held liable for dereliction of duties undertaken by him and compelled to make good the losses incurred by the Company due to his neglect

even if he is not shown to be guilty of participating in the commission of fraud. It is enough if his negligence is of such a character as to enable frauds to be committed and losses thereby incurred by the Company.”

21. In light of the above, a person cannot assume the role of a director in a company in a casual manner. The position of a ‘director’ in a company comes along with responsibilities and compliances under law associated with such position, which have to be fulfilled by such director or he has to face the consequences for any violation or default thereof. The Noticees therefore cannot wriggle out from their liability. A director who is part of a company’s board shall be responsible and liable for all acts carried out by the company. Accordingly, the Noticees (being directors) were obligated to ensure compliance with the obligations of the company under the law and were also responsible for all the deeds/acts of the Company during the period of their directorship.

22. Mr. Vinod Bansal has submitted that FSPL and FCPL are different companies and had no connection in their management and administration. It was only in Nov. 2017 when FSPL and FCPL shared their registered office on path of Cost cutting due to business losses incurred (as the director of both companies happened to know each other). He also submitted that there is no common website of FSPL and FCPL. The website belonged only to FSPL and not to FCPL and FCPL was given to old employees. With regard to the above submissions, I note the following:

- It is noted from the records that FCPL was having three active bank accounts and in all these accounts, Mr. Vinod Bansal, his wife (Ms. Neena Bansal) and his nephew (Mr. Mayur Bansal) were authorized signatories.
- All the past directors of FCPL namely, Ms. Poonam Rajbhar, Ms. Tripta Kapoor and Ms. Shabnam John were former employees of FSPL. Furthermore, even the present directors of FCPL namely, Mr. Prashant Kumar Nayak and Mr. Surender Singh were also the employees of FSPL.
- As regards the website, (<http://ficuswealth.com>) it was clearly mentioned thereon that *“FICUS provides clients with an effective platform to participate and trade in Commodities with both the leading Commodity Exchanges of the country, MCX and NCDEX ...”* it is pertinent to note that FCPL was

registered as a member of MCX and NCDEX and thus, it is clear that the website made claims about the facilities being offered by FCPL.

23. Apart from the above, facts mentioned in the interim order such as common registered office, Ms. Neena Bansal being ex-promoter and subscriber to FCPL's Memorandum of Association, common director, fund transfers, etc. also corroborate the above findings. In view of the above, I note that the above submissions of Mr. Vinod Bansal in this regard are devoid of any merit, and therefore, reject the same.
24. Mr. Vinod Bansal has also made a submission that FSPL and FCPL are each other's clients and the fund transfers took place between them in normal course of their transactions. He also submitted that since FCPL was a client of FSPL for trading and investments, so the inter transfer of funds was a routine, but as the books of accounts of FSPL were incomplete (due to lack of staff), the debit or credit figure cannot be taken as true. In this regard, I find it pertinent to reiterate the findings of the interim order that FCPL was a client of FSPL (UCC - C0028) but had not done any trading from the period from April 2015 till December 2016. But, during this period itself, FSPL transferred Rs. 54.01 crore to FCPL and received 45.51 crore from FCPL. Thus, in absence of any trading, the contention of fund transfers being routine appears to be fallacious. I, therefore, reject the submission of Mr. Bansal in this regard.
25. Mr. Vinod Bansal has submitted that there was no ill intention on his part and there was no siphoning of funds by him. He submitted that as a part of the expansion plan, FSPL had opened offices in Mumbai, Jaipur and Punjab, and unfortunately, it could not sustain competition and went into severe losses. Then shares of certain clients were pledged with their permission with NBFCs and when the NBFCs invoked the pledges, the clients suffered losses. With regard to these submissions, it is noted that Mr. Vinod Bansal has not made any submission specifically addressing the findings and allegation levelled in the interim order. The interim order has levelled several allegations against FSPL/its directors, one of which is wrongful pledging of clients' securities. Mr. Bansal has only made a bald statement that the pledging of securities of clients was done with their consent. Admittedly, there was no written approval or power of attorney given by any of the clients in favour of FSPL or any of its directors. Thus, in absence of any supporting evidence,

the contention that the pledging of securities was with the approval of clients, is without any basis and cannot be accepted.

26. Another submission made by Mr. Vinod Bansal is that since he was arrested, the accounts of FSPL could not be closed and therefore the discrepancies in the accounts appeared. Further, if the accounts are properly maintained, the anomalies will be cleaned. He also submitted that since most of the employees of FSPL had resigned, there were many pendencies in the books of accounts, and hence the debit figure of 1.44,01,041 in his accounts is totally factious. It is noted that the period of inspection carried out by SEBI was from April 2015 to December 2017. It is relevant to note that discrepancies were observed in the accounts of FSPL for the entire inspection period. Mr. Bansal has not submitted any verifiable documentary evidence to support his submissions. Further, even when SEBI sought information from FSPL vide letter dated August 30, 2017 (under section 11(2)(i) of the SEBI Act), FSPL submitted information/data which was incomplete and incongruous. The argument that the accounts could not be closed / completed because of Mr. Vinod Bansal's arrest can be accepted, at best for the quarter previous to the date of inspection, but the argument that the accounts for the entire period of inspection were incomplete, holds no merit. Likewise, the argument that the debit figure in his account is incorrect because most of the employees of FSPL had resigned, is equally devoid of any merit. In view of the above, I reject the submissions of Mr. Bansal in this regard.

27. Mr. Vinod Bansal has submitted that his personal assets were created by using personal resources only, and in case of Pvt. Ltd. Company Directors and company are separate entities, so his personal assets should not be used for any liability of company. He also submitted that he has not purchased any property in his name after January 2016. In this regard, I note that personal assets of Mr. Bansal have not been used as of now for meeting the liabilities of FSPL. As noted in the interim order, Mr. Bansal was one of the designated directors of FSPL during the inspection period and was managing the day to day affairs and regulatory compliance of FSPL. He also had a long association with FSPL and was prima facie responsible for acts and omissions of FSPL. It was also noted in the interim order that there was a debit balance in the accounts of FSPL in his name. Considering the same, his bank accounts have been frozen as directed in the interim order. The question regarding utilization of his personal assets would only be determined at a later stage if his liability is ascertained in accordance with law.

However, on merits, after the entire fact finding by SEBI is over, if SEBI lifts the corporate veil and holds Mr. Vinod Bansal liable for repayment of clients' assets, it would be his personal liability, different from the liability of the company. In such an eventuality, his personal assets would also be liable for repayment. It is pertinent to note that the interim direction of prohibition from alienation of his personal assets has been issued so as to ensure that direction of final order on merits if any, does not become infructuous.

28. Ms. Neena Bansal has submitted that she had no role to play in any irregularity of FSPL as alleged in SCN. Her husband, Mr. Vinod Bansal used to take care of the business and she never went to office. Also she had no idea about the business and used to sign papers and cheques as told by Mr. Bansal. She further submitted that she was never a beneficiary of any funds and/or securities of any client of FSPL in any manner whatsoever, and as regards FCPL, she had subscribed to its MOA 22 years ago, but she is no longer holding any stake or any post in FCPL. With regard to the above submissions of Ms. Neena Bansal, it is noted that she was a director of FSPL for the period 16/04/1992 to 02/11/2017. She was a designated director of FSPL as per the records of stock exchanges. Her digital signature / physical signature was there on all the filings of FSPL made on MCA's portal and to the stock exchanges. She was also the co- promoter of VIPL, which in turn holds 100% shares of FSPL. Further, from the analysis of bank accounts of FSPL, it is observed that during the period April 1, 2015 to January 31, 2018, Rs. 11,50,666.52 appeared as debit balances in the accounts of FSPL in the name of Ms. Neena Bansal. She was also associated with FCPL as she was its ex-promoter and had subscribed to its MOA. Her responsibilities, obligations and liabilities as a director have already been discussed earlier as a part of the common submissions raised by directors. In view of the above, I am unable to accept the submissions of Ms. Neena Bansal in this regard.

29. Mr. Surender Singh submitted that he was made a director in FSPL and FCPL only because the old directors resigned from their positions all of a sudden. Further, he was an inactive director, had nothing to do with the corporate and business activity of FSPL and had not been a beneficiary of any kind of fund and/or securities. Also, ever since he was appointed as the director, all the business activities of the companies were suspended. With regard to these submissions, I find that the circumstances under which a person becomes a director have no bearing on his roles and responsibilities as a director. The relevant fact in his case is that he was

working in FSPL / FCPL as an employee for several years and joined as a director in both FSPL and FCPL when other directors had resigned noticing irregularities in the conduct of affairs of the companies. The tenure of Mr. Singh as a director is covered within SEBI's inspection period. It is also noted from the records that FSPL carried out its last transaction as a broker on NSE's platform on December 4, 2017, while FCPL carried out its last transaction as a member on MCX's platform on December 27, 2017. Hence the submission that the business and operations of the companies were suspended when he joined as a director (on November 2, 2017) is factually incorrect. These facts and circumstances prima facie show that Surender Singh was aware of the acts/ omissions of FSPL/FCPL. The responsibilities, obligations and liabilities of Mr. Surender Singh as a director have already been discussed earlier as a part of the common submissions raised by directors. In view of the above, I reject his submissions in this regard.

30. Ms. Poonam Rajbhar, Ms. Tripta Kapoor and Ms. Shabnam John have made a common submission that actually they were employees of FSPL and were made inactive, namesake directors of FCPL by Mr. Vinod Bansal. Ms. Poonam Rajbhar, and Ms. Tripta Kapoor have also submitted their EPFO Passbook, salary slips, office correspondences for leaves and salary deduction, etc. to show that they were only employees and not directors. In this regard, I find it important to bring on record that none of these entities have disputed that they were appointed in the position of director(s). As per their own submissions, they were working as employees of FSPL / FCPL prior to their appointment as directors. Ms. Tripta Kapoor and Ms. Shabnam John accepted the position of director in 2006 and continued till 2017, while Ms. Poonam Rajbhar did the same from 2009 to 2017. It is a matter of fact that they tendered their official resignations from FCPL only in October 2017 or thereafter, even though they claimed that they had been making efforts to resign for long. Ms. Tripta Kapoor and Ms. Shabnam John also held 49% and 51% shares of FCPL. The statutory filings done by FCPL regularly reflected the above information, and all these filings were signed by at least one of these three directors. They have not been able to provide any satisfactory explanation as to why did they continue as directors for so many years when firstly, they were forced to become directors as claimed by them, and were being paid as regular employees. Their responsibilities, liabilities and obligations as directors have already been discussed earlier. Without prejudice to the above, even if their argument that they were forced to become directors, is accepted, they cannot be absolved from their responsibilities as directors since at the end of it, several

investors have lost their money/securities and FCPL's *prima facie* role in that regard has been observed, which has been recorded in the interim order. Considering the above, I am unable to accept the submissions of Ms. Poonam Rajbhar, Ms. Tripta Kapoor and Ms. Shabnam John in this regard.

31. Ms. Poonam Rajbhar has submitted that she was coerced to become a Director in the Company on account of her economic position as she needed an employment. According to her, she was not an authorized signatory of FCPL in the Bank Accounts of the Company. She also submitted that she never attended any meeting of the Company in any capacity either as a Director or an employee of the company, and the signatures, if any, in the Board Meeting would be forged and fabricated. Ms. Tripta Kapoor has also made submissions on similar lines. With regard to the above submissions, I note that Ms. Poonam Rajbhar was the director of FCPL from 30/09/2009 to 03/11/2017 and Ms. Tripta Kapoor was FCPL's director from 06/10/2006 to 03/11/2017. Both of them were the designated directors of FCPL for the purpose of all statutory and regulatory filings. It is noted from the annual report of FCPL for the period 2015-16 that both of them had attended 5 board meetings of FCPL during the said period. They had been digitally signing all the e-filings on the MCA portal such as annual returns and balance sheets. I find it relevant to mention that though not being an authorized signatory may indicate lack of control over the day to day financial transactions of the company, but the undisputed fact remains that both of them were the directors of FCPL for a substantial period of time and also during the time when the irregularities noted in the interim order were observed. Their responsibilities, obligations and liabilities as directors have already been discussed earlier as a part of the common submissions raised by directors. Thus, I find that they were responsible for the acts and omissions of FCPL as have been mentioned in the interim order. In view of the above, I reject the submissions of Ms. Poonam Rajbhar and Ms. Tripta Kapoor in this regard.

32. Ms. Tripta Kapoor has also raised a contention that she had no idea about the shares held in her name, she does not hold any share certificate for the shares and she did not pay anything for the shares. In this regard, I refer to and note from Form-MGT 7 dated November 14, 2016 filed on behalf of FCPL, which was digitally signed by Ms. Tripta Kapoor. At page no 10 of the said form, it is clearly mentioned that Ms. Tripta Kapoor held 4900 shares of FCPL which constituted 49% of the shares of FCPL. Thus, the submission of Ms. Tripta Kapoor are refuted by the

information / details that she has herself signed and filed before MCA. Considering the same, I do not find any merit in the submission of Ms. Tripta Kapoor.

33. Mr. Prashant kumar Nayak has submitted that he was working with FSPL for around 8-10 years as a peon and used to get Rs. 12,000 as salary per month which was normally transferred to his bank account. He had become a director at the instructions of Mr. Vinod Bansal. He became a director of FCPL on December 30, 2017 because Ms. Shabnam John had left the position. He also submitted that he was not a beneficiary or shareholder of FSPL and since the time he was appointed as the director, all the business activities of the company are suspended. In this regard, I find it relevant to refer to the responsibilities, obligations and liabilities of a director that have already been discussed earlier as a part of the common submissions raised by directors. Thus, being a director, Mr. Nayak was responsible for acts and omissions of FCPL from the time he became a director of FCPL. However, at the same time it is noted from the record that FCPL carried out its last transaction as a member on MCX's platform on December 27, 2017. Thus, Mr. Nayak is correct in submitting that the operations and business of FCPL had been already suspended when he became its director. Considering the fact that the acts/omissions of FCPL noted in the interim order fall outside the period of his directorship, I am of the view that the directions issued against him vide the interim order can now be discontinued. However, as a director of FCPL, he shall continue to be responsible to ensure FCPL's compliance with the directions issued by SSEBI in the matter.

34. In view of what has been discussed hereinabove, I find that at this stage, the Noticees (except Mr. Prashant Kumar Nayak) have failed to give satisfactory reasoning/explanation for their acts and omissions as described in the *interim order*. Without prejudice to the above, the documents submitted by entities namely, Ms. Poonam Rajbhar and Ms. Tripta Kapoor, at best, show that they were receiving salaries as regular employees but at the same time, it is undisputed that they had accepted directorship and performed functions as directors for several years. Thus, I find that Ms. Poonam Rajbhar, Ms. Tripta Kapoor as well as other Noticees have not been able to make out a case for contradicting the findings of the *interim order* which would warrant revocation of the *interim order as against them*.

ORDER

35. In view of the foregoing, I, in exercise of the powers conferred upon me in terms of section 19 of the Securities and Exchange Board of India Act, 1992 read with sections 11, 11B and 11D thereof, hereby confirm the directions issued vide *ex-parte ad interim* order dated March 20, 2018 against all the Noticees, except in respect of Mr. Prashant Kumar Nayak.
36. As regards Mr. Prashant Kumar Nayak, the directions issued vide the interim order shall cease to continue from the date of this order. The same is however without prejudice to any action that SEBI may take in accordance with law against Mr. Prashant Kumar Nayak upon completion of the detailed examination in the matter. Further, as a director of FCPL, he shall continue to be responsible to ensure FCPL's compliance with the directions issued by SSEBI in the matter.
37. This order shall come into force with immediate effect. A copy of this order shall be forwarded to all the Stock Exchanges, relevant Banks, Depositories and the Registrar and Transfer Agents to ensure that the directions given above are strictly complied with.

Sd/-

DATE: January 17th, 2019
PLACE: MUMBAI

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