

**BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI
CORAM: S. RAMAN, WHOLE TIME MEMBER**

ORDER

Under Sections 11(1), 11A, 11B and 11(4) of the Securities and Exchange Board of India Act, 1992 in the matter of M/s. Vaibhav Pariwar India Projects Limited (CIN-U70200WB2009PLC134643) and its Directors viz. Shri Rajesh Kumar Rai (DIN-02533476; PAN-AOJPR4225D), Shri Manoj Kumar Rai (DIN-02538196), Shri Binay Kumar Lall (DIN-03015204; PAN-ADGPL3888E) and Smt. Indrakala Rai (DIN-2533353; PAN-AOJPR4226A) and its Debenture Trustees viz. Shri Ashok Kumar Banerjee and Smt. Chandrima Sarkar

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1. Securities and Exchange Board of India ("**SEBI**") received a complaint dated April 29, 2014 from an investor alleging non-payment of interest and maturity amount in respect of Secured Redeemable Non-Convertible Debentures issued by Vaibhav Pariwar India Projects Limited ("**VPIPL**").
 2. Thereafter, SEBI vide letters each dated May 16, 2014, advised VPIPL and its three Directors to furnish inter alia the following information/documents in respect of issuance of shares/debentures/other schemes, within 15 days from the date of receipt of aforesaid letter, viz.-
 - i. Copy of the Memorandum and Articles of Association of the company;
 - ii. Copy of Audited Annual Accounts of the company for the last 3 years;
 - iii. Name, addresses and occupation of all the promoters/directors of the company;
 - iv. Names and details of the Key Managerial Personnel of the company;
 - v. Other information in respect of issue of shares/debentures issued by the company, viz. –
 - a) Copy of Prospectus/Red Herring Prospectus/Statement in lieu of Prospectus/Information Memorandum filed with Registrar of Companies ("RoC") for issuance of shares/debentures;
 - b) Date of opening and closing of the subscription list;

- c) Details regarding the number of application forms circulated inviting subscription;
 - d) Details regarding the number of applications received;
 - e) Details regarding the number of allottees and list of such allottees;
 - f) Number of shares/debentures allotted and value of such allotment against each allottee's name;
 - g) Details regarding subscription amount raised;
 - h) Date of allotment of shares/debentures ;
 - i) Copies of the minutes of Board/Committee meeting in which the resolution was passed for allotment;
 - j) Date of dispatch of debenture/share certificates etc.;
 - k) Details of the total number of applicants for each of its scheme besides the list of final allottees;
 - l) Copies of application forms, pamphlets, advertisements and other promotional material circulated for issuance of shares/debentures;
 - m) Terms and conditions of the issue of shares/debentures;
 - n) Whether the company has applied for listing of its securities with any of the stock exchanges;
 - o) Copy of Form 2 and Form 10 filed with "RoC" (along with all the attachments)
 - p) Details of debenture trustee viz. name , address, board resolution authorizing their appointment, etc.
 - q) Other information in respect of any other schemes launched by VPIPL for raising funds.
3. Since the abovementioned letter to VPIPL and one of the Directors was returned undelivered, SEBI vide letters dated June 10, 2014 to two of the Directors and vide letters dated June 27, 2014 to VPIPL and one of the Directors, once again sought the information (sought vide its letter dated May 16, 2014). All but one of the aforesaid letters, were returned undelivered. In respect of the letter dated June 10, 2014, which was delivered to a Director of VPIPL i.e. Shri Binay Kumar Lall, no reply has been received by SEBI as on date, from this Director of VPIPL.
4. VPIPL vide letter dated June 21, 2014, signed by one of the Directors i.e. Shri Rajesh Kumar Rai, (received by SEBI on June 24, 2014), sought three weeks' time to provide a

reply to the aforementioned SEBI letter. However, no information has been submitted by VPIPL till date.

5. SEBI also received a complaint dated June 05, 2014 from another investor in respect of the non-payment of interest and maturity amount in respect of Secured Redeemable Non-Convertible Debentures issued by VPIPL.
6. Meanwhile, RBI vide letter dated July 04, 2014 and Office of the Director, Economic Offences Investigation Cell, Finance Department, Govt. of West Bengal, Kolkata vide letter dated July 28, 2014 also forwarded a complaint received by them from an investor of VPIPL regarding non-payment of maturity amount in respect of Secured Redeemable Non-Convertible Debentures issued by VPIPL.
7. The material available on record i.e. the information obtained from the Ministry of Corporate Affairs' website i.e. '*MCA 21 Portal*', the complaints received by SEBI along with documents annexed with the abovementioned complaints and correspondence exchanged between SEBI and VPIPL have been perused. On an examination of the same, it is observed that –
 - i. VPIPL was incorporated on April 20, 2009, with the RoC, Kolkata, with CIN No. as U70200WB2009PLC134643. VPIPL has its Registered Office at A.D.D.A Colony (KSTP), Plot No-AJ-8, Post Office- South Dhadka, Asansol, West Bengal 713302.
 - ii. The Directors in VPIPL are Shri Rajesh Kumar Rai, Shri Manoj Kumar Rai and Shri Binay Kumar Lall.
 - iii. Details obtained from the '*MCA 21 Portal*' indicate that Smt. Indrakala Rai, who was earlier Director in VPIPL, has since resigned.
 - iv. From the Balance Sheet for the financial years 2009-10, 2010-11, 2011-12 and 2012-13 filed by VPIPL with the RoC, obtained from *MCA 21 Portal*, it is observed that VPIPL issued and allotted *Secured Redeemable Non-Convertible Debentures* ("*Offer of NCDs*") as under:

Year	Security	Amount Raised (Rs.in Crores)	No. of Allottees (Approx)
2009 – 10	Secured Redeemable Non - Convertible Debenture	0.1063	1063*
2010 – 11		1.5587	Not Known
2011 – 12		4.4799	Not Known
2012 - 13		8.3264	5896**
	Total	14.4713	

*Auditor in the audit report for the year ended March 31,2010 has mentioned that *"The company has issued debenture of Rs. 1063000.00 and the no's of debenture holders is 1063 during the year and from the records made available it appears that the necessary formalities have been complied with in this regard."*

** As per the Annual Return of the Company filed for the year ended 2012-13

- v. It is also observed from the Balance Sheets that VPIPL has not created any Debenture Redemption Reserve and failure to create Debenture Redemption Reserve is prejudicial to the interests of the debenture holders.
 - vi. Form 10 (Particulars for registration of charges for debenture filed by VPIPL with the RoC) revealed that VPIPL has created two charges for amount of Rs.10 Crore each on May 06, 2009 and March 06, 2012. It is also observed that VPIPL has attached a Charitable Trust Deed instead of Debenture Trust Deed with Form 10.
8. In the context of the abovementioned details of the *Offer of NCDs*, the issue for determination is whether the mobilization of funds by VPIPL through the issue of *Secured Redeemable Non-Convertible Debentures*, is in accordance with the provisions of the SEBI Act, 1992 ("**SEBI Act**") read with the SEBI (Issue and Listing of Debt Securities), Regulations, 2008 ("**Debt Securities Regulations**"); the Companies Act, 1956 read with the Companies Act, 2013.
 9. I note that the jurisdiction of SEBI over various provisions of the Companies Act in the case of public companies, whether listed or unlisted, when they issue and transfer securities, flows from the provisions of Section 55A of the Companies Act. While examining the scope of Section 55A of the Companies Act, 1956, the Hon'ble Supreme Court of India in *Sahara India Real Estate Corporation Limited & Ors. vs. SEBI (Civil Appeal no. 9813 of 2011) (Judgment dated August 31, 2012)* (hereinafter referred to as the "*Sahara Case*"), had observed that:

"We, therefore, hold that, so far as the provisions enumerated in the opening portion of Section 55A of the Companies Act, so far as they relate to issue and transfer of securities and non-payment of dividend is concerned, SEBI has the power to administer in the case of listed public companies and in the case of those public companies which intend to get their securities listed on a recognized stock exchange in India."

10. In this regard –

- i. Reference is also made to Sections 67(1) and 67(3) of the Companies Act, 1956, which are reproduced as under:

"67. (1) Any reference in this Act or in the articles of a company to offering shares or debentures to the public shall, subject to any provision to the contrary contained in this Act and subject also to the provisions of sub-sections (3) and (4), be construed as including a reference to offering them to any section of the public, whether selected as members or debenture holders of the company concerned or as clients of the person issuing the prospectus or in any other manner.

(2) ...

(3) No offer or invitation shall be treated as made to the public by virtue of sub- section (1) or sub-section (2), as the case may be, if the offer or invitation can properly be regarded, in all the circumstances-

(a) as not being calculated to result, directly or indirectly, in the shares or debentures becoming available for subscription or purchase by persons other than those receiving the offer or invitation; or

(b) otherwise as being a domestic concern of the persons making and receiving the offer or invitation

...

Provided *that nothing contained in this sub-section shall apply in a case where the offer or invitation to subscribe for shares or debentures is made to fifty persons or more:*

Provided further *that nothing contained in the first proviso shall apply to non-banking financial companies or public financial institutions specified in section 4A of the Companies Act, 1956 (1 of 1956)."*

- ii. While examining the scope of Section 67 of the Companies Act, 1956, the Hon'ble Supreme Court of India in the *Sahara Case* observed that:

"Section 67(1) deals with the offer of shares and debentures to the public and Section 67(2) deals with invitation to the public to subscribe for shares and debentures and how those expressions are to

be understood, when reference is made to the Act or in the articles of a company. The emphasis in Section 67(1) and (2) is on the "section of the public". Section 67(3) states that no offer or invitation shall be treated as made to the public, by virtue of subsections (1) and (2), that is to any section of the public, if the offer or invitation is not being calculated to result, directly or indirectly, in the shares or debentures becoming available for subscription or purchase by persons other than those receiving the offer or invitation or otherwise as being a domestic concern of the persons making and receiving the offer or invitations. Section 67(3) is, therefore, an exception to Sections 67(1) and (2). If the circumstances mentioned in clauses (1) and (b) of Section 67(3) are satisfied, then the offer/invitation would not be treated as being made to the public.

The first proviso to Section 67(3) was inserted by the Companies (Amendment) Act, 2000 w.e.f. 13.12.2000, which clearly indicates, nothing contained in Sub-section (3) of Section 67 shall apply in a case where the offer or invitation to subscribe for shares or debentures is made to fifty persons or more. ...

Resultantly, if an offer of securities is made to fifty or more persons, it would be deemed to be a public issue, even if it is of domestic concern or proved that the shares or debentures are not available for subscription or purchase by persons other than those received the offer or invitation. ...

I may, therefore, indicate, subject to what has been stated above, in India that any share or debenture issue beyond forty nine persons, would be a public issue attracting all the relevant provisions of the SEBI Act, regulations framed thereunder, the Companies Act, pertaining to the public issue. ..."

- iii. In the instant matter, for ascertaining whether the *Offer of NCDs* is a public issue or an issue on private placement basis in accordance with Section 67 of the Companies Act, 1956, the number of subscribers is of utmost importance.
 - a. Under the *Offer of NCDs* it is observed from the Balance Sheet for the financial years 2009-10, 2010-11, 2011-12 and 2012-13 filed by VPIPL with the RoC, that VPIPL mobilized an amount of approximately ₹14.47 Crores as on March 31, 2013 from at least 6959 subscribers/investors (1063 subscribers/investors in the financial year 2009-10 and 5896 subscribers/investors in the financial year 2012-13). Though, the number of subscribers/investors under the *Offer of NCDs* for the financial years 2010-11 and 2011-12 is not available from the filings made and further VPIPL has failed to provide the information sought by SEBI, it is reasonable to infer that the *Offer of NCDs* in the financial years 2010-11 and 2011-12 was a continuation of the *Offer of NCDs* which commenced in the financial

year 2009-10, which in itself was nothing but a public issue by virtue of the number of subscribers/investors being 1063. I therefore, find that the *Offer of NCDs* was nothing but a public issue of securities under the first proviso to Section 67(3) of the Companies Act, 1956.

- b. It is also observed that vide letter dated July 04, 2014, RBI informed SEBI that VPIPL was not registered with that authority. In view of the same, VPIPL is therefore not covered under the second proviso to Section 67(3) of the Companies Act, 1956
- c. In view of the aforesaid, the *Offer of NCDs* would *prima facie* qualify as a public issue under the first proviso to Section 67(3) of the Companies Act, 1956, which has been elucidated by the Hon'ble Supreme Court of India in the *Sahara Case*. In this regard, it is pertinent to note that by virtue of Section 55A of the Companies Act, Section 67 of that Act, so far as it relates to issue and transfer of securities, shall also be administered by SEBI.

11. I note that –

- i. From the abovementioned, it will follow that since the *Offer of NCDs* is a public issue of securities, such securities shall also have to be listed on a recognized stock exchange, as mandated under Section 73 of the Companies Act, 1956. In this regard, reference is made to Sections 73 of the Companies Act, 1956, of which sub-Sections (1), (2) and (3) are relevant for the instant case, which is reproduced as under:

"73. (1) Every company intending to offer shares or debentures to the public for subscription by the issue of a prospectus shall, before such issue, make an application to one or more recognised stock exchanges for permission for the shares or debentures intending to be so offered to be dealt with in the stock exchange or each such stock exchange.

(1A) ...

(2) Where the permission has not been applied under subsection (1) or such permission having been applied for, has not been granted as aforesaid, the company shall forthwith repay without interest all moneys received from applicants in pursuance of the prospectus, and, if any such money is not repaid within eight days after the company becomes liable to repay it, the company and every director of the company who is an officer in default shall, on and from the expiry of the eighth day, be jointly and

severally liable to repay that money with interest at such rate, not less than four per cent and not more than fifteen per cent, as may be prescribed, having regard to the length of the period of delay in making the repayment of such money.

(3) All moneys received as aforesaid shall be kept in a separate bank account maintained with a Scheduled Bank 1 [until the permission has been granted, or where an appeal has been preferred against the refusal to grant such. permission, until the disposal of the appeal, and the money standing in such separate account shall, where the permission has not been applied for as aforesaid or has not been granted, be repaid within the time and in the manner specified in sub- section (2)]; and if default is made in complying with this sub- section, the company, and every officer of the company who is in default, shall be punishable with fine which may extend to fifty thousand rupees.”

- ii. In the *Sahara Case*, the Hon'ble Supreme Court of India also examined Section 73 of the Companies Act, 1956, wherein it observed that –

"Section 73(1) of the Act casts an obligation on every company intending to offer shares or debentures to the public to apply on a stock exchange for listing of its securities. Such companies have no option or choice but to list their securities on a recognized stock exchange, once they invite subscription from over forty nine investors from the public. If an unlisted company expresses its intention, by conduct or otherwise, to offer its securities to the public by the issue of a prospectus, the legal obligation to make an application on a recognized stock exchange for listing starts. Sub-section (1A) of Section 73 gives indication of what are the particulars to be stated in such a prospectus. The consequences of not applying for the permission under sub-section (1) of Section 73 or not granting of permission is clearly stipulated in sub-section (3) of Section 73. Obligation to refund the amount collected from the public with interest is also mandatory as per Section 73(2) of the Act. Listing is, therefore, a legal responsibility of the company which offers securities to the public, provided offers are made to more than 50 persons."

- iii. In the facts of the instant case, since the *Offer of NCDs* is *prima facie* a public issue in accordance with the provisions of the Companies Act, 1956, the same will attract the requirement of compulsory listing before a recognized stock exchange in terms of Section 73(1) of the Companies Act, 1956. Hence, it *prima facie*, appears that VPIPL has violated the provisions of Section 73(1) of the Companies Act, 1956, since it has failed to ensure listing of the securities issued under the *Offer of NCDs* with a recognised stock exchange.

- iv. As per Section 73(2) of the Companies Act, 1956, the obligation to refund the amount with interest that was collected from investors under the *Offer of NCDs* is mandatory on VPIPL. In this regard, there is no evidence on record to indicate whether or not VPIPL has paid interest to the investors where such NCDs are not allotted within 8 days, as per the aforesaid Section. In view of the same, I find that *prima facie* VPIPL has not complied with the provisions of Section 73(2) of the Companies Act, 1956.
 - v. Section 73(3) of Companies Act, 1956, says that all moneys received shall be kept in a separate bank account maintained with a Scheduled Bank and if default is made in complying with this sub-Section, the company, and every officer of the company who is in default, shall be punishable with fine which may extend to fifty thousand rupees. In the instant case, there is no evidence on record to indicate whether or not funds received from the investors under the *Offer of NCDs* was kept in separate bank account by VPIPL. In view of the same, I find that *prima facie* VPIPL has not complied with the provisions of Section 73(3) of Companies Act, 1956.
12. Under Section 2(36) read with Section 60 of the Companies Act, 1956, a company needs to register its prospectus with the RoC, before making a public offer or issuing the prospectus. As per the aforesaid Section 2(36), "*prospectus*" means any document described or issued as a prospectus and includes any notice, circular, advertisement or other document inviting deposits from the public or inviting offers from the public for the subscription or purchase of any shares in, or debentures of, a body corporate. As mentioned above, since the *Offer of NCDs* was made to fifty persons or more, it has to be construed as a public offer. Having made a public offer, VPIPL was required to register a prospectus with the RoC under Section 60 of the Companies Act, 1956. In the instant case, there is no evidence on record to indicate whether or not VPIPL has filed a prospectus. In view of the same, I find that *prima facie* VPIPL has not complied with the provisions of Section 60 of Companies Act, 1956.
13. Under Section 56(1) of the Companies Act, 1956, every prospectus issued by or on behalf of a company, shall state the matters specified in Part I and set out the reports specified in Part II of Schedule II of that Act. Further, as per Section 56(3) of the Companies Act, 1956, no one shall issue any form of application for shares in or

debentures of a company, unless the form is accompanied by abridged prospectus, contain disclosures as specified. Based on the material available on record, I find that VPIPL has not complied with the provisions of Section 56(1) and 56(3) of the Companies Act, 1956 and therefore *prima facie*, has violated the aforesaid provisions.

14. Under Section 117B of the Companies Act, 1956, no company shall issue a prospectus or a letter of offer to the public for subscription of its debentures, unless it has, before such issue, appointed one or more debenture trustees for such debentures and the company has, on the face of the prospectus or the letter of offer, stated that the debenture trustee or trustees have given their consent to the company to be so appointed. Further, under Section 117C of the aforesaid Act, where a company issues debentures, it shall create a debenture redemption reserve for the redemption of such debentures, to which adequate amounts shall be credited, from out of its profits every year until such debentures are redeemed. Based on the material available on record, I find that VPIPL has not complied with the provisions of Sections 117B–C of the Companies Act, 1956 and therefore, has *prima facie* violated the aforesaid provisions.
15. It is pertinent to note that though the Companies Act, 1956, has been repealed by the Companies Act, 2013, anything done or any action taken or purported to have been done or taken under the Companies Act, 1956, is deemed to have been done or taken under the corresponding provisions of the Companies Act, 2013, by virtue of Section 465(2) of the Companies Act, 2013, and is therefore saved regardless of the repeal of the Companies Act, 1956. Section 465(2)(a) of the Companies Act, 2013, provides that:

"(2)Notwithstanding the repeal under sub-section (1) of the repealed enactments, -

(a) anything done or any action taken or purported to have been done or taken, including any rule, notification, inspection, order or notice made or issued or any appointment or declaration made or any operation undertaken or any direction given or any proceeding taken or any penalty, punishment, forfeiture or fine imposed under the repealed enactments shall, insofar as it is not inconsistent with the provisions of this Act, be deemed to have been done or taken under the corresponding provisions of this Act;"

16. In addition to the above, reference may be made to the Debt Securities Regulations, which were framed by SEBI in exercise of its powers under Section 30 of the SEBI Act and are applicable to the public issue and listing of debt securities. It may be relevant to

note that under the aforesaid Regulations, '*debt securities*' have been defined as '*non-convertible debt securities which create or acknowledge indebtedness, and include debenture...*' In this context, I find that VPIPL, through the *Offer of NCDs*, which is a public issue of debt securities, has *prima facie* violated the following provisions of the aforesaid Regulations, which contain *inter alia* conditions for public issue and listing of debt securities, viz.

- i. Regulation 4(2)(a) – *Application for listing of debt securities*
 - ii. Regulation 4(2)(b) – *In-principle approval for listing of debt securities*
 - iii. Regulation 4(2)(c) – *Credit rating has been obtained*
 - iv. Regulation 4(2)(d) – *Dematerialization of debt securities*
 - v. Regulation 4(4) – *Appointment of Debenture Trustee*
 - vi. Regulation 5(2)(b) – *Disclosure requirements in the Offer Document*
 - vii. Regulation 6 – *Filing of draft Offer Document*
 - viii. Regulation 7 – *Mode of disclosure of Offer Document*
 - ix. Regulation 8 – *Advertisements for Public Issues*
 - x. Regulation 9 – *Abridged Prospectus and application forms*
 - xi. Regulation 12 – *Minimum subscription*
 - xii. Regulation 14 – *Prohibition of mis-statements in the Offer Document*
 - xiii. Regulation 15 – *Trust Deed*
 - xiv. Regulation 16 – *Debenture Redemption Reserve*
 - xv. Regulation 17 – *Creation of security*
 - xvi. Regulation 19 – *Mandatory Listing*
 - xvii. Regulation 26 – *Obligations of the Issuer, etc.*
17. Upon a consideration of the aforementioned paragraphs, I am of the view that VPIPL is *prima facie* engaged in fund mobilising activity from the public, through the *Offer of NCDs* and as a result of the aforesaid activity has violated the aforementioned provisions of the Companies Act, 1956 (Section 56, Section 60 read with Section 2(36), Section 73, Section 117B, Section 117C) read with Companies Act, 2013 and the Debt Securities Regulations.
18. From the material available on record, it is observed that VPIPL appointed Shri Ashok Kumar Banerjee and Smt. Chandrima Sarkar as Debenture Trustees for the *Offer of NCDs* by that company.

19. Section 12(1) of the SEBI Act states that: "*No... trustee of trust deed ... shall buy, sell or deal in securities except under, and in accordance with, the conditions of a certificate of registration obtained from the Board in accordance with the regulations made under this Act*". Further, Regulation 7 of SEBI (Debenture Trustees) Regulations, 1993 ("**Debenture Trustees Regulations**"), provides that: "*no person should act as a debenture trustee unless he is either –*
- i. a scheduled bank carrying on commercial activity; or*
 - ii. a public financial institution within the meaning of section 4A of the Companies Act, 1956; or*
 - iii. an insurance company; or*
 - iv. body corporate."*
20. Based on the material available on record, I find that Shri Ashok Kumar Banerjee and Smt. Chandrima Sarkar have *prima facie* failed to meet the eligibility criteria specified under the provisions of the Debenture Trustees Regulations and therefore, have acted as unregistered Debenture Trustees, which amounts to violation of the abovementioned provisions of the SEBI Act read with the Debenture Trustees Regulations.
21. SEBI has a statutory duty to protect the interests of investors in securities and promote the development of, and to regulate, the securities market. Section 11 of the SEBI Act has empowered it to take such measures as it thinks fit for fulfilling its legislative mandate. Further, as per the provisions of Section 55A of the Companies Act, 1956 read with Section 465 of the Companies Act, 2013, administrative authority on the subjects relating to public issue of securities is exclusively with SEBI. For this purpose, SEBI can exercise its jurisdiction under Sections 11(1), 11A, 11B and 11(4) of the SEBI Act read with Section 55A of the Companies Act, 1956 and Section 465 of the Companies Act, 2013, over companies who issue *Redeemable Non-Convertible Debentures* to fifty persons or more, but do not comply with the applicable provisions of the aforesaid Companies Acts and the Debt Securities Regulations. Steps therefore, have to be taken in the instant matter to ensure only legitimate fund raising activities are carried on by VPIPL and no investors are defrauded. It is pertinent to mention that urgent measures have to be taken in the matter as VPIPL and its Directors have failed to submit relevant information to SEBI. In light of the same, I find there is no other alternative but to take recourse through an interim action against VPIPL and its Directors alongwith its Debenture Trustees, viz. Shri Ashok Kumar Banerjee and Smt. Chandrima Sarkar, for preventing

that company from further carrying on with its fund mobilising activity under the *Offer of NCDs*.

22. In view of the foregoing, I, in exercise of the powers conferred upon me under Sections 11(1), 11(4), 11A and 11B of the SEBI Act read with the Debt Securities Regulations and the Debenture Trustees Regulations, hereby issue the following directions –

- i. VPIPL shall not mobilize funds from investors through the *Offer of NCDs* or through the issuance of equity shares or any other securities, to the public and/or invite subscription, in any manner whatsoever, either directly or indirectly till further directions;
- ii. VPIPL and its abovementioned Directors, viz. Shri Rajesh Kumar Rai, Shri Manoj Kumar Rai, Shri Binay Kumar Lall and Smt. Indrakala Rai and its Debenture Trustees viz. Shri Ashok Kumar Banerjee and Smt. Chandrima Sarkar, are prohibited from issuing prospectus or any offer document or issue advertisement for soliciting money from the public for the issue of securities, in any manner whatsoever, either directly or indirectly, till further orders;
- iii. VPIPL and its Directors, are restrained from accessing the securities market and further prohibited from buying, selling or otherwise dealing in the securities market, either directly or indirectly, till further directions;
- iv. VPIPL shall provide a full inventory of all its assets and properties;
- v. VPIPL's Directors shall provide a full inventory of all their assets and properties;
- vi. VPIPL and its Directors shall not dispose of any of the properties or alienate or encumber any of the assets owned/acquired by that company through the *Offer of NCDs*, without prior permission from SEBI;
- vii. VPIPL and its Directors shall not divert any funds raised from public at large through the *Offer of NCDs*, which are kept in bank account(s) and/or in the custody of VPIPL;
- viii. VPIPL and its Directors shall furnish complete and relevant information (as sought by SEBI vide letters dated May 16, 2014, June 10, 2014 and June 27, 2014) including the number of subscribers to the issue of *Secured Redeemable Non-Convertible Debentures* in the financial years 2010-11 and 2011-12, within 21 days from the date of receipt of this Order.
- ix. The Debenture Trustees, viz. Shri Ashok Kumar Banerjee and Smt. Chandrima Sarkar, are prohibited from continuing with their present assignment as a debenture

trustee in respect of the *Offer of NCDs* of VPIPL and also from taking up any new assignment or involvement in any new issue of debentures, etc. in a similar capacity, from the date of this order till further directions.

23. The above directions shall take effect immediately and shall be in force until further orders.
24. The *prima facie* observations contained in this Order are made on the basis of the material available on record i.e. the information obtained from the Ministry of Corporate Affairs' website i.e. '*MCA 21 Portal*', the complaints received by SEBI along with documents annexed with the abovementioned complaints and correspondence exchanged between SEBI and VPIPL. In this context, VPIPL and its abovementioned Directors may, within 21 days from the date of receipt of this Order, file their reply, if any, to this Order and may also indicate whether they desire to avail themselves an opportunity of personal hearing on a date and time to be fixed on a specific request made in that regard.
25. Similarly, the Debenture Trustees, viz. Shri Ashok Kumar Banerjee and Smt. Chandrima Sarkar, may, within 21 days from the date of receipt of this Order, file their reply, if any, to this Order and may also indicate whether they would desire to avail themselves an opportunity of personal hearing on a date and time to be fixed on a specific request made in that regard.
26. This Order is without prejudice to the right of SEBI to take any other action that may be initiated against VPIPL and its abovementioned Directors; its Debenture Trustees, viz. Shri Ashok Kumar Banerjee and Smt. Chandrima Sarkar, in accordance with law.

Place: Mumbai
Date: December 29, 2014

S. RAMAN
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA