

SECURITIES AND EXCHANGE BOARD OF INDIA

ORDER

Under Sections 11(1), 11(4) and 11B of the Securities and Exchange Board of India Act, 1992 and Regulation 11 of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003.

In the matter of Religare Enterprises Limited (REL)

In respect of:

Sr. No.	NOTICEE(S)	PAN
1.	OSPL Infradeal Private Limited	AABCO8558K
2.	Bharat Road Network Limited	AADCB0921B
3.	Platinum Infrastructure Pvt. Ltd.	AAFCE4197D
4.	Ad Advertising Pvt. Ltd.	AAJCA3551C
5.	Artifice Properties Pvt. Ltd.	AAGCA5140E
6.	Best Health Management Pvt. Ltd.	AACCB3144P
7.	Devera Developers Pvt. Ltd.	AADCB1809L
8.	Vitoba Realtors Pvt. Ltd.	AAACV5887D
9.	Fern Healthcare Pvt. Ltd.	AACCR3509E
10.	Modland Wears Pvt. Ltd.	AAACM0216F
11.	Rosestar Marketing Pvt. Ltd.	AAFCE2252M
12.	Star Artworks Pvt. Ltd.	AAVCS7590R
13.	Tripoli Investment & Trading Co.	AAACT2207P
14.	Volga Management and Consultancy Pvt. Ltd.	AATPS0941B
15.	Zolton Properties Pvt. Ltd.	AAACZ2996D
16.	Ranchem Private Limited	AAACR6356G

BACKGROUND:

- Securities and Exchange Board of India (hereinafter referred to as “SEBI”) had passed an ad interim *ex-parte* order dated March 14, 2019 read with corrigendum dated April 18, 2019 (together referred to as ‘the Interim Order’) in the matter of Religare Enterprises Ltd. against various entities, including 16 Noticees mentioned in the Table above, viz. OSPL Infradeal Pvt.

Ltd., Bharat Road Network Ltd., Platinum Infrastructure Pvt. Ltd., Ad Advertising Pvt. Ltd., Artifice Properties Pvt. Ltd., Best Health Management Pvt. Ltd., Devera Developers Pvt. Ltd., Vitoba Realtors Pvt. Ltd., Fern Healthcare Pvt. Ltd., Modland Wears Pvt. Ltd., Rosestar Marketing Pvt. Ltd., Star Artworks Pvt. Ltd., Tripoli Investment & Trading Co., Volga Management and Consultancy Pvt. Ltd., Zolton Properties Pvt. Ltd. and Ranchem Private Limited, for their *prima facie* involvement in diversion of funds amounting to Rs. 2315.09 Crores from the books of Religare Finvest Limited (RFL), a subsidiary of Religare Enterprises Limited (REL), for the utilization of promoters and promoter group entities of REL, in violation of the provisions of the SEBI Act, 1992 and the regulations framed thereunder. Vide the Interim Order, SEBI had *inter alia* directed REL and RFL to initiate steps to recall all the loans, amounting to Rs.2315.09 Crores (approx.), extended directly or indirectly to certain entities including the abovementioned 16 Noticees, along with due interest, within three months of the date of the Interim Order. The said entities were also directed not to dispose of or alienate any of their assets or divert any funds, except for meeting expenses of day-to-day business operations, without the prior permission of SEBI, pending completion of the investigation and till further orders.

2. Subsequently, vide an order dated September 11, 2019 (Confirmatory Order), SEBI had confirmed the said directions, subject to certain modifications, which *inter alia* included revocation of directions issued in the Interim Order against Bharat Road Network Limited (entity at serial no. 2 in the Table above). Further, vide the Confirmatory Order, the names of OSPL Infradeal Pvt. Ltd. and Bharat Road Network Limited (entities at serial nos. 1 and 2 in the Table above) were also removed from the list of entities from whom REL and RFL were directed to recover the loans and from the list of entities which were prohibited from disposing of their assets without prior permission of SEBI.
3. Pursuant to the completion of investigation in the matter, upon reconsideration of the facts and circumstances of the case in totality, it appears appropriate to substitute the ongoing proceedings under Section 11 / 11B of the SEBI Act, 1992 against the abovementioned 16 entities with adjudication proceedings under appropriate legal provisions, for their alleged role in the abovementioned diversion of funds. I, therefore, in exercise of the powers conferred upon me by virtue of Section 19 read with Sections 11 and 11B of the SEBI Act, 1992, hereby

revoke the directions issued vide the Interim Order read with the Confirmatory Order against the entities at serial nos. 3 to 16 in the Table above and also dispose of the ongoing proceedings under Section 11 / 11B of the SEBI Act, 1992 against the entities mentioned at serial nos. 1 to 16 in the Table above.

4. The instant order is being passed without prejudice to the rights of REL and RFL to pursue remedies under law, as deemed appropriate by them, against the abovementioned entities in respect of their roles in the fund diversion.
5. It is further directed that the Adjudicating Officer appointed in the matter pursuant to this order shall carry out the adjudication proceedings in an independent manner without getting influenced by this order of revocation.
6. The above directions shall come into force with immediate effect.
7. A copy of this order shall also be served upon the Exchanges and the Depositories.

Place: Mumbai
Date: November 12, 2020

G. MAHALINGAM
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA