

**BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA
CORAM: MADHABI PURI BUCH, WHOLE TIME MEMBER**

INTERIM ORDER

Under Sections 11, 11(4), 11A and 11B of the Securities and Exchange Board of India Act, 1992 in the matter of Jai Mata Glass Limited

Background of case:

1. Securities and Exchange Board of India (hereinafter referred to as “SEBI”) was in receipt of a letter no. F. No. 03/73/2017-CL-II dated June 9, 2017 from the Ministry of Corporate Affairs (hereinafter referred to as “MCA”) vide which MCA had annexed a list of 331 shell companies for initiating necessary action as per SEBI laws and regulations. MCA had also annexed the letter of Serious Fraud Investigation Office (hereinafter referred to as “SFIO”) dated May 23, 2017 which contained the data base of shell companies along with their inputs.
2. SEBI as a market regulator is vested with the duty under section 11(1) of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as “SEBI Act”) to protect the interests of the investors in securities and to promote the development of and regulation of securities markets by appropriate measures as deemed fit.
3. SEBI was of the view that the companies identified as shell companies by SFIO and MCA were potentially involved in:
 - (a) Misrepresentation including that of its financials and its business and possible violation of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “LODR Regulations”) and/or;
 - (b) Misusing their respective books of accounts/funds including facilitation of accommodation entries to the detriment of minority shareholders and therefore reneging on the fiduciary responsibility cast on the board, controlling shareholders and key management person (KMP).

4. SEBI was also of the view that investors should be alerted on the possible enforcement actions by various authorities leading to potentially significant impact on the price of the stock.
5. Therefore, in the interest of investors, SEBI took the pre-emptive interim measures under section 11(1) of SEBI Act in respect of listed shell companies including Jai Mata Glass Limited (hereinafter referred to as “JMGL” / “Company”), vide its letter dated August 7, 2017, based on the view stated at para 3 and 4 above. SEBI placed trading restrictions on promoters/directors so that they do not exit the company at the cost of innocent shareholders. In view of the said objective, SEBI vide the letter dated August 7, 2017 also placed the scrip in the trade to trade category with limitation on the frequency of trades and imposed a limitation on the buyer by way of 200% deposit on the trade value, so as to alert them on trading in the scrip. The said measures were initiated by SEBI pending final determination after verification of credentials and fundamentals by the stock exchanges, including by way of audit and forensic audit, if necessary. The measures also envisaged, on the final determination, delisting of companies from the stock exchange, if warranted. By virtue of these measures, trading in the scrip was not suspended but allowed under strict monitoring so that investors could take informed investment decisions till SEBI and stock exchanges complete their detailed examination of such companies.
6. Pursuant to the above, BSE vide notice dated August 7, 2017, addressed to all its market participants, initiated actions envisaged in the SEBI letter dated August 7, 2017 in respect of all the listed companies as identified by MCA and communicated by SEBI, with effect from August 8, 2017.
7. On August 09, 2017, SEBI further advised the Stock Exchanges to submit a report after seeking auditor's certificate, from all such listed companies, providing the status of certain aspects of the company like company's compliance with Companies Act, whether company is a going concern, its business model, status of compliance with listing requirements, etc.
8. Vide its letter dated August 17, 2017, JMGL made a representation, *inter alia*, submitting as under:
 - i) *The Company has no knowledge as to on what basis or on what criteria it has been suspected to be a shell company and also no reason has been cited or given by SEBI while categorising the Company as a suspected shell company.*

- ii) *SEBI had not conducted any inquiry or investigation to verify its suspicion of the Company being a shell company and appears to have unilaterally acted on a letter issued to it by the Ministry of Corporate Affairs. As a result of such categorisation by SEBI, and the resultant curbs and restriction placed, the interests of the Company, its directors and stakeholders have been most prejudicially affected. Such unilateral and arbitrary action taken by SEBI is completely against the tenets of natural justice.*
- iii) *Also, the action of SEBI has been taken without giving an opportunity to the Company of being heard in the matter, and has been taken at the back of the Company.*
- iv) *The above too amounts to violation of natural justice on the part of SEBI as no action was warranted without hearing the Company in the matter of subject action taken by SEBI.*
- v) *It is humbly stated that the scrip of the Company has not witnessed any abnormal variation/fluctuation, which is not commensurate with its financial health and fundamentals, like earnings, book value, fixed assets, net worth, P/E multiple, and the like. There are no factors that, in the opinion of the Company, could cast a suspicion that the Company is a shell company.*
- vi) *Amongst the activities of the Company, it may be noted that the Company was incorporated in February, 1981 and set up a glass manufacturing plant in a backward district of Himachal Pradesh in 1986. The Company expanded the manufacturing facilities over time, and the operations continued until August 2012. The said glass manufacturing plants had to close down as it had become highly uneconomical to operate the facilities, which was principally due to increase in fuel prices, technological obsolescence, and impost of taxes by the State of Himachal Pradesh.*
- vii) *As mentioned, the Company upon closure of its manufacturing facilities, discarded and sold all assets, including the land of factory site, which was completed over the next few years, and the Company did ensure, that it discharged all liabilities in relation to business and activities of the Company. The closure of manufacturing operations was after due approval of the Governmental Authorities, followed up by payment of all dues to labour and workmen.*

- viii) *The Company was exploring new areas of activities, and has since commenced representing a glass manufacturing company in Gujarat, namely, Sumangal Glass Pvt. Ltd., as a sales agent in the zones of North and East India. The Company is earning commission on sales orders procured and coordinating supply chain logistics for those orders, which activities commenced from July 1, 2017. Sumangal Glass Private Limited manufactures the same quality of glass as was manufactured by the Company during the years it was in production. The Company has given a deposit of Rs. 3 crores to Sumangal Glass Private Limited, and earned an interest on the deposit amount until it started sales agent services.*
- ix) *The Company is fully compliant in the matter of its various applicable compliances and filings with statutory and regulatory authorities, and has no admitted liabilities pending payment.*
- x) *Within the facts and circumstances, as stated above, it is unreasonable and unjustifiable to have named the Company as a suspected shell company and, based thereon, place curbs and restrictions which are prejudicial to the interests of the Company as well as its directors and other stakeholders.*
- xi) *It is therefore prayed that the name of the Company be deleted from the list of suspected shell companies, and all curbs and restrictions on trading of equity shares of the Company at the stock exchanges be withdrawn, and benefits of listing of its equity shares on the stock exchange and trading thereof be restored.*
9. In the meantime, aggrieved by the aforesaid letters/notice dated August 7, 2017 issued by SEBI and BSE, JMGL filed an appeal No. 209 of 2017 before Hon'ble Securities Appellate Tribunal (hereinafter referred to as "SAT"). Hon'ble SAT vide order dated August 29, 2017 directed the following:-
- "2. As the appellant has already made a representation to BSE against the said ex-parte order dated 7 th August, 2017, with a copy to SEBI, Counsel for the appellant on instruction seeks to withdraw the appeal with liberty to pursue the representation filed before SEBI. Accordingly, we permit the appellant to withdraw the appeal with liberty to pursue the representation pending before SEBI.*
- 3. SEBI is directed to dispose of the representation made by the appellant as expeditiously as possible and in any event within a period of four weeks from today. It*

is made clear that passing of any order on the representation made by the appellant would not preclude SEBI from further investigating the matter and initiate appropriate proceedings if deemed fit.”

10. Hon'ble SAT in the matter of *J. Kumar Infra Projects Limited vs. SEBI* (order dated August 10, 2017) held that the measures taken by SEBI vide its letter dated August 07, 2017 was in the nature of quasi-judicial order and the same has been passed without investigation. Without prejudice to the powers enumerated in section 11(1) of SEBI Act, SEBI has been granted power under section 11(4) and 11B of SEBI Act, 1992 to pass order in the interests of investors or securities market by taking any of the measures enumerated therein either pending investigation or inquiry or on completion of such investigation or inquiry. The inquiry under section 11B of the SEBI Act can also be caused to be made by SEBI.
11. Pursuant to SEBI's letter dated August 9, 2017 (mentioned above), BSE has submitted its report on August 31, 2017 wherein it has *inter alia* observed the following:

“Company has submitted the auditor certificate from K. R. & Co., Chartered Accountants ... certifying the following:

- a) Filed income tax returns for the last 3 years and as on date there are no demand except for an appeal pending before Hon'ble Delhi High Court which is yet to be disposed.*
- b) Complied with companies act requirements up to March 31, 2017.*
- c) Company is a going concern.*
- d) Maintains active current account with the State Bank of India, New Delhi and there is no default with any bank / financial institutions.*
- e) Complied with key clauses of erstwhile listing agreement/ SEBI (LODR) Regulations, 2015 for last 3 years.*

It is observed that company has not complied with filing of annual report for year ended 2014 and filing of financial result for quarter ended June17.

Exchange vide its letter dated August 21, 2017, inter alia, advised company to submit additional information w.r.t. no. of employees and provident filings and if company wishes to have personal representation. However, till date company has neither provided required information nor sought any personal hearing.

Further, Exchange vide email dated August 28, 2017, has sought information regarding the quantum of the following appeals made by the company:

- a) Appeal against the assessment order for the Assessment year 2013-14 before Commissioner of Income Tax.*
- b) Appeal against the order of Commissioner of Income Tax dated November 30, 2005 before Income Tax Tribunal.*

Till date company has not submitted the aforesaid information sought for.”

Hearing and Reply:

12. Pursuant to the decision of Hon'ble SAT, an opportunity of personal hearing was granted to JMGL on September 14, 2017 when its authorized representative appeared and made oral submissions. The following submissions were made by the authorized representative on behalf of the company during the hearing:
 - (a) Company got listed in the year 1987. From past 30 years, company had complied with SEBI Act, Companies Act. Company had never received any notice.
 - (b) Company was in the business of manufacturing and dealership of figured glass.
 - (c) Company had a piece of land in Himachal Pradesh on a leasehold basis. Company is contemplating for constructing a small industry on that land.
 - (d) At present, Company has 2 directors and 2 employees.
 - (e) In the year 2014, company had entered into an agreement for sale of land for which an advance of approximately Rs. 2.15 crore was received. Subsequently in the July 2016, after government approvals and permissions, the land was sold for an amount of approximately Rs. 12.25 crore.
13. During the hearing, JMGL was also asked to provide the information / response on the following points (supported by documentary evidence) as early as possible and latest by September 18, 2017:
 - (a) *Details of Advance for capital goods of Rs. 2.15 crore as on March 31, 2016 along with documentary proof.*
 - (b) *Copy of Sale Agreement of Sale of Land for approximately Rs. 12.25 crore.*
 - (c) *Details of Advances recoverable in cash or kind of Rs. 1.16 crores appearing as on March 31, 2016 and March 31, 2015 along with documentary evidence*

(d) Explain along with documentary proof that the Trade receivables of Rs. 30 lakhs appearing in the books as on March 31, 2016 when the company does not have any ongoing business.

(e) Explain the current and proposed use of sale proceeds of land alongwith corresponding bank statement.

(f) Audited financials for the F.Y. 2016-17.

SEBI also sent an e-mail to the company on September 14, 2017 asking for the above information.

14. JMGL filed its response to the queries / information sought from it during the hearing vide letter dated September 18, 2017, *inter alia*, submitting as under:

1) Query-wise response of the company is as under: -

Query (a) - Details of advances for capital goods of Rs. 2.15 crore as on March 31, 2016, alongwith documentary proof.

- The Company had on 21.11.2014 entered into an Agreement for Sale with one Micro Seamless for the sale of land of the Company at Village Tipra, Barotiwalan, District Solan, Himachal Pradesh. In pursuance of the aforesaid agreement the Company had received an advance of Rs. 200,00,000.00 (Rupees Two Crores only) which had been included under the head of "Advance for Capital Goods" under the broader head of "Current Liabilities" in the audited Balance Sheet of the Company as at March 31, 2016. The Sale Deed for the aforesaid land was executed on 01.07.2016, and the balance amount of Rs. 10.25 crores was received by the Company. The amount of advance, alongwith balance sale consideration, was adjusted towards sale value of land sold.
- JMGL enclosed only a copy of the 'Agreement to sell' dated 21.11.2014.
- As on March 31, 2016, a sum of Rs. 15,00,000.00 (Rupees Fifteen Lacs only) remained payable against Advance for Capital Goods. The said amount of Rs. 15,00,000.00 had been paid subsequently on 16.05.2016.

Query (b) - Copy of Sale Agreement of Sale of Land for approximately Rs. 12.25 Crore.

- JMGL enclosed a copy of the Agreement of sale of Land.

Query (c) - Details of advances recoverable in cash or kind of Rs.1.16 crores appearing as on March 31, 2016 and March 31, 2015 alongwith documentary evidence.

- The aforesaid amount of Rs. 1.16 crore comprises balances of various parties which are as under:

<i>B.S. Hydrocarbons Private Limited</i>	<i>Rs. 1,06,79,548</i>
<i>Reliance Industries Limited</i>	<i>Rs. 6,74,438</i>
<i>Engineers Rendezvous</i>	<i>Rs. 40,000</i>
<i>ABC Paper Limited</i>	<i>Rs. 1,19,563</i>
<i>Tata Chemicals Limited</i>	<i>Rs. 54,594</i>

B.S. Hydrocarbons Pvt. Ltd:

- The Company had executed a Memorandum of Understanding with B.S. Hydrocarbons Private Limited (BSHPL) on 15.04.2010 in terms whereof, BSHPL was to install plant with an output of 20 tonnes furnace oil daily at the factory site of the Company. The Company paid various expenses on behalf of BSHPL that were incurred for setting up of the plant and a total amount of Rs. 146,79,548 (Rupees One Crore Forty Six Lacs Seventy Nine Thousand Five Hundred Forty Eight only) was paid by the Company on such account.
- BSHPL failed to supply the entire equipment for the plant, and whatever was supplied was too never installed. BSHPL was thus liable to refund the moneys that had been paid by the Company and incurred by the Company in pursuance of the MOU.
- BSHPL had issued a cheque of Rs. 150,00,000.00 (Rupees One Crore Fifty Lacs only) to the Company which was returned unpaid and the Company filed a complaint against B.S. Hydrocarbons Private Limited and its directors under the provisions of section 138 of the Negotiable Instruments Act, 1881, before the Learned Additional Chief Metropolitan Magistrate, Patiala House, New Delhi. In the course of proceedings of the above matter, BSHPL paid amounts aggregating to Rs. 40,00,000.00 (Rupees Forty Lacs only), as part payment towards its dues, which was received by the Company. The balance amount of Rs. 106.79,548 remains payable by BSHPL.
- JMGL enclosed a copy of the complaint filed by the Company before the Ld. Additional Chief Metropolitan Magistrate, Patiala House, New Delhi.

Reliance Industries Limited:

- The Company was purchasing furnace oil for its factory from Reliance Industries Ltd., which was used to fire the furnace for manufacturing of glass. Payments to Reliance Industries Limited were usually made in advance. The Company had not received goods for value of Rs. 6,74,438.00 for which a debit balance was outstanding in its books of account.

Engineers Rendezvous:

- The Company had paid an advance of Rs. 40,000.00 to Engineers Rendezvous in June 2012 for availing certain services from them in relation to plant of the Company. However, with the plant closing down on August 4, 2012, the services could not be availed by the Company. The amount paid to Engineers Rendezvous remains receivable from them in books of account of the Company.

ABC Paper Limited (name now changed to Kuantum Papers Limited):

- ABC Papers Ltd. was a supplier of Soda Ash to the Company and had a running account with the Company at time the Company was in production. After all reconciliations the account of the party was settled in August 2016.

Tata Chemicals Limited:

- Tata Chemicals Ltd. was a supplier of soda ash at the factory of the Company. The Company had not received goods for value of Rs. 54,594.00 for which a debit balance was outstanding in its books of account.

Query (d) - Explain alongwith documentary proof that the Trade receivables of Rs. 30 Lacs appearing in the books as on March 31, 2016, when the company does not have any ongoing business.

- The Company had been carrying on the business of glass manufacturing upto August 2012, when it had to close down as it had become highly uneconomical to operate the facilities, principally due to increase in fuel prices.
- Due to stoppage of production regular supply of glass to these parties could not be maintained for which reason payments receivable by the Company were held up. The Company is however pursuing recovery of the amount from the various parties.
- JMGL enclosed a list of the parties from whom the amount of Rs.30.09 lacs are recoverable.

Query (e) - Explain the current and proposed use of sale proceeds of land alongwith corresponding bank statement.

- The proceeds from sale of land were received by the Company as under:

<i>Advance received during financial year 2014-15</i>	<i>Rs.200.00 lacs</i>
<i>Balance amount received during financial year 2016-17</i>	<i>Rs. 1025.00 lacs</i>
<i>Total receipts</i>	<i>Rs. 1225.00 lacs</i>

- The funds received by the Company from sale of land and other realisations from debtors and refunds recovered by it, were utilised by the Company to meet its expenses and liabilities pertaining to its manufacturing operations, and to repay the funds raised from time to time to meet the operational losses and costs of settlement of labour and workmen, meeting outstanding statutory dues and payables in relation thereto, and costs of its activities post the closure of manufacturing operations.
- The broad payment heads are summarised hereunder:

<i>Payment of rates and taxes</i>	<i>Rs.95.76 lacs</i>
<i>Repayment of unsecured loans taken by the Company during the period that manufacturing operations suffered from losses, and to meet settlement of its liabilities</i>	<i>Rs.401.80 lacs</i>
<i>Repayment of advances received from customers against supply of goods to be made by the Company</i>	<i>Rs.70.05 lacs</i>
<i>Payment of expenses, liabilities, & other payables</i>	<i>Rs.185.01 lacs</i>
<i>Payment of statutory dues</i>	<i>Rs. 15.00 lacs</i>
<i>Tax deducted on sale consideration of land</i>	<i>Rs. 12.25 lacs</i>
<i>Payment of advance for property</i>	<i>Rs.105.00 lacs</i>
<i>Payment for dealership deposit</i>	<i>Rs.300.00 lacs</i>
<i>Repayment of directors loan</i>	<i>Rs.25.96 lacs</i>
<i>Payment to creditors</i>	<i>Rs. 14.17 lacs</i>
<i>Total</i>	<i>Rs.1225.00 lacs</i>

- The company enclosed the Bank statements wherein the aforesaid utilisations are reflected.

Query (f) Audited financials for the financial year 2016-17.

- The audited financial statement of the Company as at/ for the year ended March 31, 2017, together with the Auditors Report thereon were enclosed by the company.

2) In addition to the above responses to the queries raised by SEBI, the company also submitted the following: -

- After closure of its glass manufacturing unit at Village Tipra, Barotiwalan, District Solan, Himachal Pradesh, the Company has been exploring and evaluating various business opportunities. The top management of the Company has experience of more than 30 years in the industry and is in process of identifying a viable project.
- The Company has, since July 1, 2017, commenced representing a glass manufacturing company in Gujarat, Sumangal Glass Private Limited, as a sales agent in the zones of North and East India. The Company is earning commission on sales orders procured and coordinating supply chain logistics for these orders. The Company proposes to widen its activities of representing glass manufacturers and also undertake trading in glass as distributor and/ or service provider.
- The closure of manufacturing operations was carried out by the Company after having obtained due approvals from all governmental authorities. All statutory dues, labour and workmen dues were cleared by the Company. The Company is compliant of all statutory provisions and filings and there is no admitted statutory liability or demand pending payment. The scrip of the Company has not witnessed any abnormal variation/ fluctuation which is not commensurate with the financial health and other fundamentals.
- In the above circumstances JMGL prayed that the name of the Company be deleted from the list of suspected shell companies, and all curbs and restrictions on trading of equity shares of the Company at the stock exchanges be withdrawn, and benefits of listing of its equity shares on the stock exchange and trading thereof be restored.

Consideration of issues:

15. On perusal of the material available on record, the following issues arise for consideration.

- (a) Whether there is *prima facie* evidence of misrepresentation by JMGL including that of its financials and/or its business and is there any possible violation of LODR Regulations by the company?
- (b) Whether there is *prima facie* evidence to show that the company is misusing the books of accounts / funds including facilitation of accommodation entries to the detriment of minority shareholders and therefore the board, controlling shareholders and KMP are reneging on the fiduciary responsibility cast on them?
- (c) In view of the determination on the above issues and the order of SAT in the aforesaid appeal, whether, in light of the representation of the Company, the action envisaged in SEBI letter dated August 7, 2017 needs reconsideration?

16. On the basis of documents available on record, my observations on above issues are as under:

Issue No. 1. *Whether there is prima facie evidence of misrepresentation by JMGL including that of its financials and/or its business and is there any possible violation of LODR Regulations by the company.*

Issue No. 2. *Whether there is prima facie evidence to show that the company is misusing the books of accounts / funds including facilitation of accommodation entries to the detriment of minority shareholders and therefore the board, controlling shareholders and KMP are reneging on the fiduciary responsibility cast on them.*

17. Based on the material available on record, *prima facie* observations are as under:

- 1) The company entered into an Agreement for sale of land at Himachal Pradesh on 21/11/2014 with Micro Seamless and the sale deed was executed on 01/07/2016. However, copy of Sale deed has not been provided and further no clarification was provided with respect to delay in execution of the sale deed. On analysis of Bank statement provided by the company, it is observed that Rs. 2.5 crore was credited on 05/05/2016 from Micro Seamless, whereas an amount of Rs. 7.63 crore was

credited on 04/07/2016 but the descriptions in the bank statement do not provide any input for source of transfer.

- 2) The company has not provided any details and documentary proof for the Advance for capital goods of Rs. 15 lakhs and the reasons for amount paid back on 16/05/2016. However, on analysis of SBI bank statement provided by the company it is observed that the amount of Rs. 15 lakhs has been paid to Integrated master securities. The question with respect to what capital goods were intended to be sold and why the same was not executed has not been answered clearly.
 - 3) The company has provided a list of items for utilization of sale proceeds of land without giving full break up and documents for the repayment of outstanding loans, challaan for repayment of taxes, details of expenses paid by the company, details of advance payment for property, directors' name for repayment of directors' loan, details of creditors for payment, etc. In absence of all the basic details/documents, it is not possible to form an opinion on the genuineness of the use of the sale proceeds of the land of Rs. 12.25 crore.
 - 4) As per annual report 2016-17 submitted by the company, it is observed that the company has not paid undisputed dues amounting to Rs. 19 lakhs outstanding for more than six months as on March 31, 2017.
 - 5) The company has provided the list of 17 parties for trade receivables without any documentary proof to substantiate their genuineness, existence, due date of payment, contracts and efforts made by the company to recover the amount.
 - 6) The company was asked to provide the audited financials however, it has provided the unsigned and unaudited financials for the F.Y. 2016-17.
 - 7) The bank statements provided by the company are also unsigned and unstamped.
18. I note that during the hearing, JMGL was asked certain specific queries / information with regard to sale of land along with relevant documents to substantiate the same, but it has failed to submit any satisfactory response to the same. In view of the above observations, insufficient documents / non-submission of documents by JMGL noted above and the information / report submitted by the stock exchange, there arises a *prima facie* suspicion regarding the misrepresentation of books of accounts and misuse of

funds in relation to the use of sale proceeds of land, trade receivables and advance for capital goods. Thus, even though there is no *prima facie* evidence of misrepresentation or misuse of books of accounts/funds by the company, it is imperative that in the interest of investors, the financials of company be independently audited to establish the genuineness of its transactions.

Issue No. 3. *In view of the determination on the above issues, pursuant to SAT Appeal and the order of SAT in the said appeal, whether, in view of the representation of the Company, the action envisaged in SEBI letter dated August 7, 2017 needs reconsideration?*

19. In view of the *prima facie* observations regarding the authenticity of the transactions reported by the company, I find that it would be appropriate that the financials of the company be independently audited to establish their genuineness.
20. Since, there is no *prima facie* evidence of misrepresentation or misuse of books of accounts/funds by the company, I find that it would be appropriate that the restrictions imposed on promoters/directors of the company be removed.
21. Further, pending enquiry/ audit, considering the interest of public shareholders involved in JMGL, I find it appropriate to revert the trading in securities of JMGL to the status as it stood prior to issuance of letter dated August 7, 2017 by SEBI.
22. In view of the above, I am of the view that following urgent interim actions are required to be taken, pending audit/further enquiry.

INTERIM ORDER

23. In the facts and circumstances of the case, I, in exercise of the powers conferred upon me under sections 11, 11(4), 11A and 11B read with section 19 of the Securities and Exchange Board of India Act, 1992, hereby, modify the actions envisaged in SEBI's letter dated August 07, 2017 and the consequential actions taken by Stock Exchanges, against Jai Mata Glass Limited and direct as under:
 - i. The trading in securities of JMGL shall be reverted to the status as it stood prior to issuance of letter dated August 7, 2017 by SEBI.

- ii. Stock Exchange shall appoint an independent auditor to conduct forensic audit of JMGL for verification, including the credentials/financials of JMGL and to trace the end-use of proceeds of sale of land by JMGL.
 - iii. The limitation on the transfer of shares held by the Promoters and Directors of JMGL as mentioned in para 1(b) of SEBI's letter dated August 07, 2017 is removed.
 - iv. The other actions envisaged in SEBI's letter dated August 07, 2017 in para 1 (d) as may be applicable, and the consequential action taken by Stock Exchanges shall continue to have effect against JMGL.
24. The representation of the company dated August 17, 2017 is accordingly disposed of.
25. The above directions shall take effect immediately and shall be in force until further Orders.
26. The findings in this order have been rendered on the basis of the *prima facie* evidence available at this stage. However, detailed examination / forensic audit needs to be undertaken to unearth the entire extent of violations. In this context, Jai Mata Glass Limited is advised to file its reply/objections to this *interim order*, if any, within 30 days from the date of receipt of this Order and may also indicate whether it desires to avail an opportunity of personal hearing on a date and time to be fixed on a specific request made in that regard. In the event Jai Mata Glass Limited fails to file its reply or to request for an opportunity of personal hearing within the said 30 days, the preliminary findings of this Order and *ad-interim* directions shall stand confirmed against Jai Mata Glass Limited automatically, without any further orders.
27. Copy of this Order shall be forwarded to the recognized stock exchanges and depositories for their information and necessary action. A copy of this Order shall also be forwarded to the Ministry of Corporate Affairs and Serious Fraud Investigation Office for their information.

Sd/-

DATE: SEPTEMBER 26, 2017
PLACE: MUMBAI

MADHABI PURI BUCH
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA