

IN THE SECURITIES APPELLATE TRIBUNAL
AT MUMBAI

DATED THIS 5TH DAY OF MAY, 2025

CORAM: Justice P.S. Dinesh Kumar, Presiding Officer
Ms. Meera Swarup, Technical Member
Dr. Dheeraj Bhatnagar, Technical Member

Appeal No.283 of 2022

V. Shankar
C/o. Manish Ghia & Associates,
Company Secretaries,
4 Chandan Niwas (Old),
Sir M V Road, Andheri (East),
Mumbai – 400069.Appellant

(BY Mr. Abhishek Venkatraman, Advocate with Mr. Viswajit Deb, Mr. Joby Mathew, Ms. Shefali Shankar, Mr. Aditya Joby and Mr. Pranav Kethineni, Advocates i/b. Joby Mathew & Associates for the Appellant.

Securities and Exchange Board of India
SEBI Bhavan, Plot No.C-4A, G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051. ...Respondent

(BY Mr. J. P. Sen, Senior Advocate with Mr. Suraj Choudhary, Mr. Bhushan Shah, Ms. Daksha Kasekar and Mr. Abhishek Nair, Advocates i/b. Mansukhlal Hiralal & Co. for the Respondent.)

THIS APPEAL IS FILED UNDER SECTION 15T OF SEBI ACT, 1992 TO SET ASIDE ORDER DATED MARCH 22, 2022 (Ex-A) PASSED BY AO, SEBI.

THIS APPEAL HAVING BEEN HEARD AND RESERVED FOR ORDERS ON SEPTEMBER 20, 2024, COMING ON FOR PRONOUNCEMENT OF ORDER THIS DAY, THE TRIBUNAL MADE THE FOLLOWING:

ORDER

This Appeal is directed against order dated March 22, 2022 passed by the AO¹, SEBI² imposing a penalty of Rs.10 lakhs on the Appellant for violations of Sections 68, 77A of the Companies Act, 1956 ; Section 12(a), (b) and (c) of SEBI Act, 1992³ and Regulation 3(a), (b), (c), (d) ; Regulation 4(1), 4(2) (f), (k) and (r) of SEBI (PFUTP) Regulations, 2003⁴ under Section 15 HA of the SEBI Act, 1992. Feeling aggrieved, the Appellant challenged the same before this Tribunal in Appeal No.283 of 2022 and the same was allowed vide order dated November 1st 2022. SEBI challenged the said order before Hon'ble

¹ Adjudicating Officer

² Securities and Exchange Board of India

³ Securities and Exchange Board of India Act,1992

⁴ SEBI (Prohibition of Unfair Trade Practices Relating to Securities Market) Regulations, 2003

Supreme Court of India in Civil Appeal No.527 of 2023 and the Apex Court has remanded the matter to this Tribunal for a decision afresh.

2. Brief facts of the case are:

(i) The appellant was a Company Secretary in Deccan Chronicle Holdings Ltd (DCHL) for two years during 2009-2011. SEBI conducted an investigation in the scrip of DCHL and issued a show cause notice (SCN) to the appellant on August 3, 2017 alleging that, the company had understated the outstanding loans and interest in finance charges etc., in the annual reports for the year 2008-2009, 2009-2010 and 2010-2011 and being a signatory to the public announcement made by the company for the buy back of its equity shares without having adequate free reserves, appellant had misled the investors/shareholders.

(ii) After adjudication, SEBI has held that the

company/promoters and directors had knowingly contributed in dissemination of factually incorrect and distorted information relating to the annual financial statements of the company to the public in their annual reports. SEBI found that the company carried out buyback of its equity shares which were more than 25% of the total paid up capital limit during the financial year 2011-2012 without having adequate free reserves and had thus misled the investors and shareholders about valuation and free reserves of the company.

(iii) Based on the above conclusion, SEBI has held that the company and its directors, promoters violated Section 68 and 77A of the Companies Act, 1956 read with Regulations 3 and 4 of the SEBI (PFUTP) Regulations, 2003 and Section 12A of the SEBI Act. SEBI has further held that the appellant should have exercised utmost due

diligence, checked the veracity of the buyback offer document and its legal compliances before authenticating and signing. SEBI has also held that the appellant was responsible as the Company Secretary for signing the public announcement made by the company on May 06, 2011 for buyback of its equity shares is equally liable for violations of law along with the company and its directors.

3. We have heard Shri Abhishek Venkatraman, learned Advocate for the appellant and Shri J.P. Sen, Senior Advocate for the respondent.

4. Shri Abhishek Venkatraman submitted:-

- That there is no allegation nor any finding as to the involvement of the appellant in the fraudulent overstatement of profits or in the preparation of the books of accounts. Neither the show cause notice nor the impugned

order have held that he had knowledge of the fraud when the accounts were signed by him. The impugned order holds that it was only the promoters/directors who were privy to the arrangement where loans of DCHL was transferred to Deccan Chronicle Marketers (DCM) on the last day of the financial year and brought back on the start of the next financial year.

- The duties of a compliance officer does not extend to verifying the authenticity and correctness of accounts. A Company secretary is required to append his signature to the year-end financial statements under the Companies Act, 1956. The appellant had no role in the finance department of DCHL and at that relevant time, there was an Executive Director (Finance) who was responsible for company's finances apart

from the MD and Whole Time Director. In support of his submissions, he relied upon *Prakash Kanungo vs. SEBI*⁵, *New Delhi Television Limited & Ors. v/s SEBI*⁶, *Sudar Industries vs. SEBI Order against Sapna Karmokar*⁷

- It is always the Board of Directors who are responsible for the information contained in the public announcement and other documents even though they are signed by the secretary on behalf of the Board of Directors.
- SEBI has exonerated the statutory auditor who prepared and certified the books of accounts and financial statements.
- There were no procedural lapses or non-compliances relating to the buy-back

⁵ Prakash Kanungo vs SEBI (Appeal No. 709 of 2022 along with other connected Appeals, SAT Order dated November 6, 2023)

⁶ New Delhi Television Limited & Ors. v/s SEBI (Appeal No. 150 of 2018, Order dated August 7, 2019)

⁷ Sudar Industries vs SEBI Order dated May 9, 2023 against Sapna Karmokar

announcement.

- SEBI has not charged the merchant banker with failure to comply with the regulations on account of the free reserves being overstated in the public announcement making it clear that SEBI does not interpret the regulations as requiring the Merchant banker to assume the role of a statutory auditor or the board of directors.
- It is the Board of directors and auditors of a company who are required to independently certify in a report appended to the financial statements that the accounts represent true and fair view. No such declaration is made nor required to be made by the company secretary given his ministerial role.
- A company secretary, by definition under the Companies Act, 1956 discharges ministerial or administrative duties in contrast with

managerial functions which are to be discharged by the directors who manage the affairs of the company. The duty of verifying the correctness of the accounts lies with the directors and auditors.

- The Ministry of Law, Justice and Company Affairs, vide its circular No. 7/12 dated March 12, 1972, has clarified the role of a company secretary in respect of balance sheets to be attested by him by stating that the authentication by the secretary is “on behalf of the Board of directors” and not in his personal capacity, the secretary can be held responsible regarding errors etc., (in a balance sheet) only as an “officer” of the company within the meaning of Section 628 and not because of authentication by him under Section 215 as such.
- The promoters of the Company took loans

from various financial institutions in their individual capacity, either by way of pledging their shareholding or by way of entering into non disposal undertaking (NDU) or security net agreements (SNA) without disclosing the same with the appellant and as such he was unaware of the said loan transactions.

- The delay in filing shareholding pattern for the quarters ended in September 2012 and December 2012 and failure to disclose transactions between the Company and Flyington Freightors happened only after the appellant ceased to be the Company Secretary and therefore he cannot be held liable for the failure of the Company.
- The authentication of the books of accounts by a Company Secretary under Section 215 of the Companies Act, 1956 is on behalf of the Board of Directors which means identifying

that the accounts signed by the secretary are indeed the accounts, considered and approved by the Board. Appellant cannot be held liable on account of such authentication. Secretary discharges ministerial and administrative duties. The signing of the public announcement of a buyback by the company secretary is also a ministerial act undertaken on behalf of the Board of Directors. The disclosures with respect to buyback are required to be vetted by a merchant banker who is required to confirm that they are true, fair and adequate.

- The appellant was entitled to rely on the multiple tiers of oversight over the financial statements by competent bodies entrusted under the listing Agreement, with the duty to check the financial statements i.e. the Audit Committee, the Board of Directors, the

Auditors, the CEO/CFO. The appellant did not have a role in the preparation of the financial statements and therefore cannot be held liable for any misstatement in the accounts or for the overstatement of the free reserves in the public announcement.

- The order passed by this Tribunal in ***Bhuwneshwar Mishra v/s SEBI and Brooks Laboratories Ltd v/s SEBI***⁶ relied upon by the SEBI are not applicable because those cases relate to timely and accurate disclosures of shareholding of the promoters of the Company. With these submissions, Shri Venkataraman prayed for allowing this appeal.

5. Shri J.P. Sen, learned Senior Advocate appearing for SEBI submitted:

- The essence of the buy-back violation is the

⁶SAT Appeal No.7 of 2014, decided on July 31, 2014.

under reporting of loans/ non-convertible debentures by fraudulently increasing the ‘free reserves’ of the company. If the same had been correctly reported, the buy-back size would have been significantly less.

- The company had not reported the outstanding loan amount of Rs.828.23 crore during the financial year 2008-09, Rs.2,128 crore during financial year 2009-10 and Rs.3,678.90 crore during financial year 2010-11 in its balance sheet as it had resorted to a mechanism of transferring the same out of its account to the accounts of Deccan Chronicle Marketeers (DCM) on the last date of each financial year and further bringing back the same to the account of DCHL on the first day of the next financial year. The DCHL availed all the loans in its own name and in complete disregard to the accounting norms and accounting standards, has shown the said

outstanding loans in DCM's account on the last day of the financial year. No proper explanation has been given by the noticees in transferring the amounts at end of the financial year and bringing back the same on the very first day of the next financial year. As a result of such unfair practice, the annual accounts have been understated to the extent of such large amounts which have been shown as transferred to the accounts of DCM, thereby deliberately causing dissemination of wrong, incorrect and distorted information to the public at large. The above findings have been affirmed as "undisputed" by this Tribunal in ***DCHL & Ors v. SEBI***⁷.

- The role of the appellant is primarily under Regulation 19(3) of the Buyback Regulations as a Compliance officer.
- Since the public announcement was dated 6th

⁷ SAT Appeal No. 282/2022, date of decision 9th November 2023, para 5,9,34.

May 2011 the loans would reflect in the books of DCHL on the said date in view of the finding that the loans were bought back on the beginning of the financial year.

- Many loans were taken during the tenure of the appellant as a Company Secretary/ compliance officer. As per Section 152 of the Companies Act, 1956 the appellant was obligated to maintain the register of debentures, reflecting all the transactions. The series of long term NCDs issued at various times during the period between 1st April 2008 to 31st September 2012. The loans to DCM are in the nature of non-convertible debentures and the issue of debentures require board's approval, which needs to be recorded in the Register and Index of Debenture Holders, which cannot be said to be not known to the appellant.
- Since the appellant was concerned with the

buy back based on ‘unaudited results’ in the middle of the financial year he was obligated to diligently examine the liability reflecting in the relevant books.

- The impugned order has rightly rejected appellant’s reliance on Section 215 of the Companies Act, 1956 by following the Judgment of this Tribunal in **Bhuwneshwar Mishra vs. SEBI**.
- Appellant’s argument that, he is not in charge of the accounts and therefore cannot be held liable for attestation is irrelevant, as it was his duty to check the NCDs/loans reflecting in the books as on 6th May 2011 when signing the public announcement. Ministry of Law, Justice and Company Affairs Circulars relied upon by the appellant in regard to section 215 are irrelevant and MCA Circulars are merely

advisory in nature. In support of his submissions, he relied on ***Bhagwati Developers vs Peerless General Finance & Investment Co***⁸.

- Section 77A r/w Section 5 of the Companies Act, 1956 and Regulation 19(3) and (8) of the Buy back Regulations make it clear that the Appellant as Company Secretary/Compliance Officer is responsible for ensuring the compliance. In support of this submissions, he relied on ***Mayank Agarwal v Technology Frontiers (India) Pvt Ltd.***⁹
- The impugned order has rightly held that the buy-back offer was designed to fraudulently induce the investors by offering the same at a price that was 234% of the ruling market price in the absence of the required amount of free reserves. Such a high price would not only

⁸ (2005) 6 SCC 718, para 7

⁹ 2022 SCC Online NCLT 223

induce the investors to offer shares in the buy-back but also would induce other investors to invest in the scrip. The same was done to create artificial increase in the price which would have a bearing on the invocation of the pledges which secured the loans/NCD which were mis-reported in the Public Announcement.

- The appellant cannot claim ignorance of the prevailing market price and yet relied on unaudited results without any verification, at a time when the NCDs/ loans would have reflected in the books of DCHL. Hence the Appellant is equally liable for the fraudulent Public Announcement of buy-back.
- Loans were majorly taken during appellant's tenure as Company Secretary/ Compliance Officer.

- The appellant had claimed that he never attended Board Meetings where the financial accounts were approved and he was generally not invited to the meetings of the board. However, in his reply to SCN, appellant has admitted that he was involved in “assisting the conduct of the board of director meeting”.
- Appellant’s failure to follow the basic aspects of his role given his vast experience can only show an active involvement in the fraud. Though the approvals for giving and taking of loans is something which happens at the Board level, the Loans taken would be known to a company secretary in the general course of his duties of preparing the Board Minutes in addition to the Register/Index of Debentures.
- Appellant’s contention that he was not aware of the transactions with respect to the pledging of shares by promoters and loans undertaken

by the promoters with ICICI, IDFC, Canara, Aviatech, Future Capital Holdings etc., does not hold water as these transactions were loan transactions involving NCDSs by the Company and the pledges were incidental security provided by the promoters. Loan transactions by the Company require Board resolutions under Section 292 of the Companies Act. The appellant, being the Compliance Officer during the tenure cannot claim that he was unaware of the same. It only indicates that there was a willful default by the appellant therefore the Appeal may be dismissed. With these submissions, respondent prayed for dismissal of the appeal.

6. We have carefully considered the rival contentions and perused the records.

7. The specific allegation against the appellant recorded in the impugned order reads as follows:

Name of the Noticee	Violations in brief	Violation of the provisions	Penal provisions
V Shankar (Company Secretary, DCHL) (Noticee 6)	DCHL understated outstanding loans and interest and finance charges in the annual report for the FY 2008-09, 09-10 & 10-11. <u>As signatories to the public announcement made by the Company on May 6, 2011 for buy back of its equity shares without having adequate free reserves which misled the uninformed investors/shareholders about the perceived valuation/strong financials/adequate free reserves of the company and these actions have wrongfully influenced/induced the decision of investors/shareholders particularly when the price of the share was declining since May 2010.</u>	Section 12 A(a), (b) and (c) of the SEBI Act, 1992 read with Regulation 3(a), (b), (c), (d), 4(1), 4(2)(f), (k) and (r) of the SEBI (PFUTP) Regulations, 2003, and section 68 and Section 77A of the Companies Act, 1956.	Section 15HA of SEBI Act

8. The Adjudicating Officer has held that the appellant had failed to act diligently and responsibly while acting as the Company Secretary. His finding reads as follows:

“46. Admittedly, the Noticee 6 has served as a Company Secretary in DCHL during the financial year 2009-10 and 2010-11 which means, he has attested the Balance Sheet and Profit and Loss accounts of DCHL for two of the three financial years in which the accounts have been allegedly fraudulently understated. The provisions of section 215 of

the Companies Act, 1956 fastens a duty on the Company Secretary to authenticate the Balance Sheet and Profit and Loss account of the company on behalf of the board of directors. Under the circumstances, as a Company Secretary, the Noticee 6 cannot plead innocence by stating that he has merely fulfilled a statutory duty by signing the audited accounts which were prepared by the auditors and approved by the board of directors of the Company. The Noticee 6 was performing the job of a secretary to the board of directors and it was his duty to aid and advice and assist the board in ensuring that the accounts contained all the true information before the same were approved. Further, he was not merely supposed to attest the accounts but was required to authenticate the Balance Sheet and Profit and Loss account of the Company, which cannot be undermined as a mere routine attestation job but has to be taken up as a serious responsible job of declaring the authenticity of the contents of the accounts and all the information contained therein. **The Noticee 6 ought to have verified if the audited accounts have contained all the assets & liabilities or any other material facts that needed to be incorporated in the accounts.** In view of the above, I find that V. Shankar has failed to act diligently and responsibly while acting as the company secretary of DCHL at a time when the Company and its directors (Noticees 1 to 5) understated outstanding loans and interest and finance charges in the annual reports for FYs 2008-09, 2009-10 and 2010-11 and thereby overstated the profits of the Company for all the three successive financial years.

69. Thus, it is not in dispute here that the Noticee 6 was acting as the Company Secretary of DCHL during the FY 2010-11 when buyback offer worth ₹ 270 crore was made by the Company. **It is also an admitted fact that the Noticee had ascribed his signature on the public announcement for buyback in his capacity as a Company Secretary of DCHL.** In this regard, I would once again like to rely upon the findings of the Hon'ble Tribunal in the matter of Mr. Bhuvneshwar Mishra vs SEBI (Supra) and my observations recorded in above paragraphs of this Order about the roles & responsibilities vested in the Noticee 6 as the Company Secretary, towards the Company and its board of directors. **I reiterate that as a statutory official of the Company, the Noticee 6 should have exercised utmost due diligence and checked the veracity of the buyback offer document and its legal compliances before authenticating such a document and signing the aforesaid public announcement which apparently violated the provisions of the Companies Act, 1956.**

70. In the light of the above, **I do not have any hesitation in holding V. Shankar (Noticee 6) responsible as the company secretary of DCHL for signing the public announcement made by the Company on May 6, 2011 for buyback of its equity shares, without having adequate free reserves, which misled the uninformed investors/ shareholders about the perceived and artificially overstated valuation, strong financials and adequate free reserves of the Company which might have certainly influenced/ induced the decision of investors/shareholders** particularly when the

price of the share was declining since May 2010. Considering the foregoing, I hold V. Shankar equally liable for violation of the provisions of sections 68 and 77A of the Companies Act, 1956 and regulation 3(a), (b), (c), (d), 4(1), 4(2)(f), (k) and (r) of the PFUTP Regulations, 2003 read with section 12A(a), (b) and (c) of the SEBI Act, 1992.”

9. As noted above the precise allegation recorded in the impugned order is that as a signatory to the public announcement made by the Company to buy back its equity shares without having adequate free reserves appellant was party to misleading the investors/shareholders.

10. It is true that the appellant was the Compliance Officer. In the detailed arguments made by the learned Senior Advocate and the detailed written submissions filed on behalf of the SEBI, it was stressed that the appellant was a signatory to the public announcement made on 6th May, 2021 and has thus misled the investors. We have carefully perused the said public announcement. In paragraph No.17 of the said

announcement it is stated thus:

“17. DIRECTORS’S RESPONSIBILITY

The Board of Directors of the Company accepts responsibility for the information contained in this Announcement.

For and on behalf on the Board of Directors
DECCAN CHRONICLE HOLDINGS LIMITED

T. Vinanyak Ravi Reddy	P.K. Iyer	N. Krishnan	V. Shankar
Vice Chairman	Vice Chairman	Managing Director	Company Secretary
Date: May 6, 2011”			

11. The above announcement makes it amply clear that the Board of Directors of the Company had accepted the responsibility for the information contained in the announcement.

12. By its order dated February 8, 2023 the Hon’ble Supreme Court of India has set aside the earlier order of this Tribunal and remitted the proceedings for consideration of the facts afresh. The relevant portion of the order reads as follows:

“11. Regulation 19(3) of the SEBI (Buyback of Securities) Regulations, 1998 requires the company to nominate a compliance officer and an investors’ service centre. The purpose of the nomination is twofold, namely (i) to ensure compliance with the buyback Regulations; and

(ii) to redress the grievances of investors. There is a patent error on the part of the Tribunal in interpreting the Regulations. The Tribunal held that the role of the respondent, who was a Company Secretary, compliance officer, was limited to redressing the grievances of investors. In arriving at the finding, the Tribunal has relied upon the latter part of Regulation 19(3) which deals with redressal of the grievances of investors. The crucial point which has been missed by the Tribunal is that the compliance officer is also required to ensure compliance with the buyback regulations. Regulation 19(3) of the Regulations expressly so stipulates. Since the interpretation which has been placed by the Tribunal on the interpretation of 19(3) is contrary to the plain terms of Regulation 19(3), we set aside the impugned decision and remit the proceedings back to the Tribunal for consideration of the facts afresh in the light of the interpretation which has been placed above on the provisions of Regulation 19(3)”.

13. It was argued on behalf of the SEBI and also expressly stated in its written submissions that as per the SCN, the appellant had allegedly violated Section 12(a), (b) and (c) of the SEBI Act read with Regulation 3(a), (b), (c), (d), 4(1), 4(2)(f)(k) and (r) of the PFUTP Regulations.

14. Except reiterating the penal provisions mentioned in the SCN, the Adjudicating authority has not recorded as

to what was precisely expected of the appellant and which provision of law was violated. On the other hand, the adjudicating authority in Para 41 of the impugned order has recorded thus:

*“41. In my view, the allegations against the said Noticees and **more specifically the Noticee directors about understatement of financial statements are fully covered within the four walls of the findings of the Hon’ble Tribunal** in the matter of V Natarajan vs SEBI (supra). **Considering the foregoing, it is absolutely clear that the said Noticees** have knowingly and consciously contributed in dissemination of wrong, factually incorrect, understated and distorted information related to the annual financial statements of DCHL to the public.”*

15. A careful perusal of the above narration by the AO clearly suggests that the allegations were specifically made against the Directors. He has also taken note of the judgment of this Tribunal in V. Natarajan v. SEBI. According to AO, the ‘said Noticees’ meaning the directors had consciously contributed in dissemination of factually incorrect information.

16. The AO has also noted in para 39 of the impugned

order that Noticees No.2 and 3, namely, T. Venkatarama Reddy and T. Vinayak Rama Reddy had admitted that the interest paid on the loan taken in the name of DCHL were not charged to the Profit and Loss Account of the Company. Having thus noted, the AO has recorded another categorical finding that-

“Thus the Company and its Directors have eloquently concealed the said revenue liabilities from the investors at large and their shareholders in particular. The Company and its Directors have even not disclosed these facts to the lenders.” (Emphasis Supplied)

17. A combined reading of the findings in para 39 and para 41 makes it amply clear that according to the AO it was the Company and its Directors who had manipulated the accounts and disseminated incorrect information to the public.

18. The finding against the appellant is recorded in para 46 of the impugned order extracted above. It is relevant and surprising to note that in one breath the adjudicating authority records that the provisions of

Section 215 of the Companies Act, 1956 fasten a duty on the Company Secretary to authenticate the Balance Sheet and the Profit and Loss Account of the Company on behalf of the Board of Directors and in the next breath he holds that the appellant was not merely required to attest but *ought to have verified if the audited accounts had contained all the assets and liabilities or other facts needed to be incorporated in the accounts*. This implies that according to the Adjudicating Officer appellant was required to sit in appeal over the audited accounts. We may record that the audited accounts are certified by a qualified Chartered Accountant and approved by the Board of Directors. Therefore, in our opinion, the finding that the appellant ought to have verified whether the audited accounts had contained the assets and liabilities is wholly untenable and liable to be set aside. The AO has not supported this finding by any legal requirement. Neither during the hearing nor in

the lengthy written submission SEBI has pointed out as to which provision of law has been violated by the appellant. In any event, a careful analysis of para 46 of the impugned order clearly suggests that the adjudicating authority has found fault with the appellant on an incorrect presumption that the appellant ought to have verified whether the audited accounts had contained all the assets and liabilities. If this reasoning is to be accepted, the appellant ought to have read, understood, re-audited the certified accounts of the Company already approved by the Board of Directors. That is not the duty of either the Company Secretary or the Compliance Officer.

19. A Compliance Officer is appointed under Regulation 19(3) of the of the Buyback Regulations. The Company has power to buy its own securities under Section 77A of the Companies Act. It was argued that one of the requirements to purchase its own securities a Company must have free reserves. It

was further argued that Section 77A(11) renders the Company or any Officer of the Company who is in default shall be punishable and as per Section 5(f) of the Companies Act a Compliance Officer becomes liable for penal action. We have perused Section 5(f) of the Companies Act which contains the definitions of the 'Officer in Default'. As per Section 5(f), any person charged by a Board with the responsibility of complying with that provision and in this case under Section 77A of the Companies Act. As far as the facts of this case are concerned, except stating that appellant being a signatory has misled the investors no specific charge or violation is pointed out by SEBI. It is settled that when an allegation against a delinquent is likely to meet with consequences, the charge must be clear and unambiguous. The impugned order leads us to infer that the Adjudicating Officer has presumed that the Company Secretary/Compliance Officer ought to have

re-examined the veracity of the certified accounts.

Such a presumption is without any legal foundation and therefore the impugned order is unsustainable in law.

20. In the result, the following order:

- ***Appeal is allowed.*** Impugned order dated March 22, 2022 is set aside.
- No costs.

Justice P.S. Dinesh Kumar
Presiding Officer

Ms. Meera Swarup
Technical Member

Dr. Dheeraj Bhatnagar
Technical Member

05.05.2025
RHN