

**BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA  
CORAM: PRASHANT SARAN, WHOLE TIME MEMBER**

**ORDER**

**Under Sections 11(1), 11(2)(j), 11(4) and 11B of the Securities and Exchange Board of India Act, 1992 read with section 12A of the Securities Contracts (Regulation) Act, 1956 in the matter of non-compliance with the requirement of minimum public shareholding by listed companies**

**In respect of Sanghvi Asbestos Cements Limited**

---

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') had passed an *interim order* dated June 04, 2013 (hereinafter referred to as '*the interim order*') with respect to 105 listed companies who did not comply with the Minimum Public Shareholding ('MPS') norms as stipulated under rules 19(2)(b) and 19A of the Securities Contracts (Regulation) Rules, 1957 (hereinafter referred to as 'SCRR') within the due date i.e., June 03, 2013. The *interim order* was passed without prejudice to the right of SEBI to take any other action, against the non-compliant companies, their promoters and/or directors or issuing such directions in accordance with law. The *interim order* was to be treated as a show cause notice by those companies for action contemplated in paragraph 18 thereof.
2. **Sanghvi Asbestos Cements Limited** (hereinafter referred to as '*the Company*') is one such company against whom the *interim order* was passed. The equity shares of the Company are listed on the Bombay Stock Exchange Limited ('**BSE**'). The scrip of the Company is suspended for trading at BSE.
3. The *interim order* forwarded to the Company vide letter dated June 05, 2013. However, no reply was received from the Company. In the interest of justice, the Company was afforded an opportunity of personal hearing on July 02, 2015. However, no one appeared for the personal hearing. Before proceeding further, letters dated October 01, 2015 were issued to the Company and its directors forwarding therewith the copy

of the *interim* order and advising to reply. The letter issued by SEBI was delivered except to one of the directors namely Mr. Suresh Joat, however, no reply was received. In view of the same, another letter dated November 09, 2015, was issued to the Company and its directors advising therein these to reply to the *interim* order within 2 weeks. This letter also stated that in case of failure to file reply, it will be deemed that the Company has no submissions to offer and the matter will be proceeded with the material available on record. This time again no reply was received from the Company or its directors. In view of the same, it is considered that further opportunities to the Company to file reply/ personal hearing would not be required. Accordingly, I proceed to decide the matter on merits

4. While proceeding further, I have considered the *interim* order passed in the matter against the Company, its promoters and directors. The *interim* order was issued against the Company as it had failed to maintain the MPS of 25% as mandated under Rule 19A of the SCRR and Clause 40A of the Listing Agreement read with section 21 of the Securities Contract (Regulation) Act, 1956 ('SCRA'). As per the last filing of shareholding pattern of the Company for the quarter ended June 2013, as seen in the BSE website, the promoters hold 79.21% and the public holds only 20.79%. The Company is therefore in violation of the MPS requirements. I note that the Company has not filed any response in its defence.
5. Considering the facts and circumstances of the case, it is clear that the Company has not complied with the MPS requirements till date in breach of Rule 19A of the SCRR and Clause 40 A of the Listing Agreement read with Section 21 of the SCRA, and such non-compliance being continuous in nature, it becomes necessary for SEBI, to confirm the directions issued vide the *interim* order against the Company, its directors and promoters/ promoter group. Further, for proper regulation of the securities market and in view of the continuing nature of the violations committed by the Company, SEBI may also initiate other action, as appropriate in law, against the Company, its directors and promoters.
6. Accordingly, I, in exercise of the powers conferred upon me under Section 19 of the Securities and Exchange Board of India Act, 1992 read with Sections 11(1), 11(2)(j),

11(4) and 11B thereof and Section 12A of the Securities Contracts (Regulation) Act, 1956, hereby confirm the directions issued vide the *interim* order dated June 04, 2013 against the Company, **Sanghvi Asbestos Cements Limited**, its directors, promoters and promoter group.

7. This Order shall remain in force till further directions.
8. Copy of this Order shall be served on the Stock Exchanges and Depositories for their information and necessary action.

**Date: January 11<sup>th</sup>, 2016**

**Place: Mumbai**

**PRASHANT SARAN**  
**WHOLE TIME MEMBER**  
**SECURITIES AND EXCHANGE BOARD OF INDIA**