

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 M/s Dalmia Industrial Development Limited (PAN: AAACD9405B)

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 has annexed a list of 331 shell companies for initiating necessary action as per SEBI laws and regulations. MCA has 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 SEBI Act, 1992 (hereinafter referred to as “SEBI Act”) of protecting the interests of the investors in securities and to promote the development of and regulations of securities markets by appropriate measures as deemed fit.
3. SEBI was of the view that companies whose names are included as shell companies by SFIO and MCA, were potentially involved in
 - (a) Misrepresentation including of its financials and its business and possible violation of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 (hereinafter referred to as “LODR Regulations”) and/or

- (b) Misusing the books of accounts/funds of the company 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 action 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, 1992, in respect of listed shell companies including M/s Dalmia Industrial Development Limited (hereinafter referred to as “**DIDL**” / “**Company**”), vide its letter dated August 7, 2017, based on the view stated at para 3 and 4 above. SEBI placed trading restrictions, on the 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 said letter dated August 7, 2017 also placed the scrip in the trade to trade category with limitation on the frequency of trade and imposed a limitation on the buyer by way of 200% deposit on the trade value, so as to alert them trading in the scrip. The said measures were initiated by SEBI pending final determination after verification of credentials and fundamentals by the 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 measure, trading in scrip was not suspended but allowed under strict monitoring so that investors could take informed investment decisions, till SEBI and Exchanges completed their detailed examination of such companies.
6. Pursuant to the same, Bombay Stock Exchange Limited (hereinafter referred to as “**BSE**”) vide notice dated August 7, 2017 and National Stock Exchange of India Limited (hereinafter referred to as “**NSE**”) vide notice dated August 7, 2017, to all its market participants, initiated actions envisaged in the SEBI letter dated August 7, 2017 in respect of all the listed securities as identified by MCA and communicated by SEBI, with effect from August 8, 2017.

7. On August 09, 2017, SEBI further advised the 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 requirement with Companies Act, whether company is a going concern and its business model, status of compliance with listing requirements, etc.
8. DIDL vide its letter dated August 16, 2017 had made a submission to BSE with the auditor's certificate confirming the compliance status and business model of the company.
9. In the meantime, aggrieved by the aforesaid letters dated August 7, 2017 issued by SEBI and BSE, DIDL filed an appeal No. 211 of 2017 before the Hon'ble Securities Appellate Tribunal (hereinafter referred to as "SAT"). The 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 7th 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. The Hon'ble SAT in the matter of *J. Kumar Infra Projects Limited vs. SEBI* 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. SEBI vide letter dated August 31, 2017 had advised DIDL to provide following information:

- (a) Summary of dealings of the Company with or through Mr. Vikash Chowdary, either directly or indirectly, including the nature and quantum thereof. Provide details of the all transactions along with supporting documents.
- (b) Details of Association of the company, whether direct or indirect, with Mr. Vikash Chowdary.
- (c) Details of employees on the rolls of the Company, their respective roles, remuneration received qualifications and experience for the job. Details of Provident Fund contributions made by the Company for the aforesaid employees. For ease of furnishing the information, broad categories of roles: Blue collar, Junior management, Middle management, senior management, may be given in a consolidated manner.

12. DIDL vide its letter dated September 07, 2017 submitted the information sought by the SEBI's letter dated August 31, 2017, which are as under:

- (a) *Reply to query 1: Mr. Vikash Chowdhary, Managing Director of the company mainly looks after the trading business and day to day activities of the company. He has been into the business of trading in sarees and other fabric or textiles products from more than a decade now. He also has vast experience in financial market and trading business for more than 20 years.*

The Board collectively executes the transaction of the company and majority of the transaction are concluded under direct supervision of the Board.

Further, in his individual capacity he has not entered any transactions directly or indirectly with the company, thus details relating to the same cannot be provided.

- (b) Reply to query 2: The details of companies in which Mr. Vikash Chowdhary is Director or has any interest was submitted.
- (c) Reply to query 3: There are 7 employees in the Company apart from other casual workers & labors and 6 directors in the Company. The detailed list of employees and directors was submitted. The Provident Fund Act is not applicable to the Company.

Hearing and Reply:

13. Pursuant to the decision of Hon'ble SAT that the communication of SEBI dated August 7, 2017 is in the nature of quasi-judicial order, SEBI vide communication dated September 07, 2017, granted an opportunity of hearing to DIDL on September 14, 2017. Mr. Ramesh Mishra, Practicing Company Secretary and Mr. Lokanath Mishra, Advocate, Authorized Representatives (collectively referred to as "ARs") appeared for M/s Dalmia Industrial Development Limited and made oral submissions in line with the SAT appeal Memo which was also submitted. The main grounds of the appeal was:

- a. That SEBI has grossly erred in classifying DIDL as Shell Company since no criteria of Shell Company is applicable to DIDL.
- b. That no purpose or intent of SEBI has been spelt out in the letter issued by SEBI to BSE for classifying DIDL as Shell Company.
- c. The Impugned Order is *ultra vires* and bad in law on the sole ground that the SEBI has not followed principles of natural justice i.e. without first setting up a case against DIDL, without affording an opportunity to explain its case and without giving an opportunity of personal hearing to DIDL, the securities of DIDL has been moved to Graded Surveillance Measure (GSM).

- d. SEBI has failed to appreciate that DIDL from time to time has complied with all regulatory compliances as per Listing Agreement and as on date there is no lapse of any nature of whatsoever in this regard.

14. Further, during the course of hearing, ARs were advised to submit the following information along with full backup documentation /documentary evidence latest by September 20, 2017:

- (a) Extract of report/documents submitted to BSE wherein business model outlined as trading in textiles.*
- (b) Bank Statement of the company for financial year 2016-17.*
- (c) As explained during the hearing, the company has 31 subsidiary companies. An explanation why they have floated so many subsidiary companies.*
- (d) In terms of the investments of the company, they have invested an amount of Rs.7.57 crores, details are available in annexure of current investments (note no.10 of consolidated financial statements of FY 2015-16). The company's principle activity is dealing in "Textiles Products" and not into an investment activity. As significant portion of funds is lying in investments/lending activity, the documents related to investment activity i.e. regulation, authorization by Board and disclosure to stock exchange(s) be furnished.*
- (e) Under trade payables an amount of Rs.1.97 crore (note no.5 of consolidated financial statements of FY 2015-16), which is payable to "Cairnhill Development Pvt. Ltd.". Furnish the document underlying the transaction(s) and also bank statement which show what is inflow & outflow and link to the trading business of the company.*
- (f) Trade receivables i.e. Rs.3.03 crore reported in consolidated financial statements of FY 2015-16 (note no.11). Furnish the full breakup by party wise, backup documents underlying the transaction(s) and link to the business.*
- (g) Other current assets (note no.13 of consolidated financial statements of FY 2015-16) consists an amount of Rs.3.20 crore given to E-city projects, provide us with the documents & link to business for the same.*
- (h) An affidavit from*
 - a. Mr. Vikash Chowdary stating*
 - (i) The reason for stepping down from the company board*
 - (ii) How much beneficial ownership/shareholding in the company directly /indirectly by him & his family members*

(iii) *What is his remuneration / perquisites for the last 3 year from the company.*

(iv) *Has he ever been questioned by Government/Regulatory authorities (including IT raid) and in the course of interaction with the said authorities, what statements he has made in respect of directly/indirectly facilitating accommodation entries with/without actual movement of funds in any companies including but not limited to Dalmia Industrial Development Ltd.*

It was clarified to the ARs that the term 'accommodation entries' should be interpreted in the wider context of normal English language and not in a narrow legalistic manner.

b. From the current Managing Director of the company or whosoever is managing the affairs of company stating whether in letter & spirit, he/she is managing the affairs of the company & therefore takes full responsibility for all executive actions of the company or he/she is taking instructions from anybody whether on/off the board of company. If yes, names of persons who are actually running the company.

(i) Top 10 contributors for sales/purchases by value with the backup documents.

15. SEBI vide email dated September 15, 2017 has also advised DIDL to furnish the aforesaid information by September 20, 2017.

16. DIDL vide its letter dated September 20, 2017 submitted the information sought by SEBI at the time of hearing and vide email dated September 15, 2017, which are *inter alia* as under:

“.....

(a) Enclosed herewith please find Extract of report/documents submitted to BSE wherein business model outlined as trading in textiles and marked as Annexure -1.

(b) Enclosed herewith please find The Bank Statement of the company for financial year 2016-17 and marked as an Annexure-2.

(c) *The company has at present 31 subsidiaries with various objects. The Board at their various meetings to explore the market condition and opportunities proposed to start new business activities and accordingly floated the subsidiaries. Despite having funds, it was not contusive to carryout the diversified business activities for lack of professional and managerial supports. None of the subsidiaries are substantial undertaking or subsidiaries contributing 20% of the revenue to the company.*

(d) *The paid up capital of the company is more than Rs.20 cr. The 50% and above revenue of the company is mainly from textile trading. Also more than 50% of the total assets of the company consists of textile assets.*

Section 45IA of the Reserve Bank Act, 1934 is not applicable to the company. Since the trading activities did not fetch good returns, the Board decided that for the time being to put the funds in Investment from its own funds. Section 186 of the Companies Act, 2013 has been complied. It was not required as per LODR to inform the Stock Exchange about the small – small investments.

(e) *Under trade payables an amount of Rs.1.97 crore (note no.5 of consolidated financial statements of FY 2015-16), which is payable to “Cairnhill Development Pvt. Ltd.”. Enclosed herewith please find the document(s) underlying the transaction(s) and also bank statement which show what is inflow & outflow.*

Enclosed herewith please find the document(s) underlying the transaction(s) and also bank statement which show what is inflow & outflow and marked as Annexure-3.

We further clarify that the payment to Cairnhill Development Pvt. Ltd. is mainly on account of purchase of textile which the MOA of the company permits.

(f) *Trade receivables i.e. Rs.3.03 crore reported in consolidated financial statements of FY 2015-16 (note no.11). Enclosed herewith furnish the full breakup by party wise, backup documents underlying the transaction(s) and marked as Annexure-4.*

(g) *Other current assets (note no.13 of consolidated financial statements of FY 2015-16) consists an amount of Rs.3.20 crore given to E-city projects. Enclosed herewith please find, the documents & link to business for the same and marked as Annexure-5.*

(h) *Enclosed herewith please find as Affidavit from Mr. Vikash Chowdary stating*

- (i) *The reason for stepping down from the company board;*
- (ii) *How much beneficial ownership/shareholding in the company directly /indirectly by him & his family members;*
- (iii) *What is his remuneration / perquisites for the last 3 year from the company; and*
- (iv) *the questioned by Government/Regulatory authorities (including IT raid) has put to him and in the course of interaction with the said authorities, what statements he has made in respect of directly/indirectly facilitating accommodation entries with/without actual movement of funds in any companies including but not limited to Dalmia Industrial Development Ltd.*
- (i) *From the current Whole Time Director an affidavit stating whether in letter & spirit, he is managing the affairs of the company & therefore takes full responsibility for all executive actions of the company.*
- (j) *Enclosed herewith please find as an Annexure-6 top 10 contributors for sales/purchases by value with the backup documents....”*

17. Further, upon perusal of documents submitted by the company alongwith its reply dated September 20, 2017, Annexure-4, Annexure-6 and affidavits from Mr. Vikash Chowdary & Current Managing Director of the company was not found. Therefore, SEBI vide email dated September 25, 2017 has again advised the company to provide required documents and the affidavits from Mr. Vikash Chowdary & Current Managing Director of the company. ARs of DIDL vide letter dated September 25, 2017 stated the following documents are submitted:

- (a) Original Affidavit of Mr. Vikash Chowdary
- (b) Original Affidavit of Mr. Raj Mohta.
- (c) Explanation relating to 31 subsidiaries
- (d) Certified true copy of the MOA and AOA of the company.
- (e) Copy of Medical Prescription and report of Mr. Vikash Chowdary
- (f) Extract of the documents filed with BSE wherein business model outlines as trading in textile.

Upon perusal of the reply dated September 25, 2017 it is noted that despite repeated reminder the company had failed to submit Annexure-6 attached to the reply dated September 20, 2017 and affidavits from Mr. Vikash Chowdhary & Current Managing Director of the company. Further, SEBI once again vide email dated September 25, 2017 advised the company and ARs to provide required documents and the affidavits from Mr. Vikash Chowdhary & Current Managing Director of the company. DIDL vide email dated September 26, 2017 submitted the copy of affidavit dated September 22, 2017 from Mr. Vikash Chowdhary and copy of affidavit dated September 20, 2017 Mr. Raj Mohta, Director of DIDL.

18. Pursuant to SEBI's letter dated August 9, 2017, BSE submitted its report dated September 20, 2017 stating that, Company has submitted the auditor certificate from M/s. R K P Associates, Chartered Accountant, certifying that company had filed income tax returns for the last 3 years and as on date there are no disputes pending with the Income Tax Department. The company had complied with Companies Act and Annual returns filing during last three years. The company is a going concern and is engaged in trading activities. The company had not defaulted to any Banks / Financial Institutions. The company had complied with all the listing regulations for last 3 years. BSE recommended that *prima facie*, the submission made by the company appears to be in order. Further, Metropolitan Stock Exchange of India Limited vide email dated September 25, 2017 submitted its report stating that company has provided appropriate credentials about existence of the company and fundamentals about the financial performance of the company. However, the same has been concluded on the basis of the requirement of filings to be made by the Company. It is also essential to analyse the contents and representations made in the filings to arrive at *prima facie* findings of any misrepresentation therein.

Consideration:

19. On perusal of the materials available on record, the following *prima facie*/potential issues arise for consideration.

- (a) *Whether there is prima facie evidence of misrepresentation including of its financials and/or its business and 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 account/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, 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.*

20. 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 including of its financials and/or its business and possible of 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 account/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.*

21. Based on the replies given by the company in response to SEBI's queries, prima facie observations are as under:

- (a) As per the Memorandum of Association (MOA), the main objective of the company is "To carry on the business in India and abroad as traders, distributors, dealers, exporters, importers, brokers, stockist & commission agents in all types of goods and services". However, almost 1/3rd (33%) of its assets are in investment for which the company has failed to provide authorization documents from its Board or disclosure documents to the exchanges. Further, with respect to the other current assets (note no.13 of consolidated

financial statements of FY 2015-16) consists of an amount of Rs.3.20 crore given to E-City Projects Lucknow Private Limited. The company has provided the agreement entered dated August 01, 2014 between DIDL and E-City Projects Lucknow Private Limited. However, company has failed to reply on “link to business”. A review of the agreement indicates that DIDL has invested in a real estate / development project on a profit share basis which *prima facie* is not in line with its stated objective. Taken together, these investments comprise more than 46% of the assets of the company. Thus, there appears to be *prima facie* evidence of misrepresentation of the business of the company.

- (b) During the course of hearing company was advised to submit the bank statement for the financial year 2016-17, on analysis of bank statement of A/c.no. 62338284318 State Bank of Hyderabad, Brabourne Road, Kolkata, it is observed that there are entries of funds received by DIDL from single/multiple entities and almost the same amount transferred to other entity / entities on the same/next day. This pattern of back-to-back transactions leads to suspicion that the books of accounts may have been used to facilitate accommodation transactions.
- (c) From the financial statements (Standalone & Consolidated) as at March 31, 2017 and based on the company’s submissions, it is noted that the subsidiaries have no significant operations. However, it is observed that other current liabilities reported as per standalone financial statements as at March 31, 2017 is Rs.0.40 lakhs only, whereas, as per consolidated financial statements as at March 31, 2017, the reported current liabilities are Rs.334 lakhs. Further, the non-current investments as per standalone financial statements as at March 31, 2017 is Rs.0.00 whereas as per consolidated financial statements as at March 31, 2017 is Rs.334 lakhs. From the consolidated & standalone results, *prima facie* it appears that there are practically no transactions /operations in subsidiary companies, which raises a suspicion about the genuineness of other current liabilities as well as non-current investments as reported at March 31, 2017 (consolidated).

- (d) With regard to trade receivables of Rs. 3.03 crore reported in the consolidated financial statements of FY 2015-16, DIDL in its reply dated September 20, 2017 has referred to 'Annexure-4'. However, upon perusal of documents submitted by the company alongwith its reply dated September 20, 2017 there is no 'Annexure-4'. Thus, the company had failed to provide full breakup party wise, back up documents underlying the transactions and their link to the business.
- (e) During the course of hearing, the company was advised to provide the top 10 contributors for sales/purchases by value with the backup documents. DIDL vide reply dated September 20, 2017 has enclosed the top 10 contributors for sales/purchases by value with the backup documents as 'Annexure-6'. However, upon perusal of documents submitted by the company alongwith its reply dated September 20, 2017 no 'Annexure-6' was found. Despite follow-up by SEBI, the company failed to furnish the same.
- (f) Vide affidavit dated September 22, 2017, Mr. Vikash Chowdhary affirmed and declared that he has stepped down from DIDL from the end of May 2017, due to ill health (high diabetes, heart problem & high blood pressure). The collective shareholding of his family in DIDL was 0.51% consisting of 1,03,600 equity shares. During the past 3 years, he had volunteered not to accept any remuneration from company due to low profitability of the company. In respect of DIDL, he was never questioned by government/regulatory authorities regarding directly or indirectly facilitating accommodation entries. He further affirmed that in September 2015, a Survey was conducted by the Income Tax Authority, where he was forced to give certain statements about accommodative entries and under duress and coercion and also threat where he was compelled to say against his consent and desire that he had helped in providing accommodation entry to some beneficiaries though he had no financial capacity and ability to accommodate any one. The Statements recorded were totally incorrect taken under pressure, therefore he denies and retracts all such statements.

(g) Vide affidavit dated September 20, 2017, Mr. Raj Mohta affirmed and declared that he is the Director of DIDL and board has authorized him to carry out such functions, exercise such powers and perform such duties from time to time determine and entrust to him. He being the director, report to the board and is responsible for all actions to the board. Only the Board has absolute power to decide the policies of the company.

22. From the above I note the followings:

- (a) That there appears to be *prima facie* evidence of misrepresentation of the business of the company.
- (b) That *prima facie* it appears that there are practically no transactions /operations in subsidiary companies, which raises a suspicion about the other current liabilities and non-current investments as reported at March 31, 2017 (consolidated).
- (c) That there is lack of documents to substantiate the transactions entered into / outstanding's of the company to establish the genuineness of those transactions.
- (d) That there is *prima facie* suspicion that the company is being used as a conduit to facilitate multiple transactions between entities/individuals including possible accommodation entries.

23. Thus, there is *prima facie* evidence of misrepresentation of business/financials as well as suspicion of misuse of funds/ the books of accounts of the company. The directors & KMPs have therefore *prima facie* failed to discharge their fiduciary responsibility. The company is also liable for the *prima facie* violations observed and it is imperative that in the interest of investors, the financials of the company be independently audited to establish their genuineness.

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.*

24. In view of the *prima facie* evidence on the misrepresentation of financials/business by the company and suspicion of misuse of funds/ the books of accounts, the persons who are in control of the company and the directors of the company are *prima facie* liable for action by SEBI and should not be permitted to exit the company at the cost of innocent shareholders.
25. The findings in this order have been rendered on the basis of the *prima facie* evidence available at this stage. Detailed examination / forensic audit needs to be undertaken to unearth the entire extent of violations.
26. Further, pending enquiry/ audit, considering the interest of public shareholders involved in DIDL, I find it is appropriate to revert the trading in the securities of DIDL to the status as it stood prior to issuance of letter dated August 7, 2017 by SEBI.
27. In view of the above, I am of the view that following urgent interim actions are required to be taken, pending further enquiry/audit.

INTERIM ORDER

28. 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, subject to para 28(iv) of this order, the actions envisaged in SEBI's letter dated August 07, 2017 and the consequential actions taken by Stock Exchanges, against M/s Dalmia Industrial Development Limited as under:

- i. The trading in securities of DIDL shall be reverted to the status as it stood prior to issuance of letter dated August 7, 2017 by SEBI.
- ii. Exchange shall appoint an independent forensic auditor *inter alia* to further verify:
 - a. Misrepresentation including of financials and/or business of DIDL, if any;
 - b. Misuse of the books of accounts / funds including facilitation of accommodation entries, if any.

- iii. The promoters and directors in DIDL are permitted only to buy the securities of DIDL. The shares held by the promoters and directors in DIDL shall not be allowed to be transferred for sale, by depositories.
- 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 M/s Dalmia Industrial Development Limited.

29. The '*directors*' for the purpose of direction mentioned at para 28(iii) above shall mean and include:

- (a) the persons who are acting as directors on the date of this order, or
- (b) the persons who are acting as directors of this company as on August 07, 2017, who cease to be director, by way of disqualification by any other authority, or by way of resignation or by any other means, on or after August 07, 2017.

30. Accordingly the representation of M/s Dalmia Industrial Development Limited is disposed of.

31. The above directions shall take effect immediately and shall be in force until further Orders.

32. The prima facie observations contained in this Order are made on the basis of the prima facie material available on record. In this context, M/s Dalmia Industrial Development Limited is advised to file its reply/objections to this interim order. The Company, within 30 days from the date of receipt of this Order, may file its reply, if any, to this Order and may also indicate in the reply 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, if any. In the event of M/s Dalmia Industrial Development Limited failing to file reply or requesting for an opportunity of personal hearing within the said 30 days, the preliminary findings of this Order and ad-interim directions at para 28 above shall stand confirmed automatically, without any further orders.

33. Copy of this Order shall be forwarded to the recognised stock exchanges & depositories for information and necessary action.

34. 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**