

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI

ORDER

Under Sections 11, 11A, 11B and 11(4) of the Securities and Exchange Board of India Act, 1992 read with SEBI (ICDR) Regulations, 2009, against Verinder Finance Limited and its Directors namely Ranjit Kumar Basu Mullick (**DIN: 00662604**), Ashish Chatterjee (**PAN: AGMPC3484E; DIN: 02250317**), Indu Bhanot (**PAN:AAZPB7236L DIN: 00824742**), Akhil Bhanot (**PAN:AKEPB5552G; DIN: 00824933**), Ramendu Chattopadhyay (**PAN:AFMPC2809L; DIN: 00596380**), Satya Ranjan Debnath (**PAN:APSPD5747C; DIN: 06646616**), Tariq Nafees (**PAN:AERP9805M; DIN: 00589721**), Surinder Kumar Malhotra (**DIN: 01629730**), Biswajit Chakarborty (**PAN:ABWPC5031E; DIN: 06786036**), Purnendu Santra (**PAN:BSSPS9845L; DIN: 03120414**), Sudhakar Panda (**PAN:BBSP5763P; DIN: 06648198**), Verinder Bhanot, and Barun Kanti Majumder (**PAN:AOSPM3860Q; DIN: 02071701**).

1. Securities and Exchange Board of India (hereinafter referred to as "SEBI") received a reference from Reserve Bank of India (RBI) vide letter dated March 12, 2014 regarding collection of money by Verinder Finance Limited (hereinafter referred to as "VFL") by way of issuance of compulsorily convertible preference shares (hereinafter referred to as CCPS). RBI also forwarded to SEBI with the above said letter, the replies of VFL submitted to RBI vide its letters dated September 11, 2013 and November 9, 2013 along with the copy of the Application Form in respect of CCPS, for examining the matter further.

2. In order to examine the issuance of CCPS further, SEBI vide letter dated July 10, 2014 sought from VFL, the details of the issuance of equity shares, debentures and/or convertible securities during April 1, 2009, till the date of the letter. The said letter returned undelivered. Thereafter, SEBI also sought the following details by letter dated October 29, 2014, from VFL and its statutory auditor.

A. Audited Balance Sheet and Profit & Loss Account of the company for the financial year April 1,2013 to March, 31 2014.

B. Name, addresses and PAN numbers and occupation of all the promoters/directors of the company.

C. Year wise Statement of mobilization of funds through issue of convertible cumulative preference shares / debentures/ equity shares or any other instrument duly certified by the Statutory Auditors of the company.

D. Names and details of the Key Managerial Personnel of the company

E. Copies of Annual Report and Annual Return filed with ROC since incorporation.

F. Copies of Tax Returns filed with the Income Tax authorities since incorporation.

G. Other information in respect of each and every series of preference shares issued by the company, viz.-

- a. Details regarding filing of Prospectus/Red Herring Prospectus with ROC.
- b. Date of opening and closing of the subscription list.
- c. The details of opening and closing of the issue, quantum of funds raised and proposed to be raised.
- d. List of agents with addresses who have been appointed by the company.
- e. Details regarding the number of application forms circulated inviting subscription.
- f. Details regarding the number of applications received and number of allottees.
- g. The number of allottees and the list of allottees along with their name, address, number of preference shares issued, folio number, certificate number, distinctive number and amount collected from each allottee since incorporation till date in the
- h. Details regarding subscription amount raised.
- i. Date of allotment of the preference shares.
- j. Copies of the minutes of Board/Committee meeting in which the resolution has been passed for issue and allotment of preference shares.
- k. Date of dispatch of preference shares certificates, etc.

l. Copies of application forms, RHP, pamphlets, advertisements and other promotional material circulated for issuance of preference shares.

m. Terms and conditions of the issue of preference shares.

H. Any other information in connection with the matter.

3. The said letter to VFL returned undelivered with remarks “addressee left”. However, the statutory auditors vide letter dated November 07, 2014 replied that they had resigned as statutory auditor of VFL on October 31, 2013 and do not have latest information about VFL.

4. The materials available on record including those submitted by the VFL to RBI and the details taken from MCA *Portal 21* including the Balance sheets of VFL between the period of March 31, 2004 and March 31, 2013, have been examined. On an examination of the same, it is observed that –

- i. VFL was incorporated on October 15, 1985 (CIN: U6120JK1985PLC000826) and has registered office at Hall No.216, B-2, 2nd Floor, South Block, Bahu Plaza, Jammu, Jammu & Kashmir-180012.
- ii. VFL was granted a certificate of registration No A-1100040 dated December 29, 2000 from RBI as Deposit taking Non Banking Finance Company.
- iii. Register of Companies (ROC) granted a fresh certificate of incorporation dated August 13, 2002 entering in the certificate the change of name from Virender Finance Pvt Ltd. to Virender Finance Ltd.
- iv. VFL had made an application for name change to ROC and vide letter dated June 20, 2012, the Registrar of Companies had granted no objection for name change to Tower Finlease Ltd. However, no such name could be located in MCA 21 records.
- v. VFL has a paid up capital of Rs.26,70,000 at par value of Rs. 100/- each as on March 31, 2012. The authorised capital of the company as on March 31, 2012 is Rs. 2,05,00,000 divided into 2,05,000 equity shares of Rs.100/-each.
- vi. VFL in its Extraordinary General Meeting held on December 28, 2012 had approved increase of authorised share capital from Rs. 2,05,00,000 to

12,05,00,000 which included 10,00,000 CCPS at the face value of Rs. 100. Thereafter, VFL decided to issue 10,00,000 CCPS at 14% treating the same as Tier II Capital of VFL.

- vii. However, the said increase in the authorised capital and the issuance of 10,00,000 CCPS is not disclosed in the Balance sheet of the VFL as on March 31, 2013.
- viii. VFL had raised a total amount of Rs.7,05,000 from 1988 subscribers by the issuance of CCPS.
- ix. This offer of CCPS and collection of money were done without filing Prospectus and other disclosure requirements.
- x. Ranjit Kumar Basu Mullick, Ashish Chatterjee, Purnendu Santra, Satya Ranjan Debnath, Sudhakar Panda, Biswajit Chakarborty and Ramendu Chattopadhyay, Tariq Nafees are the present directors of the company.
- xi. Indu Bhanot, Akhil Bhanot, Surinder Kumar Malhotra, Verinder Bhanot, Barun Kanti Majumder were the directors who had resigned.

5. In view of the allegations against the Company made in the reference sent by Reserve Bank of India, the question that arises for consideration is whether the offer of the aforesaid CCPS by VFL and the collection of money from 1988 subscribers, were done in accordance with the provisions of the Companies Act, 1956, the SEBI Act, 1992 and the relevant regulations framed there-under.

6. As noted above VFL, in total, has offered CCPS to 1988 subscribers and collected Rs.7,05,000 out of such issuance. At this juncture, reference may be made to section 67(1) & (3) of the Companies Act, 1956:

"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) any reference in this Act or in the articles of a company to invitations to the public to subscribe for shares or debentures shall, subject as aforesaid, be construed as including a reference to invitations to subscribe for them extended 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.

(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).”

7. The following observations of the Hon'ble Supreme Court of India in *Sahara India Real Estate Corporation Limited & Ors. Vs. SEBI* (Civil Appeal no. 9813 and 9833 of 2011) (hereinafter referred to as the 'Sahara Case'), while examining the scope of Section 67 of the Companies Act, 1956, are worth consideration:-

"84. 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.

85. 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, after 13.12.2000, any offer of securities by a public company to fifty persons or more will be treated as a public issue under the Companies Act, even if it is of domestic concern or it is proved that the shares or debentures are not available for subscription or purchase by persons other than those receiving the offer or invitation. A public company can escape from the rigor of provisions, if the offer is made by companies mentioned under Section 67(3A), i.e. by public financial institutions specified under Section 4A or by non-banking financial companies referred to in Section 45I(f) of the Reserve Bank of India Act, 1934.

Following situations, it is generally regarded, as not an offer made to public.

- Offer of securities made to less than 50 persons;
- Offer made only to the existing shareholders of the company (Right Issue);
- Offer made to a particular addressee and be accepted only persons to whom it is addressed;
- Offer or invitation being made and it is the domestic concern of those making and receiving the offer.

86. 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...."

8. It is noted that as per the *first proviso* to Section 67(3) Companies Act, 1956, the public offer and listing requirements contained in that Act would become automatically applicable to a company making the offer to fifty or more persons. However, the *second proviso* to Section 67(3) exempts NBFCs and Public Financial Institutions ("**PFI**s") from the applicability of the *first proviso*. Simply put, the requirements of public offer under the Companies Act, 1956, would not be triggered for an NBFC or PFIs making an offer of shares or debentures in terms of Section 67 of that Act, to fifty or more persons, if the concerned NBFC or PFI can show that the offer was a private placement in terms of the aforesaid Section 67(3).

9. Section 67(3) provides for situations when an offer is not considered as offer to public. As per the said sub section, if the offer is one which is not 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 {(section 67(3)(a))}, or, if the offer is the domestic concern of the persons making and receiving the offer {(section 67(3)(b))}, the same are not considered as public offer. Under such circumstances, they are considered as private placement of shares and debentures.

10. In the instant case, I find that VFL has admittedly received a certificate of registration as NBFC on December 29, 2000. VFL has offered CCPS to 1988 persons pursuant to the resolution dated December 28, 2012 wherein the board of VFL approved the increase of authorised share capital from Rs. 2,05,00,000 to 12,05,00,000 which included 10,00,000 CCPS at the face value of Rs. 100.

11. On perusal of the copy of the application for CCPS, in the instruction portion of the application form, it is claimed that the offer is made on private placement basis and cannot be accepted by any persons other than those to whom it has been extended. It is also claimed that the offer cannot be transferred. I find that the application number is not serially numbered nor does it indicate in any fashion that it was intended for use by a particular person who was approached specifically, namely by having the signature portion of the application to carry the name of the proposed allottee. VFL has not submitted other evidence to indicate that the offer or invitation to offer was made only on private placement

basis. A mere mention in the application form that offer is made on private placement does not alter the character of the offer which is other-wise falling within the meaning of public offer. In view of this, and the further fact that 1988 persons have been offered CCPS and money has been collected as on November 09,2013, shows that the offer was one calculated to result, directly or indirectly, in the shares becoming available for subscription or purchase by any person and not only by those who were identified upfront. Hence the offer does not fall within the criteria of private placement mentioned in section 67(3) (a) of Companies Act, 1956.

12. It may further be seen that VFL vide its letter dated November 09, 2013 sent to RBI has stated that CCPS are privately placed with the relatives and friends of the Directors who are residing in the state of West Bengal. However, there is nothing on record to suggest that the same is a domestic concern in terms of the provisions of the Companies Act, 1956. Therefore, it cannot be said that the offer is a domestic concern of the persons making and receiving the offer or invitation, under section 67(3) (b) of Companies Act, 1956.

13. VFL vide its letter dated November 09, 2013 had also submitted that CCPS issue is as per the Unlisted Public Companies (Preferential Allotment) Rules, 2003('Rule'). It may be noted the above Rule was amended vide Unlisted Public Companies (Preferential Allotment) Amendment Rules, 2011. Rule 8 stipulates that any offer or invitation not in compliance with sub-section (1A) of Section 81 read with sub-section (3) of section 67 of the Companies Act,1956 shall be treated as a public offer and the provisions of the Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992 shall be complied with. Further vide circular dated June 27, 2013 issued by the RBI, private placement by NBFC shall be restricted to not more than 49 investors identified upfront by the NBFC.

14. As VFL has offered CCPS to 1988 subscribers and raised an amount of Rs.7,05,000 from them, which is not in conformity with the criteria for private placement as laid down in section 67(3) (a) and (b) of Companies Act, 1956, it had made a public offer of such securities as per 67(1) of the Companies Act, 1956 and was mandated to comply with the 'public issue' norms as prescribed under the Companies Act, 1956. In view of this, it cannot

be said that the issuance was as per the Unlisted Public Companies (Preferential Allotment) Rules, 2003. Therefore the benefit of exemption from the requirements to be complied with in respect of public offer, is not available to VFL for the said issuance as the NBFC. Instead, VFL is required to comply with the public issue requirements including sections 56, 60 [read with section 2(36)] and 73 of the Companies Act, 1956.

15. In terms of 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 a company, unless the form is accompanied by abridged prospectus, containing disclosures as specified. Section 2(36) of the Companies Act read with section 60 thereof, mandates a company to register its 'prospectus' with the RoC, before making a public offer/ 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. I find that there is no record to show that VFL has filed a Prospectus and therefore has not complied with the above provisions.

16. Further, by issuing CCPS to more than 1988 persons not in accordance with section 67(3) (a) and (b), thereby making a public offer, VFL had to compulsorily list such securities in compliance with section 73 of the Companies Act, 1956. As per section 73(1) and (2) of the Companies Act, 1956, a company offering shares and debentures to the public, is required to make an application to one or more recognized stock exchanges for permission for the shares or debentures to be offered to be dealt with in the stock exchange and if permission has not been applied for or not granted, the company is required to forthwith repay with interest all moneys received from the applicants. I find that no material or records are available indicating that VFL has made an application seeking listing permission from stock exchange nor refunded the amounts on account of such failure. Thus, VFL has contravened the said provisions also. There is no material on record to show that the amount collected by VFL is kept in a separate bank account. Therefore, I find that VFL has also not complied with the provisions of section 73(3) as it has not kept the amounts received

from investors in a separate bank account and failed to repay the same in accordance with section 73(2) as observed above.

17. I note that SEBI has jurisdiction over various provisions of the Companies Act, 1956 in the case of public companies, whether listed or unlisted, when they issue and transfer securities, flowing from the provisions of Section 55A of the Companies Act, 1956. While examining the scope of Section 55A of the Companies Act, 1956, the Hon'ble Supreme Court of India in *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."

"SEBI can exercise its jurisdiction under Sections 11(1), 11(4), 11A(1)(b) and 11B of SEBI Act and Regulation 107 of ICDR 2009 over public companies who have issued shares or debentures to fifty or more, but not complied with the provisions of Section 73(1) by not listing its securities on a recognized stock exchange"

18. In this regard, it is pertinent to note that by virtue of Section 55A of the Companies Act, SEBI has to administer Section 67 of that Act, so far as it relates to issue and transfer of securities, in the case of companies who intend to get their securities listed. The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the ICDR Regulations") also govern and regulate the issuance of convertible preference shares (specified securities). Therefore, VFL was also mandated to comply with the provisions of the ICDR Regulations including the following:

- *Application for listing of specified securities on one or more recognized stock exchange (Regulation 4(2)(d),*
- *Appointment of merchant banker and other intermediaries (Regulation 5),*
- *Filing of draft offer document with SEBI and the designated stock exchange and RoC (Regulation 6),*

- *Obtaining in-principle approval from the recognized stock exchanges in which the specified securities are to be listed (Regulation 7),*
- *Satisfy the conditions of initial public offer (Regulation 25 and 26),*
- *Lock-in of specified securities held by promoters and persons other than promoters (Regulation 36 and 37)*
- *Keeping the public issue open for the specified period (Regulation 46),*
- *Pre issue advertisement for public issue (Regulation 47)*
- *Manner of disclosures in the offer documents (Regulation 57)*
- *Refrain from offering any incentive to any person making application for allotment of specified securities (Regulation 59).*

19. In view of the foregoing findings, I am of the view that VFL is engaged in fund mobilizing activity from the public, through the offer and issuance of CCPS and has contravened the provisions of sections 56, 60 and 73 of the Companies Act, 1956 and the provisions of the ICDR Regulations.

20. Accordingly, Ranjit Kumar Basu Mullick, Ashish Chatterjee, Indu Bhanot, Akhil Bhanot, Ramendu Chattopadhyay, Tariq Nafees, Surinder Kumar Malhotra, Biswajit Chakarborty, Purnendu Santra, Verinder Bhanot, and Barun Kanti Majumder being directors of VFL are the 'officers in default' and are responsible for the alleged contraventions committed by VFL. The Company and the aforesaid persons, have failed to make repayments to the persons (from whom monies were mobilized through issue of CCPS) in accordance with section 73(2) of the Companies Act, 1956.

21. At this stage, it is not clear, in the absence of information from VFL, as to whether VFL has mobilized funds beyond November 09, 2013 and it is also not clear whether still the company is mobilizing funds. However it is apprehended that the company may continue to mobilize funds, given the fact that VFL has increased its authorised capital to raise capital through issuance of 10,00,000 CCPS and SEBI has information that upto Rs.7,05,000 so far has been collected. Therefore, it becomes necessary for SEBI, as the regulator of the

securities market, to intervene and issue suitable directions in order to ensure that the Company and its promoters/directors do not continue to collect public funds in contravention of the law. Further, the interest of the investors also need to be protected to ensure that public funds are not diverted. It is also required, in order not to defeat the liability of the company and the officers in default, to repay to the concerned shareholders along with interest, the status quo in respect of the properties of the company and the officers in default needs to be maintained.

22. In view of the foregoing, I, in exercise of the powers conferred upon me under section 19 of the Securities and Exchange Board of India Act, 1992 and sections 11(1), 11(4), 11A and 11B thereof read with regulations 107 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, hereby issue the following directions:-

Verinder Finance Limited and its Directors including Ranjit Kumar Basu Mullick (DIN: 00662604), Ashish Chatterjee (PAN: AGMPC3484E; DIN: 02250317), Indu Bhanot (PAN:AAZPB7236L DIN: 00824742), Akhil Bhanot (PAN:AKEPB5552G; DIN: 00824933), Ramendu Chattopadhyay (PAN:AFMPC2809L; DIN: 00596380), Satya Ranjan Debnath (PAN:APSPD5747C; DIN: 06646616), Tariq Nafees (PAN:AERPN9805M; DIN: 00589721), Surinder Kumar Malhotra (DIN: 01629730), Biswajit Chakarborty (PAN:ABWPC5031E; DIN: 06786036), Purnendu Santra (PAN:BSSPS9845L; DIN: 03120414), Sudhakar Panda (PAN:BBSPP5763P; DIN: 06648198), Verinder Bhanot, and Barun Kanti Majumder (PAN:AOSPM3860Q; DIN: 02071701)

- a) *are restrained from mobilizing funds through the issue of securities to the public, and/ or invite subscription, in any manner whatsoever, either directly or indirectly or through other companies in which they are directors/promoters, till further directions.*
- b) *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 or through other companies in which they are directors/promoters, till further orders.*

- c) *shall not dispose of any of the properties or alienate the assets of Virender Finance Ltd and shall not dispose off any of their properties or alienate their assets.*
- d) *shall not divert any funds raised from public at large through the issuance of the impugned compulsorily convertible preference shares, kept in its bank accounts and/or in the custody of the company without prior permission of SEBI until further orders.*
- e) *are restrained from accessing the securities market and are further prohibited from buying, selling or otherwise dealing in securities in any manner whatsoever, either directly or indirectly, or through other companies in which they are directors/promoters, till further directions.*
- f) *are directed to provide to SEBI, 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 the above said directors and promoters of the company hold substantial or controlling interest.*

23. The above directions shall come into force with immediate effect and shall continue to be in force till further directions.

24. Virender Finance Ltd., its promoters and its directors including Ranjit Kumar Basu Mullick, Ashish Chatterjee, Indu Bhanot, Akhil Bhanot, Ramendu Chattopadhyay, Satya Ranjan Debnath, Tariq Nafees, Surinder Kumar Malhotra, Biswajit Chakarborty, Purnendu Santra, Sudhakar Panda, Verinder Bhanot, and Barun Kanti Majumder are advised to show cause as to why suitable directions/prohibitions, under the sections 11(1), 11(4), 11A and 11B of the SEBI Act read with the ICDR Regulations, including the following, should not be issued/imposed against them:

- a) directing them jointly and severally to refund the money collected through the issue of CCPS that are impugned in this Order, along with interest at 15% per annum from the date when the refunds became due to the investors till the date of repayment;

- b) directing them to not to issue 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, through other companies in which they are directors/promoters, for an appropriate period;
- c) restraining them from accessing the securities market and prohibiting them from buying, selling or otherwise dealing in securities for an appropriate period;
- d) directing the directors and the promoters not to associate with any other companies in their capacity as directors and promoters for an appropriate period.

25. Virender Finance Ltd., its promoters and directors including Ranjit Kumar Basu Mullick, Ashish Chatterjee, Indu Bhanot, Akhil Bhanot, Ramendu Chattopadhyay, Satya Ranjan Debnath, Tariq Nafees, Surinder Kumar Malhotra, Biswajit Chakarborty, Purnendu Santra, Sudhakar Panda, Verinder Bhanot, and Barun Kanti Majumder may file their replies/submissions, treating the findings of this order as allegations against them, within a period of 21 days from the date of receipt of this Order and may also indicate whether they desire to avail an opportunity of personal hearing in the matter.

26. This Order is without prejudice to the right of SEBI to take any other action including prosecution proceedings under section 24 of the SEBI Act and section 621 of the Companies Act, 1956 read with the relevant provisions of the Companies Act, 2013 and adjudication proceedings under the SEBI Act, against Virender Finance Ltd and its promoters/directors including Ranjit Kumar Basu Mullick, Ashish Chatterjee, Indu Bhanot, Akhil Bhanot, Ramendu Chattopadhyay, Satya Ranjan Debnath, Tariq Nafees, Surinder Kumar Malhotra, Biswajit Chakarborty, Purnendu Santra, Sudhakar Panda, Verinder Bhanot, and Barun Kanti Majumder in accordance with law.

Date : May 20, 2015
Place: Mumbai

PRASHANT SARAN
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA