

**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 Jaisukh Dealers Limited (PAN - AABCJ7808H).**

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 regulations 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 their respective financials and businesses and possible violations of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 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 **Jaisukh Dealers Limited** (hereinafter referred to as “JDL” / “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 September 7, 2017 received along with an advance copy of SAT Appeal Memo, JDL made a representation, *inter alia*, submitting as under:
 - (a) That the foundation of the company is based on the fundamentals of good business and ethical practices and the company does not fall into any criteria of being a shell company.
 - (b) That the company is dealing in manufacturing and trading of ready-made garments.
 - (c) That the company has been generating adequate turnover and has shown consistent increase in the revenue generation in past few financial years. Whereas the turnover in financial year 2016-17 was not upto the expectation of the management, the Company is making all due efforts in strengthening its position in current business.
 - (d) That the company has filed Auditor Certificate along with all the requisite data/details/documents with BSE Ltd. by its letter dated 17/08/2017.
9. In the meantime, aggrieved by the aforesaid letters/notice dated August 7, 2017 issued by SEBI and BSE, JDL filed an appeal No. 237 of 2017 before Hon'ble Securities Appellate Tribunal (hereinafter referred to as "SAT"). Hon'ble SAT vide order dated September 13, 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. Hon’ble SAT in the matter of *J. Kumar Infra Projects Limited vs. SEBI* (order dated August 10, 2017) held that the measure 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. Vide letter dated September 21, 2017, the company was also advised to submit the following information-

- a. Summary of dealings of the Company or its directors with or through Mr. Prakash Jajodia, Mr. Tanumoy Laha, Mr. Soumen Sen Gupta, Mr. Somnath Gupta and Mr. Kishan Jajodia, either directly or indirectly, including the nature and quantum thereof. Provide details of all transactions along with supporting documents;

- b. Details of Association of the company or its directors, whether direct or indirect, with Mr. Prakash Jajodia, Mr. Tanumoy Laha, Mr. Soumen Sen Gupta, Mr. Somnath Gupta & Mr. Kishan Jajodia;
- 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;
- d. Details of any submissions made to Income Tax by the Company/Director or Promoter during August 2014 to October 2014, if yes, provide the copy of the documents/letters;
- e. To provide written confirmation of the following statements recorded during an investigation by enforcement agency under section 131 of Income Tax Act, 1961 dated 26/08/2014 on oath by Mr. Prakash Jajodia (Director of JDL and part of the promoter group).

-“I am doing the business of providing accommodation entries to various beneficiaries in lieu of cash after charging fixed percentage of commission in cash”

*-“I am director in 15 companies list **(Annexure-A)** of which have already been submitted on 07/08/2014 during the course of survey. However, in the business of providing accommodation entries, a large number of companies are required for circulating the funds and providing accommodation entries. Therefore, I am controlling and managing the affairs of many companies”*

-“My source of income is commission from the stock broking business under the name of M/S. Giriraj Stock Broking Pvt. Ltd. I am also doing the business of providing accommodation entries to various beneficiaries in lieu of cash after charging fixed percentage of commission in cash”

f. Details of any notices served by any Government agency/Regulatory body to the company/promoters/directors from 2010 till date.

12. Pursuant to the same, the Company vide letter dated September 29, 2017 submitted the following information-

- a) Mr. Kishan Kumar Jajodia (DIN- 00674858), Managing Director and Mr. Tanumay Laha, C.F.O. has received remuneration of Rs. 2,70,000/- and Rs. 90,000/- respectively, during the financial year ended 31st March, 2017. Further, Mr. Prakash Kumar Jajodia (DIN- 00633920), Mr. Soumen Sen Gupta (DIN- 02290919) and Mr. Somnath Gupta (DIN- 02238654), directors of the Company, do not receive any remuneration from the Company.
- b) Mr. Kishan Kumar Jajodia (DIN- 00674858), Managing Director and Mr. Prakash Kumar Jajodia (DIN- 00633920), Director belong to the promoter group of the Company. Mr. Tanumay Laha is C.F.O. of the Company and Mr. Soumen Sen Gupta (DIN- 02290919) and Mr. Somnath Gupta (DIN- 02238654) are directors of the Company.
- c) Details of employees on the rolls of the Company, their respective roles, remuneration received, qualifications and experience for the job are

Employees	Roles	Remuneration Received	Qualifications	Experience for the
Kishan Kumar Jajodia	Managing Director-Senior Management, Key Managerial Personnel	Rs. 30,000/- p.m.	B.Com	28 years working experience in Finance and

Tanumay Laha	C.F.O.-Senior Management, Key Managerial Personnel	Rs. 7,500/- p.m.	B.A. (Hons.)	9 years of experience in the field of Finance & Marketing
Mohan Lal Seikh	Blue Collar Work	Rs. 5,000/- p.m.	-	-

- d) Mr. Prakash Kumar Jajodia (DIN- 00633920), director was forced to make submission before the Income Tax officer due to continuous insistence of the officer of the Income Tax Dept. and thus, such statements were recorded under pressure and force.
- e) Mr. Prakash Kumar Jajodia, Director, hereby confirms to have recorded statement on oath upon being subjected to pressure, force, coercion and without satisfaction, the statements mentioned in point no. 5 of the SEBI Letter SEBI/HO/ISD/ISD/OW/P/2017/22256/1, during an investigation by the enforcement agency under section 131 of the Income Tax Act, 1961. In this connection, the notarised copy of the affidavit of the undersigned, dated 20th February, 2015 was enclosed by JDL.
- f) No notices were served by any Government agency/Regulatory body to the company/ promoters/ directors from 2010 till date.

13. Pursuant to above mentioned SEBI's letter dated August 9, 2017 (mentioned above), BSE has submitted its report wherein it has *inter alia* observed the following:

Adverse findings by Exchanges for LODR –

As per Exchange record, company has not complied with following listing requirements:

- a) *Annual Report not submitted for the year ended 2015*
- b) *Financial result not submitted for quarter ended Sept 2014*
- c) *Secretarial Audit Report not submitted for quarters ended Sept-14, Dec-14, Mar-15, Jun-15, Sep-15, Dec-15*

Hearing and Reply:

14. Pursuant to the decision of Hon'ble SAT, an opportunity of personal hearing was granted to JDL on September 25, 2017 when its authorized representative, Mr. Ketan Rupani appeared and made *inter alia* following oral submissions-

- a. JDL was listed on the Institutional Trading Platform of BSE and has been an active company.
- b. It is wrong to categorize the company as a shell company.
- c. No complaint is pending against the company as on date.
- d. The company has been complaint with all the laws including Companies Act and Income Tax Act.

JDL was asked to provide the information / response on the following points (supported by documentary evidence) as early as possible and latest by October 03, 2017.

- (1) Mr. Prakash Kumar Jajodia (Director of JDL) vide letter dated October 30, 2014 made disclosure of income of Rs. 1 crore to income tax authorities along with the list of companies used to generate such income. In this regard, Mr. Prakash Kumar Jajodia shall file a fresh affidavit mentioning the following:
 - a) Which were the companies where he facilitated accommodation entries either directly/indirectly?
 - b) Value of such transactions.
 - c) Income earned from such transactions.
 - d) Whether there is any change in name of any of these companies? If yes, please provide earlier names and new names.
- (2) Declaration from JDL stating whether it had any transaction with any of the companies list of which was provided to JDL.
 - a) Amount of such transaction and for what?
 - b) Back up documentation and copy of contract, if any.
 - c) Link to the business of JDL

- (3) Explain the reasons for non-submission of Annual Report for the F.Y. 2014-15, non-submission of secretarial audit for the quarter ending September 2014 to December 2015 and non-submission of financial results for the quarter ended September 2014. Why the same was not submitted at the right time?
- (4) Explain the reasons for the increase in trade receivables by Rs. 30 lakh when the revenue from operation during the F.Y. 2016-17 is Rs. 2.18 Lakhs only.
- (5) Full Break up of Trade receivables of Rs. 3.18 crore as on March 31, 2017 along with underlying documents e.g. contracts, ageing of trade receivables. Explain the trade receivables with the link to the business of JDL. Further, if the trade receivables are from a related party then the secretarial audit report for whether due process under the provisions of companies act was followed while dealing with related party.
- (6) Full break up of investment in unlisted companies along with auditors' certificate on valuation of investments made along with the basis of valuation. Further, if the unlisted entity is a related party, then secretarial audit report for whether due process under the provisions of companies act was followed while dealing with related party.
- (7) Provide the Sale deed of land comprising the value of Rs. 1.06 crore as per Annual Report 2016-17 and also explanation for the purpose of investment and link to the business.
- (8) As per the financial statement of 2016-17, an amount of Rs. 2.33 Crore is shown towards inventory of shares. Provide the breakup of the same and the auditor certificate explaining the basis of valuation of unlisted shares. If the transactions in this regard were done with a related party, then secretarial audit report for whether due process under the provisions of Companies Act was followed while dealing with related party.

SEBI also sent an e-mail to the company on September 28, 2017 asking for the above information. Vide email dated 03/10/2017 the company sought extension of 10 days till October 13, 2017 to furnish the information/response. Since the said request of extension till

October 13, 2017 was beyond the due date of passing order as per SAT's direction, vide email dated 05/10/2017 the company was granted time till October 06, 2017 to file the requisite information.

15. JDL filed its response to the queries / information sought from it vide letter dated October 05, 2017 received on October 09, 2017. The query-wise response of JDL is as under:

1. With reference to the letter dated October 30, 2014 regarding disclosure of income of Rs. 1 crore to the income tax authorities, JDL enclosed an Affidavit by Mr. Prakash Kumar Jajodia dated February 02, 2015 and submitted that Mr. Prakash Kumar Jajodia have recorded statement on oath upon being subjected to pressure, force, coercion and without satisfaction.
2. List of Companies with whom JDL had business transactions are below:-

S/No.	Name of Companies	Amount of Transaction	Nature of Transaction
1	Rudramukhi Infrastructure Pvt Ltd	9,60,000	Acquisition of Shares
2	Swarnamahar Infratech Pvt Ltd	36,80,000	Acquisition of Shares
3	Flowtop retailers Pvt Ltd	10,00,000	Acquisition of Shares
4	Rifty Real Estates Pvt Ltd	95,000	Disposal of Shares
5	Mamtamayee Developers Pvt Ltd	15,00,000	Acquisition of Shares
6	Ashirwad Suppliers Pvt. Ltd	40,00,000	Disposal of Shares

That the aforesaid transaction are linked to company's business activities as it utilized the idle funds in investments in other bodies corporate. Copies of ledgers were provided by JDL as supporting documents.

3. The company has submitted the Annual report for F.Y. 2014-15 and unaudited financial results for quarter ended September 2014 timely. Further all the equity shares of the company are in dematerialized form and none are in physical form. Therefore the company did not submit statement of reconciliation of share capital (Secretarial audit) for the quarter ending September 2014 to December 2015.
4. The increase in trade receivables during the F.Y. 2016-17 was due to sale of investments.
5. Full break up of Trade receivables as on March 31, 2017 are as follows:-

Particulars	Ageing	Nature of transaction	Amount (in ₹)
Barbrik Vanijya Pvt. Ltd.	exceeding six months	Sale of fabrics	92,30,563
Ashirwad Suppliers Pvt. Ltd.	less than six months	Disposal of investment	30,00,000
JDL Consultants Ltd.	exceeding six months	Disposal of investment	41,48,000
JDL Gem & Jewelleries Ltd.	exceeding six months	Disposal of investment	37,48,000
JDL Hosieries Ltd.	exceeding six months	Disposal of investment	41,40,000
JDL Real Estates Ltd.	exceeding six months	Disposal of investment	45,98,000
Kamalkant Vinimay Pvt. Ltd.	exceeding six months	Sale of fabrics	26,44,268
Prabhat Telecoms (India) Pvt. Ltd.	exceeding six months	Sale of mobile & accessories on its behalf	3,57,819

6. Full break up of investment in unlisted companies as on March 31, 2017 is as follows-

Particulars	No. of Shares	Amount (in ₹)
Anurodh Infrastructure Ltd.	617,400	61,74,000
Fastner Machinery Dealers Ltd.	17,044	85,22,000
Jaguar Infra Developers Ltd.	24,000	1,20,00,000
Primary Iron Traders Pvt. Ltd.	2,935,000	2,93,50,000
Original Fashion Traders Ltd.	1,000,000	1,00,00,000

JDL also submitted auditor certificate on valuation pertaining to dates of 2014 to 2015.

7. Sale deed of Land comprising value of Rs. 1.07 crores as per Annual Report 2016-17 was provided by the company. JDL also submitted that the workshop of the company is situated in the said land.
8. Break up of inventory of Rs. 2.33 crores is as follows:-

Particulars	No. of Shares	Amount
Econo Trade (India) Ltd	1,07,550	2,14,02,450
Konark Commerce and Industries Limited	20,000	19,78,729
TOTAL	1,27,550	2,33,81,179

Consideration of issues:

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

- (a) Whether there is *prima facie* evidence of misrepresentation by JDL 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.

17. 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 JDL 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.*

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

- a) The Company has shown inventory of shares worth Rs. 2.33 crore as on March 31, 2017 which consists of Rs. 2.14 crore for 1,07,550 shares of Econo Trade (India) Limited. Further, in its notes to accounts it has mentioned that the inventories are valued at lower

of cost and net realizable value. As per BSE the closing price as on March 30, 2017 is Rs. 31.40. Therefore the net realizable value comes out to Rs. 33.77 lakhs. Therefore, it is observed that the value of inventory is overstated by Rs. 1.8 crores leading to the prima facie evidence that the Company has misrepresented value of its inventory of shares/financials.

- b) Mr. Prakash Kumar Jajodia failed to submit the fresh affidavit as sought during hearing with respect to his letter dated October 30, 2014 to the Deputy Director of Income Tax pertaining to disclosure of his income of Rs. 1 crores through accommodation entries. Instead JDL has submitted his past Affidavit dated February 02, 2015 which pertains to the transaction relating to some other company wherein he merely refers to his statement dated 26th August, 2014 recorded by Income tax authorities which he claims was given under pressure, force and coercion. However he has failed to provide explanation for his letter dated October 30, 2014 and clarify the reason for his disclosure of self-declared income of Rs. 1 crore as earned from accommodation entries. Thus there is strong suspicion of misuse of books of accounts/funds of the company.
- c) The company was asked to explain the reasons for the increase in trade receivables by Rs. 30 lakh when the revenue from operation during the F.Y. 2016-17 is Rs. 2.18 Lakhs only, wherein the company submitted that the increase in trade receivables was due to sale of investments without providing any back up documents. Further it is observed that out of Rs. 3.18 crores trade receivables outstanding as on March 31, 2017, Rs. 2.88 crores is outstanding for more than six months. It is noted the contract copies of the same were not provided. The company was also asked to provide the secretarial audit report if trade receivables are from a related party and whether due process under the provisions of Companies Act was followed while dealing with related party. Company did not submit any underlying contract and whether it had related party transaction outstanding as trade receivables as on March 31, 2017. In this regard I note the company did not disclose in

the reply dated October 05, 2017 to SEBI that it has trade receivables from the related parties. On perusal of the material available on record including their reply, I find that out of Rs. 3.18 crore trade receivables, Rs. 1.6 crore are from related party i.e. from the subsidiaries of JDL. However JDL failed to disclose the same and also failed to submit secretarial audit report and as to whether due process under the provisions of Companies Act was followed while dealing with related party. The failure on the part of the company to provide documentary support despite specifically asking for the same indicates that the company is neither able to establish the genuineness of these transactions nor that the transactions were in the interest of the public shareholders.

- d) As per Annual Report 2016-17, it is observed that following companies ceased to be subsidiaries of JDL, however there are trade receivables outstanding for more than six months from the following companies.

Name of the Company	Amount of Outstanding trade receivables	Nature of transaction	Paid up capital*
JDL Consultants Limited	41,48,000	Disposal of Investment	5,00,000
JDL Gem & Jewelleries Limited	37,48,000	Disposal of Investment	5,00,000
JDL Hosieries Ltd	41,40,000	Disposal of Investment	5,00,000
JDL Real Estate Limited	45,98,000	Disposal of Investment	5,00,000
TOTAL	1,66,34,000		

*As per MCA website

From the above it is observed that the company still have outstanding dues from the subsidiaries which have been already disposed of during the F.Y. 2016-17 which prima facie appears to be detrimental to the interest of the shareholders.

- e) The company was asked to provide full break up of investments in unlisted companies along with valuation certificate and if related party investments are there then secretarial audit report whether due process has been followed while dealing with related party. The company failed to clarify whether there were any related party transactions and failed to submit the secretarial audit report. Also, the valuation reports are dated 2014/2015 which are not adequate for valuation as on March 31st, 2017. Therefore, there is no sufficient material to support the valuation of investments as on March 31, 2017.

19. Considering the above observations, I note that the value of inventory of the Company is overstated by Rs. 1.8 crores, thus there is prima facie evidence that the Company has misrepresented its financials. Further, failure on the part of Prakash Jajodia, Director of the company to provide affidavit explaining his letter dated October 30, 2014 pertaining to his income through accommodation entries and failure on part of JDL to provide documentary support of its investments, its trade receivables, and its related party transactions despite specifically asking for the same indicates that there is prima facie suspicion of misuse of the books of accounts/funds including facilitation of accommodation entries

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.*

20. In view of the *prima facie* evidence on misrepresentation of financials by the company and the suspicion of misuse of books of accounts/funds by the company, 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.

21. Further, on account of the above mentioned observations on misrepresentation of financials by the company and the suspicion of misuse of books of accounts/funds by the company, it is also imperative that in the interest of investors, the financials of the company be independently audited to establish their genuineness.
22. Pending enquiry/ audit, considering the interest of public shareholders involved in JDL, I find it appropriate to revert the trading in securities of JDL to the status as it stood prior to issuance of letter dated August 7, 2017 by SEBI.
23. 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

24. 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 JDL and direct as under:
 - i. The trading in securities of JDL 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 forensic auditor interalia to further verify:
 - a. Misrepresentation including of financials and/or business of JDL, if any;

- b. Misuse of the books of accounts / funds including facilitation of accommodation entries, if any.
 - iii. The promoters and directors in JDL are permitted only to buy the securities of JDL. The shares held by the promoters and directors in JDL 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 JDL.
25. The directors for the purpose of direction mentioned at para 24 (iii and iv) above shall mean and include:
- a. the persons who are acting as directors on the date of this order, or
 - b. the persons who were 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
26. Accordingly, the representation made by JDL is disposed of. The above directions shall take effect immediately and shall be in force until further Orders.
27. The prima facie observations contained in this Order are made on the basis of the prima facie material available on record at this stage. However, detailed examination / forensic audit needs to be undertaken to unearth the entire extent of violations. In this context, JDL 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 JDL 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 JDL automatically, without any further orders.

28. 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: OCTOBER 11, 2017

PLACE: MUMBAI

MADHABI PURI BUCH

WHOLE TIME MEMBER

SECURITIES AND EXCHANGE BOARD OF INDIA