

**OFFICE OF THE RECOVERY OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA**

NEW DELHI

Recovery Certificate no 1733 of 2018

ORDER

Under Section 28A of the Securities and Exchange Board of India Act, 1992 read with Section 222(1) of the Income Tax Act, 1961 and Second Schedule to Income Tax Act 1961

In respect of –

1. M/s Verinder Finance Ltd. (AAACV5129J) and its directors namely
2. Shri Ashish Chatterjee (AGMPC3484E)
3. Shri Ramendu Chattopadhyay (AFMPC2809L)
4. Shri Satya Ranjan Debnath (APSPD5747C)
5. Shri Biswajit Chakarborty (ABWPC5031E)
6. Shri Purnendu Santra (BSSPS9845L) and
7. Shri Sudhakar Panda (BBSPP5763P)

.....Defaulters

1. Securities and Exchange Board of India (SEBI) vide order no. WTM/GM/EFD/DRAIII/34/2017-2018 dated July 21, 2017 directed M/s Verinder Finance Limited (AAACV5129J) and its directors namely Shri Ashish Chatterjee (AGMPC3484E), Shri Ramendu Chattopadhyay (AFMPC2809L), Shri Satya Ranjan Debnath (APSPD5747C), Shri Biswajit Chakarborty (ABWPC5031E), Shri Purnendu Santra (BSSPS9845L) and Shri Sudhakar Panda (BBSPP5763P) (*collectively referred as "Defaulters"*) jointly & severally to refund the money illegally mobilised through Compulsorily Convertible Preference Shares (CCPS) (*which have been found to be issued in contravention of the public issue norms stipulated under the Companies Act 1956*), along with returns promised by the company to the investors.
2. The company and its promoters/directors have failed to comply with the SEBI directions and therefore, recovery proceedings have been initiated against the defaulters on October 16, 2018 under section 28A of the Securities and Exchange Board of India Act, 1992 (SEBI



Act) read with section 222(1) of the Income Tax Act 1961 vide Recovery Certificate no 1733 of 2018 for recovery of **Rs 7,05,000/-** (*Rupees Seven Lakh Five Thousand Only*) with returns due to the investors, along with further interest, all costs, charges and expenses incurred on all the proceedings taken for recovery of the said sum. Accordingly, notices for attachment of bank/demat a/cs, lockers and mutual fund folio of the defaulters were sent to all banks in India, NSDL, CDSL and all mutual fund houses in India.

3. In response of the aforesaid proceedings, Shri Ramendu Chattopadhyay, one of the defaulters and company's director vide letter dated January 04, 2019 stated through his counsel that he had resigned from the directorship of the company on October 02, 2013 and was not holding any position in the company. Though, he is well aware of the directions passed vide the aforesaid order dated July 21, 2017 and accordingly submitted his representation/ reply to the allegations made in the order.
4. Shri Chattopadhyay further states that ongoing attachment proceedings is causing genuine difficulties and affecting day to day life of all the directors of the company. Therefore, he intends to refund the investor's money in equitable tranches in the interest of justice, equity and good conscience.
5. Accordingly, a personal hearing was granted to him and vide letter dated February 08, 2019 advised to appear on February 20, 2019 for making his representations in the matter. On the scheduled date of hearing, directors of the company namely Shri Ramendu Chattopadhyay through his Counsel and Shri Purnendu Santra and Shri Sudhakar Panda in person appeared and made submissions.
6. During the hearing, they shown willingness to make repayment, however, sought permission to refund the investor's money in installments. Accordingly, they were advised to file an affidavit providing a list of properties owned by the defaulters and total amount to be refunded to the investors.



7. Subsequently, Shri Ramendu Chattopadhyay filed an affidavit on March 04, 2019 and inter-alia submitted the following:
- (i) The company is no more operational and no employee and/or active representative exists, hence all papers and proceedings in respect of the present dispute are not available with them.
 - (ii) Therefore, he undertakes to pay the due/outstanding amount however, exact amount of default as per SEBI's record be determined for his ability to pay the same.
 - (iii) Further, he requested for allowing to pay the amount due in terms of the order dated July 21, 2017 in equitable tranches.

Consideration of proposal:

8. It is observed that Shri Chattopadhyay has not provided the required details viz. list of properties owned by the company/its directors, total amount to be refunded, number of investors etc. as advised during the hearing. However, he has undertaken to pay the amount due/outstanding as per SEBI's record. In this regard, it is pertinent to mention that SEBI vide order dated July 21, 2017 directed M/s Verinder Finance Ltd. and its directors jointly & severally to refund Rs 7,05,000/- (*Rupees Seven Lakh Five Thousand*) mobilised from 1988 investors through allotment of CCPS during September 2013 to November 2013 with an interest of 15% per annum.
9. Therefore, in terms of the aforesaid directions vide order dated July 21, 2017 and cost further incurred on recovery proceedings, the amount payable by the defaulters is calculated as below:

Details	Amount (Rs.)
Funds mobilised/collected from investors through issuance of Compulsorily Convertible Preference Shares (CCPS)	7,05,000
Interest @15% with effect from September 01, 2013 to March 31, 2019*	6,96,188
Amount due in terms of SEBI order	14,01,188
Recovery Cost	1,000
Total amount payable by the defaulters	14,02,188

*Since, actual date of collection/repayment is not available with the company, interest is therefore, calculated from September 2013-starting time of collection of funds in terms of SEBI order dated 21.07.2017.



10. In this regard, it is stated that a sum of Rs. 3,31,410 has already been recovered from the defaulting entities' bank, demat accounts and mutual funds attached under the ongoing recovery proceedings and the same is treated as recovered towards principal amount. Thus, net amount of Rs. 10,70,778 (*Rupees Ten Lacs Seventy Thousand Seven Hundred and Seventy Eight*) is due/outstanding from the defaulters under the Recovery Certificate no. 1733 of 2018 issued under Section 28A of SEBI Act 1992 in the instant matter.

11. Since, considerable time has already lapsed and investor's money have still not been refunded by the company, circumstances warrant repayment to the investors at the earliest possible. Therefore, taking into account the interest of investors in terms of SEBI order dated July 21, 2017, I hereby order the following:

(i) The Defaulters shall deposit the remaining due principal amount of **Rs. 3,73,590** (*Rupees Three Lacs Seventy Three Thousand Five Hundred and Ninety*) within a week i.e. **by March 22, 2019**.

(ii) The Defaulters shall deposit the amount of **Rs. 6,97,188** (*Rupees Six Lacs Ninety Seven Thousand One Hundred and Eighty Eight*) due towards interest and recovery cost **by March 31, 2019**.

12. You are hereby advised to pay the amount as directed above at 9 (i) and (ii) through NEFT/RTGS to Securities and Exchange Board of India (SEBI)'s bank account no.- 012210210000013 maintained with Bank of India (BoI), Bandra Kurla Complex, Mumbai [IFS Code- BKID0000122) or Demand Draft (DD) to be drawn in favour of the "SEBI RECOVERY PROCEEDS" payable at Mumbai.

This order shall come into force with immediate effect and accordingly, the representation of Shri Ramendu Chattopadhyay is disposed of.

Given under my hand and seal at New Delhi this 15th day of March 2019.




Bibhudutta Samal
Recovery Officer & Deputy General Manager

Copy to: M/s Verinder Finance Ltd. and its directors