

SECURITIES AND EXCHANGE BOARD OF INDIA

IMPOUNDING ORDER

UNDER SECTION 19 READ WITH SECTIONS 11(1), 11(4)(d) AND SECTION 11B OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT,1992 READ WITH REGULATION 10 OF THE INSIDER TRADING REGULATIONS,2015–

IN THE MATTER OF RICOH INDIA LIMITED

| | ENTITY | PAN |
|----|------------------------------------|------------|
| 1. | FOURTH DIMENSION SOLUTIONS LIMITED | AABCF7508A |
| 2. | MR. AMALENDU MUKHERJEE | AMWPM2947A |

BACKGROUND

- 1.1 Securities and Exchange Board of India(“SEBI”) had conducted an investigation in the scrip of Ricoh India Limited (“Ricoh/Company”) to ascertain whether or not suspected entities had traded in the aforesaid scrip during the period from August 14, 2014 to November 17, 2015 (“Investigation Period”) on the basis of unpublished price sensitive information (“UPSI”), in contravention of the provisions of the SEBI Act, 1992 (“SEBI Act”) read with the SEBI(Prohibition of Insider Trading) Regulations, 2015 (“Insider Trading Regulations, 2015”).
- 1.2 Ricoh was incorporated under the Companies Act, 1956 on October 22, 1993. The registered office of Ricoh is at 1132, 3rd Floor, Building No. 11, Solitaire Corporate Park, Guru Hargovindji Marg, Andheri Ghatkopar Link Road Chakala, Andheri East, Mumbai – 400093. The shares of Ricoh were listed on BSE Limited (“BSE”). The Company has been delisted from BSE in December 2019.
- 1.3 The promoters of Ricoh during the Investigation Period were as under –

| TABLE I [SOURCE: BSE WEBSITE] |
|--------------------------------------|
| NAME |
| NRG GROUP LIMITED |
| RICOH COMPANY LIMITED |

1.4 The Board of Directors of Ricoh during the Investigation Period was as under:

| TABLE II [SOURCE: BSE WEBSITE/ ANNUAL REPORTS] | | | | |
|---|---------------------|-----------------------------------|-------------------------|-----------------------|
| S.No. | Name | Designation | Appointment Date | Cessation Date |
| 1 | Mr. T. Takano | Managing Director & CEO | April 1, 2011 | March 31, 2015 |
| | | Non-executive director (Chairman) | April 1, 2015 | July 25, 2016 |
| 2 | Mr. Manoj Kumar | Managing Director & CEO | April 1, 2015 | April 2, 2016 |
| 3 | Mr. D. C. Singhania | Independent Director | July 30, 2001 | August 8, 2014 |
| 4 | Mr. N. Majima | Non-Executive Director | July 23, 2008 | April 1, 2015 |
| 5 | Mr. U. P. Mathur | Independent Director | July 8, 2005 | November 9, 2017 |
| 6 | Mr. R. K. Pandey | Independent Director | June 27, 2008 | November 9, 2017 |
| 7 | Ms. Ashish Garg | Independent Director | July 23, 2014 | November 9, 2017 |
| 8 | Mr. H. Kitada | Non-Executive Director | March 1, 2013 | December 21, 2017 |
| | | | | |

1.5 The shareholding pattern of Ricoh during the Investigation Period is as under:

| TABLE III [SOURCE: BSE WEBSITE] | | | |
|--|----------------------------------|----------------------------------|----------------------------------|
| Category of shareholder | Year ended March 31, 2014 | Year ended March 31, 2015 | Year ended March 31, 2016 |
| Promoter | 73.60% | 73.60% | 73.60% |
| Public | 26.40% | 26.40% | 26.40% |

| | | | |
|--------------|-------------|-------------|-------------|
| Total | 100% | 100% | 100% |
|--------------|-------------|-------------|-------------|

- 1.6 The revenue and net profit as disclosed in the annual and quarterly financial results of Ricoh for various quarters covering the Investigation Period are given below:

| TABLE IV [AMOUNT IN ₹CRORES] [SOURCE: BSE WEBSITE] | | | | | | |
|---|----------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Description | QUARTER ENDED | | | | | |
| | Sep 2014 | Dec 2014 | Mar 2015 | Jun 2015 | Sep 2015 | Dec 2015 |
| Revenue | 373.83 | 409.02 | 627.88 | 442.86 | 661.45 | -273.10 |
| Net Profit | -2.83 | 10.55 | 41.48 | 0.40 | -147.39 | -102.04 |

- 1.7 BSR & Co., LLP (“BSR”), the statutory auditors of Ricoh, while conducting the limited review of the financial statements of the Company for the quarter and half-year ended September 30, 2015, raised suspicions regarding certain transactions between Ricoh and its customers & vendors and recommended further review of these transactions.
- 1.8 The Audit Committee of Ricoh appointed M/s. Shardul Amarchand Mangaldas & Co., Advocates & Solicitors who, in turn, appointed Pricewaterhouse Coopers Private Limited, India (“PwC”) to conduct forensic audit of the books of accounts of Ricoh for the half-year ended September 30, 2015. PwC submitted its report on preliminary findings on April 20, 2016, subsequent to which, on the same day, Ricoh informed SEBI that its financial statements for the quarters ended June 30, 2015 and September 30, 2015 did not reflect true and fair view of its state of affairs.
- 1.9 PwC submitted its investigation report dated November 17, 2016 to Ricoh, a copy of which, was forwarded to SEBI by Ricoh. The said report highlighted, inter alia, potentially fictitious transactions in the Information Technology Services (“ITS”) business of Ricoh during the half-year ended September 30, 2015. The report also stated that Fourth Dimension Solutions Limited (“FDSL”), a vendor as well as customer of Ricoh, had traded

in the shares of Ricoh from August 22, 2014 to November 20, 2015 and liquidated its shareholding in Ricoh during the week of November 20, 2015, which happens to be around the time when BSR raised concerns relating to certain transactions with its vendors and customers.

- 1.10 With respect to the accounting manipulation, an interim order was passed by SEBI on February 12, 2018 against certain employees of Ricoh and Mr. Amalendu Mukherjee, inter alia restraining them from accessing the securities market. The directions in the interim order were confirmed vide order dated August 16, 2018.
- 1.11 Subsequently, SEBI appointed Pipara & Co. to conduct a forensic audit of the books of accounts of Ricoh as well as FDSL. The forensic audit report dated October 25, 2019 from Pipara & Co. LLP also corroborated the involvement of Mr. Amalendu Mukherjee in the manipulation of sales and purchase of Ricoh.

UNPUBLISHED PRICE SENSITIVE INFORMATION –

- 2.1 The definition of ‘price sensitive information’ as prescribed under regulation 2(ha) of SEBI (PIT) Regulations, 1992 is as follows:

“price sensitive information” means any information which relates directly or indirectly to a company and which if published is likely to materially affect the price of securities of company.

- 2.2 The definition of ‘unpublished price sensitive information’ as prescribed under Regulation 2(1)(n) of SEBI (PIT) Regulations, 2015 is as follows:

"unpublished price sensitive information" means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following: –

(i) financial results;

(ii) dividends;

(iii) change in capital structure;

(iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;

(v) changes in key managerial personnel.

- 2.3 Vide letter dated April 20, 2016, Ricoh disclosed that its financial statements did not reflect true and fair view of its state of affairs. The same was disseminated by BSE on April 22, 2016. The forensic audit report dated October 25, 2019, submitted by Pipara & Co, also noted that the financial statements of Ricoh were misstated from FY 2012-13 onwards.
- 2.4 In the instant case, knowledge of the act of manipulating / misstating the financial statements of Ricoh is considered as the UPSI, as the public was not aware that the financial statement of Ricoh, from FY 2012-13 onwards, did not reflect a true and fair view of the financial performance of the Company.

PERIOD OF UNPUBLISHED PRICE SENSITIVE INFORMATION –

3. The financial statements of the Company from FY 2012-13 onwards were misstated. This came into the public domain only when the said information was disclosed on the BSE platform on April 22, 2016. Therefore, the period from April 01, 2012 to April 22, 2016 has been considered as the UPSI period.

INSIDERS -

- 4.1 In terms of Regulation 2(e) of SEBI (PIT) Regulations, 1992,
“insider” means any person who:

(i) is or was connected with the company or is deemed to have been connected with the company and is reasonably expected to have access to unpublished price sensitive information in respect of securities of a company, or

(ii) has received or has had access to such unpublished price sensitive information.

4.2 In terms of Regulation 2(1)(g) of SEBI (PIT) Regulations, 2015,

““insider” means any person who is:

i) a connected person; or

ii) in possession of or having access to unpublished price sensitive information;”

4.3 The forensic audit report dated October 25, 2019 from Pipara & Co. LLP inter alia corroborated the involvement of Mr. Amalendu Mukherjee in the manipulation of sales and purchases of Ricoh. During the forensic audit, various discrepancies were observed in the transactions done by FDSL with vendors and customers of Ricoh. Many of such vendors and customers were found to be connected to Mr. Amalendu Mukherjee. It was found that many of these entities did not communicate directly with Ricoh and instead, Mr. Amalendu Mukherjee was operating as a link between Ricoh and these entities. For example,

- a. Editable tax invoice and purchase order (‘PO’) of Rudra Enterprises, a customer of Ricoh, was shared by Mr. Amalendu Mukherjee with Ricoh in an email dated December 31, 2014 to allow Ricoh to edit the values and other details in the PO in order to manipulate sales of Ricoh.
- b. Further, a group of entities with which Ricoh had numerous transactions amounting to a large proportion of total revenue, was found to be related and under the same management. Some of these entities are Nike Sales Corporation, Redhex, PS Techno

Solutions Pvt. Ltd, Jatalia Global Ventures Limited, Jindal Infra Solutions Pvt. Ltd., Aastha Impex, etc. This inference was drawn because POs of these companies were shared with RICOH by Mr. Amalendu Mukherjee instead of being received directly from these companies. In addition to this, various other details such as PAN No., Bank details, Vendor Registration forms, invoices etc. were shared by Mr. Amalendu Mukherjee instead of direct communication with the respective entities.

4.4 In addition to the aforesaid findings of the forensic audit report, the access to the UPSI by Mr. Amalendu Mukherjee can be corroborated from the following events:

- a. Mr. Amalendu Mukherjee discontinued trading when BSR raised concerns in November 2016 regarding the financial statements of the company.
 - i. M/s. Sahni Natrajan & Bahl were the statutory auditors of Ricoh for 13 years from FY 2001-02 till FY 2013-14. In FY 2014-15, the statutory auditors were changed to BSR & Co (part of KPMG network). BSR & Co. raised suspicions regarding certain transactions between Ricoh and its customers & vendors in October-November 2015, while they were conducting limited review of the financial results of Ricoh for the quarter ended September 30, 2015. Pursuant to this development, the Board meeting to consider and approve unaudited financial results for the quarter ended September 30, 2015, which was scheduled to be held on November 5, 2015, was rescheduled to November 10, 2015, which was again rescheduled to November 14, 2015. On November 15, 2015, the following disclosure of Ricoh was disseminated on BSE:

- ii. “With reference to the earlier letter dated November 10, 2015, November 05, 2015 and October 13, 2015, Ricoh India Ltd has now informed BSE that the Limited Review for the Quarter ended September 30, 2015 is taking longer time in view of this being the first audit being done by our newly appointed Auditors.
 - iii. As a result, the work relating to finalization and completion of Unaudited Financial Results and Limited Review Report of the Company for the Quarter ended September 30, 2015 could not be completed in Company's Audit Committee meeting held on November 14, 2015. Accordingly, Audit Committee and Board of Directors Meetings stand adjourned.”
 - iv. Subsequently, FDSL sold 22,828 shares of Ricoh on November 17, 2015 and did not trade in its shares thereafter.
- b. Email from Mr. Amalendu Mukherjee to Ricoh;
- An email was sent by Mr. Amalendu Mukherjee on January 14, 2016 to Ms. Smriti Pandey (an employee of Ricoh). The email contained worldwide cases wherein KPMG was found guilty of being a party to manipulation of accounts of various companies. The suggestion of Amalendu Mukherjee to not have KPMG as auditors of Ricoh and continue with the existing auditors indicates his access to the insiders in Ricoh and his attempt to influence its decisions.
- c. Personal benefits extended to COO and CFO of Ricoh
- i. Mr. Amalendu Mukherjee extended various personal benefits to Anil Saini (then COO of Ricoh) and Arvind Singhal (then CFO of Ricoh) which indicates that he was in a position to influence the aforesaid insiders / KMPs

of Ricoh by virtue of the benefits extended to them. Some instances of the personal benefits extended to Anil Saini and Arvind Singhal are as under:

- ii. Mr. Amalendu Mukherjee paid tuition fees of Ms. Sheetal Saini, the daughter of Mr. Anil Saini, for her education in Singapore.
- iii. Mr. Amalendu Mukherjee financed the flight tickets for the families of Anil Saini and Arvind Singhal for a trip to Dubai.
- iv. Mr. Amalendu Mukherjee booked flight tickets for his family as well as the families of Anil Saini and Arvind Singhal for a trip to Aurangabad.

4.5 From the aforesaid observations, it is noted that Mr. Amalendu Mukherjee had influence over the insiders of Ricoh and had access to UPSI that the financial statements of Ricoh did not reflect a true and fair view of the financial performance of RICOH. Therefore, he falls under the definition of ‘insider’ both under SEBI (PIT) Regulations, 1992 as well as SEBI (PIT) Regulations, 2015.

TRADING WHILE IN POSSESSION OF UPSI

4.6 Mr. Amalendu Mukherjee, as the MD of FDSL, was authorized to place orders for FDSL as per the email dated October 23, 2019 from Kotak Securities Ltd. He traded in the scrip of Ricoh while in possession of UPSI. Therefore, FDSL and Mr. Amalendu Mukherjee were considered as the suspected entities.

4.7 The details of trades by FDSL on BSE in the scrip of Ricoh during the investigation period are as follows:

| |
|------------------------------|
| TABLE V [SOURCE: BSE] |
|------------------------------|

| Date | Buy Qty | Wt. Avg Buy Price (in `) | Sell Qty | Wt. Avg Sell Price (in `) |
|-----------|---------|--------------------------|----------|---------------------------|
| 14-Aug-14 | 10,000 | 182.47 | - | - |
| 19-Aug-14 | 5,000 | 202.47 | - | - |
| 22-Aug-14 | 10,000 | 207.86 | - | - |
| 26-Aug-14 | 21,500 | 240.49 | - | - |
| 28-Aug-14 | 53,500 | 269.89 | - | - |
| 9-Sep-14 | 7,610 | 262.25 | - | - |
| 16-Sep-14 | - | - | 82,610 | 284.51 |
| 17-Sep-14 | 16,701 | 279.33 | - | - |
| 18-Sep-14 | 13,081 | 298.80 | - | - |
| 19-Sep-14 | 102,730 | 315.46 | - | - |
| 22-Sep-14 | 17,244 | 313.08 | 54 | 319.00 |
| 23-Sep-14 | - | - | 30,200 | 312.59 |
| 26-Sep-14 | 36,498 | 294.01 | - | - |
| 29-Sep-14 | - | - | 18,604 | 300.32 |
| 30-Sep-14 | - | - | 17,894 | 308.08 |
| 9-Oct-14 | - | - | 70 | 305.20 |
| 14-Oct-14 | 61,672 | 292.15 | - | - |
| 16-Oct-14 | 13,499 | 263.33 | - | - |
| 17-Oct-14 | - | - | 3,499 | 266.00 |
| 20-Oct-14 | - | - | 26,420 | 254.38 |
| 28-Oct-14 | - | - | 30,000 | 258.96 |
| 30-Oct-14 | - | - | 20,000 | 279.16 |
| 12-Nov-14 | 76,905 | 297.36 | 4,176 | 301.65 |
| 13-Nov-14 | 139 | 291.96 | - | - |
| 17-Nov-14 | - | - | 11,979 | 299.75 |
| 18-Nov-14 | 10,000 | 295.15 | 1,730 | 296.80 |
| 19-Nov-14 | - | - | 2,709 | 296.00 |
| 21-Nov-14 | - | - | 6,134 | 294.00 |
| 24-Nov-14 | 24,341 | 303.34 | - | - |
| 26-Nov-14 | - | - | 20,765 | 316.35 |
| 27-Nov-14 | - | - | 60,000 | 300.66 |
| 28-Nov-14 | - | - | 31,104 | 315.88 |
| 3-Dec-14 | - | - | 30,803 | 300.12 |
| 4-Dec-14 | - | - | 3,939 | 305.00 |
| 5-Dec-14 | - | - | 4,719 | 314.04 |
| 12-Dec-14 | 306 | 322.93 | 1,130 | 320.01 |
| 30-Dec-14 | 10,000 | 296.66 | - | - |
| 31-Dec-14 | 2,100 | 298.14 | - | - |
| 2-Jan-15 | - | - | 2,100 | 308.70 |
| 5-Jan-15 | - | - | 184 | 308.07 |
| 6-Jan-15 | 1,680 | 297.58 | - | - |

| | | | | |
|-----------|--------|--------|--------|----------|
| 8-Jan-15 | 21,650 | 316.10 | 8,348 | 314.62 |
| 9-Jan-15 | - | - | 42,782 | 319.43 |
| 12-Jan-15 | 10,000 | 317.94 | 5,136 | 310.06 |
| 13-Jan-15 | 2,000 | 321.85 | - | - |
| 14-Jan-15 | 5,000 | 322.70 | - | - |
| 19-Jan-15 | 2,000 | 315.54 | - | - |
| 20-Jan-15 | 2,000 | 316.17 | - | - |
| 21-Jan-15 | 2,000 | 314.29 | - | - |
| 22-Jan-15 | 4,000 | 316.61 | - | - |
| 23-Jan-15 | 2,000 | 317.21 | - | - |
| 30-Jan-15 | 2,000 | 307.23 | - | - |
| 2-Feb-15 | 2,000 | 306.97 | 6,685 | 300.61 |
| 3-Feb-15 | - | - | 681 | 298.81 |
| 4-Feb-15 | 2,000 | 298.46 | 25,000 | 292.09 |
| 9-Feb-15 | 25,000 | 297.78 | 7,812 | 289.41 |
| 10-Feb-15 | 20,000 | 299.27 | - | - |
| 11-Feb-15 | - | - | 63,889 | 334.88 |
| 12-Feb-15 | 10,000 | 369.20 | 35,000 | 353.46 |
| 13-Feb-15 | 59,597 | 444.46 | 4,811 | 430.00 |
| 20-Feb-15 | 3,000 | 489.56 | 79 | 470.01 |
| 23-Feb-15 | 100 | 489.69 | - | - |
| 24-Feb-15 | 6,000 | 552.93 | 3,886 | 553.96 |
| 25-Feb-15 | 3,000 | 549.49 | - | - |
| 26-Feb-15 | - | - | 1,310 | 532.72 |
| 27-Feb-15 | 3,500 | 506.31 | 2,541 | 504.59 |
| 4-Mar-15 | 1,000 | 505.04 | 12,750 | 504.00 |
| 9-Mar-15 | 12,654 | 508.80 | - | - |
| 12-Mar-15 | 5,300 | 503.52 | 700 | 500.07 |
| 13-Mar-15 | 1,000 | 517.93 | 2,211 | 521.23 |
| 17-Mar-15 | 2,000 | 500.66 | - | - |
| 19-Mar-15 | 20,400 | 587.67 | 23,646 | 575.11 |
| 20-Mar-15 | - | - | 1,276 | 597.03 |
| 23-Mar-15 | 7,000 | 578.68 | 613 | 575.34 |
| 25-Mar-15 | 1,500 | 551.88 | - | - |
| 30-Mar-15 | 16,000 | 568.89 | 43,228 | 539.29 |
| 31-Mar-15 | - | - | 45,000 | 548.43 |
| 25-May-15 | 31,000 | 840.90 | 6,087 | 842.50 |
| 26-May-15 | 24,700 | 880.99 | - | - |
| 27-May-15 | - | - | 22,679 | 881.18 |
| 29-May-15 | - | - | 10,043 | 911.87 |
| 25-Jun-15 | - | - | 6,391 | 1,007.40 |
| 17-Jul-15 | 2,000 | 989.75 | - | - |
| 5-Aug-15 | - | - | 172 | 1,040.64 |
| 6-Oct-15 | 10,000 | 949.40 | - | - |

| | | | | |
|--------------|----------------|---------------|----------------|---------------|
| 9-Oct-15 | 1,000 | 942.59 | - | - |
| 17-Nov-15 | - | - | 22,828 | 831.86 |
| Total | 816,907 | 379.17 | 816,407 | 392.77 |

* 500 shares were sold by FDSL off-market on June 4, 2015

CHARGES OF INSIDER TRADING -

5. FDSL and Mr. Amalendu Mukherjee have violated regulations 3(i) & 4 of SEBI (PIT) Regulations, 1992 r/w regulation 12 of SEBI (PIT) Regulations, 2015, regulation 4(1) of SEBI (PIT) Regulations, 2015 and section 12A(d) & (e) of SEBI Act, 1992. FDSL has also violated regulation 3A of SEBI (PIT) Regulations, 1992 r/w regulation 12 of SEBI (PIT) Regulations, 2015.

LOSS AVOIDED / WRONGFUL GAINS MADE BY FDSL AND Mr. AMALENDU MUKHERJEE-

- 6.1 The profit made from trading in the scrip of Ricoh by FDSL while in possession of UPSI is detailed below:

| TABLE VI | | | | | | | |
|--------------|-----------------|------------------|---------------------|-----------------|-------------------|---------------------|---------------------------|
| Transaction | Buy Qty | Wt Avg Buy Price | Buy Value (INR) | Sell Qty | Wt Avg Sell Price | Sell Value (INR) | Unlawful gains made (INR) |
| Market | 8,16,907 | 379.17 | 30,97,49,007 | 816,407 | 392.77 | 32,06,60,499 | |
| Off market | - | - | - | 500 | 889.25* | 4,44,625 | |
| Total | 8,16,907 | 379.17 | 30,97,49,007 | 8,16,907 | 393.07 | 32,11,05,124 | 1,13,56,118 |

*The closing price of the date of off-market transaction, i.e. June 4, 2015, has been considered as the sale price.

- 6.2 Further, it was observed that Mr. Amalendu Mukherjee sold his entire shareholding of 22,828 shares at price of INR 831.86 per share on November 17, 2015 around the time when BSR & Co. raised suspicions regarding certain transactions between Ricoh and its customers / vendors and two days after the announcement dated November 15, 2015 by Ricoh adjourning the Audit Committee and Board of Directors Meetings for consideration of quarterly financial results ended September 30, 2015.
- 6.3 The corporate announcement pertaining to financial statements being untrue was made on April 22, 2016 at 19:13:40 at BSE. The closing price on April 25, 2019 (the next trading day) was INR 320.3/-
- 6.4 By offloading his entire shareholding on November 17, 2015, FDSL avoided a notional loss of INR 1,16,77,892/-, the details of which are as under:

| TABLE VI | | | |
|-----------------|--------------------------|--|---------------------------|
| Sell Qty | Wt Avg Sell Price | Closing price on April 25, 2016 | Loss avoided (INR) |
| 22,828 | 831.86 | 320.3 | 1,16,77,892 |

- 6.5 The total of unlawful gains and losses avoided by FDSL, while in possession of UPSI, was INR 2,30,34,010/-.
- 6.6 With the initiation of quasi-judicial proceedings, it is possible that the individuals/entities may divert the notional gains (subject to the adjudication of the allegation on the merits in the final order), which may result in defeating the effective implementation of the direction of disgorgement, if any, to be passed after adjudication on merits. Non-interference by SEBI at this stage would therefore result in irreparable injury to the interests of the securities market and the investors. It therefore becomes necessary for SEBI to take urgent

steps of impounding and retaining the proceeds (notional loss/gains) made by FDSL, by way of an interim measure.

- 6.7 Accordingly, as an interim measure, an Ad–Interim Ex–Parte Order for impounding such alleged profits under Sections 11(1) read with 11(4)(d) and Section 11B of the SEBI Act read with Regulation 10 of the Insider Trading Regulations, 2015 needs to be issued against FDSL and Mr. Amalendu Mukherjee.

ORDER –

- 7.1 In view of the foregoing, I, in exercise of the powers conferred upon me in terms of Section 19 read with Sections 11(1), 11(4)(d) and Section 11B of the SEBI Act read with Regulation 10 of the Insider Trading Regulations, 2015, hereby issue the following directions:

- A. A sum of INR 2,30,34,010/- shall be impounded jointly and severally from FDSL and Mr. Amalendu Mukherjee, being the amount of illegal gains made and notional loss avoided on account of trades carried out in the trading account of FDSL.

- 7.2 The persons/entities mentioned at paragraph 7.1 is directed to credit the aforesaid amounts to an Escrow Account [“Escrow Account in Compliance with SEBI Order dated March 17, 2020 –A/c (in the name of the respective persons/entities)”] in a Nationalized Bank, by marking a lien over it. Banks are allowed to transfer the amounts available in the

bank accounts of FDSL and Mr. Amalendu Mukherjee to the aforesaid Escrow Account(s), for the purpose of complying with this Order.

- 7.3 Banks shall not allow debits from the bank accounts of FDSL and Mr. Amalendu Mukherjee, to the extent of the amounts impounded under paragraphs 7.1, until the Escrow Account(s) as stated above are opened by them and the amounts as stated are transferred. Any debit beyond the said limit may be automatically permitted. Credits, if any, into the accounts may be allowed. Depositories are directed that no debit shall be made, without permission of SEBI, in respect of the demat accounts held by the aforesaid persons/entities. The Banks and the Depositories are directed to ensure that all the aforementioned directions are strictly enforced.
- 7.4 Further, FDSL and Mr. Amalendu Mukherjee are directed not to dispose of or alienate any of their assets/properties/securities, till such time the amounts are credited to the Escrow Account(s). Further, they are directed to provide, within 7 days of this Order, a full inventory of all their assets and properties and details of all their bank accounts, demat accounts and holdings of shares/securities, if held in physical form and details of companies in which they hold substantial or controlling interest.
- 7.5 The prima facie observations/findings contained in this Order are made on the basis of the material available on record. In light of the alleged violations of the provisions of Sections 12A(d) and (e) of the SEBI Act and Regulations 4(1) read with 4(2) of the Insider Trading Regulations, 2015, by FDSL and Mr. Amalendu Mukherjee, this Order shall be treated as a Notice under Sections 11(1), 11(4) and 11B (1) of the SEBI Act calling upon them to show cause as to why certain directions shall not be passed against them, as proposed hereunder:

- a. Direction to disgorge an amount equivalent to the total gains made/loss avoided on account of insider trading in the scrip of Ricoh India Limited along with interest;
 - b. Direction to restrain them from accessing the securities market and prohibiting them from buying, selling or otherwise dealing in securities for an appropriate period.
- 7.6 SEBI shall serve upon the aforementioned persons/entities all the relevant documents along with this Order, if sought by the Noticees.
- 7.7 The Noticees against whom this Order have been passed may file their replies to SEBI within 30 days from the date of receipt of this Order and avail an opportunity of personal hearing in the matter, if they so desire.
- 7.8 This Order is without prejudice to any other action that SEBI may initiate under the securities laws, as deemed appropriate, against the above mentioned persons/entities.
- 7.9 This Order shall come into force with immediate effect and shall be in force till further Orders.
- 7.10 A copy of this Order shall be forwarded to the Stock Exchanges, Depositories, Registrar and Share Transfer Agents and Banks to ensure necessary compliance

Place: Mumbai
Date: March 17, 2020

G. MAHALINGAM
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA