BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA
CORAM: RAJEEV KUMAR AGARWAL, WHOLE TIME MEMBER

ORDER

DIRECTIONS UNDER SECTIONS 11 AND 11B OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AGAINST TOP TELEMEDIA LIMITED AND ITS DIRECTORS

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1. Top Telemedia Limited (hereinafter referred to as 'the Company') is a company incorporated under the Companies Act, 1956, having its registered office at 61-3, New Purnima Housing Society, Salisbury Park, Guletkri, Pune - 37, Maharashtra. The Company was earlier known as 'Top Cassettes Limited'. Though the shares of the Company are listed on the Bombay Stock Exchange Limited (BSE), the Ahmedabad Stock Exchange Limited (ASE) and the Pune Stock Exchange Limited (PSE), the trading in its shares has been suspended on all the said stock exchanges.

2. SEBI was receiving investors' grievances against the Company and the same were forwarded periodically to the Company for redressal. However, the Company failed to resolve such complaints and submit the Action Taken Report (ATR) on such complaints. As of March 2011, there were twenty three (23) investors' complaints pending unresolved by the Company. Therefore, vide letter dated April 21, 2011, SEBI advised the Company to resolve those complaints within fifteen days from the date of receipt of the letter and to submit ATR. The said letter was sent to the Company at its address available on the website of BSE. Since the said letter was returned undelivered, SEBI issued a public notice on July 20, 2011 in its website (www.sebi.gov.in) advising the Company to resolve all pending investors' grievances and to submit the ATR. However, the Company failed to respond.

3. In view of the above, SEBI issued show cause notices (SCNs) dated February 23, 2012 under sections 11 and 11B of the SEBI Act to the Company and its directors, namely, Mr. Deep Kumar Bhanuprasad Trivedi, Mr. Indrajit Vaghela Lakhaji and Mr. Sanjay Jhalani. The date of personal hearing fixed on March 06, 2012 was also informed to them by the SCNs. The SCNs sent to the Company and Mr. Sanjay Jhalani on their addresses as mentioned in the website of Ministry of Corporate Affairs (MCA), was returned undelivered. Therefore, a newspaper publication was also made by SEBI on March 1, 2012 in various newspapers having nation-wide and state-wide circulation, informing therein the present proceedings and the opportunity of personal hearing granted in the matter.

4. The Company and its two directors Mr. Deep Kumar Bhanuprasad Trivedi and Mr. Indrajit Vaghela Lakhaji, vide separate letters dated March 02, 2012, stated that they came to know about the SCNs only on March 01, 2012. They submitted that the information sought from them is substantially old and requested SEBI to grant time of four weeks to collect information from their records, a further period of two weeks to communicate with the investors and then to fix the hearing date thereafter. I note that the said letter from the Company was printed on its letter-head which mentioned its address as "*701,*

Anand Mangal- III, Rajnagar Club Lane, Ambawadi, Ahmedabad- 380006, Gujarat", without mentioning its registered office located in Pune.

5. The Company vide another letter dated March 2, 2012 enclosing therewith a death certificate dated October 18, 2011 issued by the Municipal Corporation of Indore, Government of Madhya Pradesh, informed that Mr. Sanjay Jhalani is no more its director as he expired on October 17, 2011 after a prolonged illness. It requested that the said deceased director's name be removed from the list of persons to be summoned in the matter.

6. A complaints validation exercise was conducted by SEBI during March 2012, wherein letters were sent to all complainants whose complaints were pending in the records of SEBI, asking them to confirm whether their complaints were redressed by the Company or not. Pursuant to the exercise, nine complainants informed SEBI that their complaints are still not redressed.

7. The Company and its directors Mr. Deep Kumar Bhanuprasad Trivedi and Mr. Indrajit Vaghela Lakhaji (the noticees) made submissions in the personal hearing held on April 10, 2012. As on the date of hearing, six investors' grievances were pending unresolved by the Company. During the hearing, the Company was advised to explain why the SCN sent to its registered office address (as availabe on the MCA website) was returned undelivered. As the Company requested some more time for redressing the complaints, it was advised to resolve all pending investors' grievances and submit ATR by May 10, 2012. The Company was also informed that failure to do so would entail passing of enforcement directions as contemplated in the SCNs without affording any further opportunities. It was also advised to put in place a system to resolve the investor grievances within a definite period of time and ensure that its correct address is displayed on the websites of stock exchanges (where the Company is listed), the MCA and the SEBI Complaints Redress System (SCORES). It was further informed that the ATR could be submitted in electronic form through SCORES by obtaining necessary authentication. SEBI also issued letters dated April 10, 2012 to the Company and aforesaid two directors reiterating the above directions made in the hearing.

8. Pursuant to the hearing, the noticees vide letter dated April 16, 2012 made their submissions. The Company submitted that notices under these proceedings were not received by it because on and from October 1, 2011, the registered office of the Company was shifted from "*B-1/304, Brahma Memories, Bhosle Nagar, Pune, Maharashtra"* to "*61/3, New Purnima Housing Society, Salisbury park, Gultekri, Pune-37"*. While apologizing for not furnishing this information to the Registrar of Companies (RoC), BSE and SEBI in time, the Company submitted that the same was due to the non-availability of a '*qualified professional company secretary'*. The Company undertook to do the needful immediately and also furnish copies of proper documents in that regard to SEBI.

9. The Company also sent a letter dated May 09, 2012 to SEBI stating that it has enclosed its submissions which was in partial compliance of the investors' grievances. The Company also submitted that it had not received responses from the complainants and that it would be approaching them and requested two more weeks' time for redressing the complaints. On a perusal of the said letter, it is noted that the

enclosures which the Company referred to were only the correspondences from two of the complainants with the Company and did not contain any details of redressal/resolution of their complaints. Though more than two months had elapsed from the date of the aforesaid letter, the Company neither redressed the investors' grievances nor informed SEBI about any steps taken by it to resolve such complaints.

10. I have considered the SCNs issued to the Company and its directors, their letters mentioned above and other material available on record. The SCN issued to Mr. Sanjay Jhalani is disposed off as the proceeding against him in the matter has abated on account of his death.

11. As on date, there are seven investors' complaints pending against the Company for redressal, as mentioned in the following Tables:

Table I - Details of the complaints

Sr. no.	Complaint (New) Registration No.	Nature of Complaint	Date of Receipt
1	SEBIP/MH00/9110490/1	Non-receipt of shares after Transfer	24-Jun-2000
2	SEBIP/MH00/9110494/1	Non-receipt of shares after Transfer	30-Jun-2000
3	SEBIP/MH00/9110862/1	Non-receipt of shares after Transfer	15-Sep-2000
4	SEBIP/MH10/9106511/1	Non-receipt of redemption amount of debt securities	2-Mar-2010
5	SEBIP/MH11/9115998/1	Non-receipt of shares after Transfer	30-Mar-2011
6	SEBIP/MH12/0003879/1	Non Receipt of shares after Demat	13-Mar-2012
7	SEBIP/MH12/0004799/1	Non Receipt of shares after Demat	25-Apr-2012

Table II - Categories of complaints

Nature of Complaints	No. of complaints
Non-receipt of shares after Transfer	4
Non-receipt of redemption amount of debt securities	1
Non-receipt of shares after dematerialization	2
Total	**7**

12. From the above tables, it is noted that the complaints are pending unresolved since the year 2000. The complaints pertain to non-receipt of share certificates after transfer / dematerialization and non-receipt of redemption amount of debt securities. As per section 113 of the Companies Act, 1956, the Company is under an obligation to deliver the share certificates within two months after request for registration of the transfer of shares was made by the transferee shareholder and to give demat credit immediately in case the shares are dealt with a depository. In terms of section 6(2) of the Depositories Act, 1996 read with regulation 54 of the SEBI (Depositories and Participants) Regulations, 1996, the Company, on receipt of share certificates for dematerialization, shall upon verification immediately mutilate and cancel the same and substitute in its records the name of the depository as a registered owner in respect of that security and inform the depository accordingly, which would then enter the name of the shareholder in its records as the beneficial owner. The bye-laws of the depositories (NSDL and CDSL) also contain provisions relating to 'dematerialisation of securities' and the onus is on the Company to

verify and certify the genuineness of the physical share certificates so tendered by the shareholder for dematerialization and then authorise the depository to make an electronic credit for that security in favour of the client (shareholder). I also note that in order to avoid delay in dematerialisation, non-reconciliation of share holding due to lack of proper co-ordination among the concerned agencies/departments which adversely affected the interest of investors, SEBI vide circular dated December 27, 2002 has also mandated that all the work related to share registry in terms of both physical and electronic should be maintained at a single point i.e. either in-house by the company or by a SEBI registered Registrar and Transfer Agent (RTA). Further, in terms of section 117C, the Company is duty bound to pay interest and redeem debentures in accordance with the terms and conditions of the issue. These statutory obligations are mandatory and non-compliances thereof attracts penalty.

13. In addition to the obligations under the Companies Act, the Company is also under an obligation to redress all investors' complaints in terms of the advice/directions of SEBI, in view of the provisions of sections 11 and 15C of the SEBI Act and sections 19C and 19D of the Depositories Act. However, the Company and its directors Mr. Deep Kumar Bhanuprasad Trivedi and Mr. Indrajit Vaghela Lakhaji have not shown any tenacity in resolving the investors' grievances, inspite of sufficient opportunities and time provided to them.

14. Non-redressal of investors' grievances by a listed company would adversely affect the confidence of investors in the securities market. If such defaults are not dealt with by appropriate enforcement action by SEBI, the investors will not have a protected environment for their investments in the securities market. Therefore, the Company and its aforesaid directors are liable for enforcement action under the SEBI Act, without prejudice to action, if any, under any other law.

15. In view of the foregoing, it becomes necessary to issue appropriate directions under sections 11 and 11B of the SEBI Act against the Company and its directors Mr. Deep Kumar Bhanuprasad Trivedi and Mr. Indrajit Vaghela Lakhaji as contemplated in the SCNs issued to them.

16. For the above reasons, I, in exercise of the powers conferred upon me under section 19 of the SEBI Act read with sections 11 and 11B thereof, hereby restrain and prohibit the Company, Top Telemedia Limited and its directors, Mr. Deep Kumar Bhanuprasad Trivedi (DIN: 00787195 and PAN: ABVPT2409C) and Mr. Indrajit Vaghela Lakhaji (DIN: 01376410 and PAN: ABUPV6306R) from accessing the securities market and from buying, selling or dealing in securities, directly or indirectly, in whatsoever manner, till all the investors' grievances against the Company are resolved by them. The aforesaid direction is without prejudice to any other action that may be taken against them in accordance with law.

17. It is also noted from the information available on the websites of MCA and BSE that the registered office address of the Company has not been updated. In terms of section 146(2) of the Companies Act, the Company is under a statutory duty to inform the RoC within thirty (30) days of any change in the registered office. The Company and the said two directors have also not abided by their undertaking made in this regard in their letter dated April 16, 2012. It is necessary that concerned regulators , stock

exchanges and the investors in the shares of the Company are aware of its whereabouts and change of its address should be available to them. Therefore, the Company is advised to immediately inform its present registered office address to the MCA/RoC, BSE and SEBI and ensure that any changes in its registered office whenever made, is informed to them.

18. A copy of this Order shall be forwarded to the Registrar of Companies, Maharashtra (Pune) for information and action that may be deemed appropriate in respect of failure of the Top Telemedia Ltd. to disclose change in its registered office.

Date: August 10th, 2012
Place: Mumbai

RAJEEV KUMAR AGARWAL
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA