

ORDER PASSED BY THE DELISTING COMMITTEE OF BSE LTD. IN THE MATTER OF NARAINGARH SUGAR MILLS LTD. FOR COMPULSORY DELISTING UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (DELISTING OF EQUITY SHARES) REGULATIONS, 2009, SECURITIES CONTRACTS (REGULATION) ACT, 1956 r/w SECURITIES CONTRACTS (REGULATION) RULES, 1957 AND RULES, BYE-LAWS AND REGULATIONS OF BSE LTD.

1. This Order is passed under Regulation 22 of Chapter V under the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (as amended from time to time) ("**Delisting Regulations**") r/w Section 21A of the Securities Contracts (Regulation) Act, 1956 ("**SCRA**"), the Securities Contracts (Regulation) Rules, 1957 ("**SCRR**") and the Rules, Bye-Laws and Regulations of BSE Ltd. ("**Exchange**") in the matter of compulsory delisting of equity shares of Naraingarh Sugar Mills Ltd. ("**Company**") from the Exchange.
2. At the meeting held on January 5, 2024, the Delisting Committee of the Exchange ("**Delisting Committee**") perused the records, considered the facts and the relevant provisions of law, including the circulars issued by the Securities and Exchange Board of India ("**SEBI**"). The Delisting Committee unanimously decided to direct the Company to complete the requirements for revocation of suspension in trading in the securities of the Company and make payment of outstanding dues within the stipulated timelines, failing which, the securities of the Company ought to be compulsorily delisted from the platform of the Exchange. In this regard, the Delisting Committee proceeds to furnish the reasons for its decision.

3. The relevant facts are as follows:

- a. The trading in the securities of the Company was suspended w.e.f. July 26, 1999 on account of non-compliance with clauses of erstwhile Listing Agreement.
- b. The trading in the securities of the Company continued to remain suspended for more than six (6) months and the Company failed to take all the steps necessary to enable revocation of suspension in the trading of securities prescribed by the Exchange. Hence, the shareholders / investors are deprived of the facility for dealing in the securities of the Company.
- c. The Company vide email dated January 16, 2019 had stated the following:
“...We have done the compliances and also paid the fee kindly let us know what should be done now to revoke the suspension..”
- d. The Exchange vide email dated May 14, 2019 had provided the details of pending compliances and outstanding dues to the Company.
- e. The Exchange vide email dated September 13, 2019:
 - i. requested to reply at earliest to enable the Exchange proceed further.
 - ii. requested the Company to submit application for revocation of suspension.
 - iii. informed that the checklist for revocation of suspension is available at the Exchange website. Link for the same was also provided to the Company.
 - iv. requested the Company to file application for revocation online through listing center as per new norms for revocation of suspension.

- v. requested certificate from RTA/Depositories (NSDL/CDSL) confirming matching of issued and listed capital of the company with the Exchange as well as with depositories in DN database.
 - vi. requested to provide self-attested copies of PAN Card of all Promoters and Directors of the company and SEBI SCORES NIL Report as on date.
- f. By an email dated January 17, 2020 addressed to the Company, the Exchange inter alia informed that the Company had failed to take steps necessary for revocation of suspension and afforded the Company an opportunity to complete the formalities for revocation of suspension within three (3) months, and listed the pending compliances. The Company was informed that if the company fails to complete the revocation formalities within three months from the date of the email, the Exchange would initiate the procedure for compulsory delisting as per provisions of SEBI Delisting Regulations, 2009.
- g. Subsequently, the Exchange vide email dated September 01, 2020 granted one month's time from the date of the email to the company to complete the formalities for revocation of suspension. Further, it was informed that the Company's failure to comply with the requirements within the stipulated time, the Exchange would initiate the procedure for compulsory delisting. Further, the Exchange had provided the updated list of pending compliances to the Company for reference.
- h. Subsequently, the Exchange vide email dated October 6, 2020 once again granted one month's time from the date of the email to the company to complete the

formalities for revocation of suspension. Further, it was informed that the Company's failure to comply with the requirements within the stipulated time, the Exchange would initiate the procedure for compulsory delisting.

- i. Pertinently, the Company did not complete all the formalities for revocation of suspension in the trading of its securities. Therefore, a Show Cause Notice dated December 21, 2020 was issued to the Company by the Exchange (“SCN”) at its last known registered address available with the Exchange and as available on the website of Ministry of Corporate Affairs (MCA) as well as the Company’s email ID, calling upon the Company to show cause within 15 days from the date of the SCN as to why the securities of the Company should not be compulsorily delisted from the platform of the Exchange in terms of Chapter V of the Delisting Regulations. Further, the Company was also informed that if it wished to avail an opportunity of personal hearing before the Delisting Committee, then such request be included in its representation to the SCN. The Company was also directed to submit its representation to the SCN.

- j. In response to the SCN, the Company vide email dated January 5, 2021 enclosing the letter dated January 4, 2021 stated the following:

“.....we are in receipt of the aforesaid show cause notice dated 21.12.2020 regarding compulsory delisting of the securities of our company Naraingarh Sugar Mills Limited (NSML) from BSE Limited due to prolonged suspension of trading of the company's securities on BSE. In this regard, at the outset, it is informed that the

company do not wish to get its shares delisted from BSE and we wish to make the following submissions:

- 1. In respect of the previous correspondence from BSE dated 01.09.2020 and reminder dated 06.10.2020, it is informed that the factory/ works premises of the company situated at Naraingarh was severely hit by the pandemic COVID-19. There were multiple active cases reported amongst the sugar mill workers and in view of the same, the Local Administration of Naraingarh had ordered a complete closure of the premises and compulsory testing of all employees and workers. A copy of the order is enclosed as Annexure-A. Further, the company was directed to keep the premises closed till complete sanitization and till further orders of the Local Administration granting permission to resume operations, which was received in In view of the severe and immediate disruption of the operations, we were not in a position to update the compliances and submit a suitable response to your previous letter.*
- 2. As far as updation of the pending compliances is concerned, please be informed that the majority of the pending compliance as listed in the captioned show cause notice have been done and the company has been regularly updating/ disseminating the periodic disclosures on the official portal of BSE. The company is undertaking to update and complete all the pending compliances as well in due course, for which BSE is requested to kindly grant some time. Further, the management has also agreed to make the initial payments of the outstanding*

fees to BSE. You are requested to kindly convey to us the amount of the initial fees required to be submitted to BSE.

3. *Further, it is submitted that the registered office of the company is situated in Naraingarh, Ambala (Haryana). Considering the present situation of pandemic and the risks involved in travelling to your office in Mumbai, it is requested that we may be granted an option to make a personal representation and submission through video conferencing/ video calls on such web portal as may be deemed appropriate.*

You are requested to kindly take note of our aforesaid submissions and not to proceed with the compulsory delisting of the company's securities. Looking forward to a favourable consideration of our request....”

- k. Subsequently, the Exchange vide email dated February 19, 2021 informed the Company that the Delisting Committee of the Exchange in its Meeting held on February 13, 2021 considered the representation submitted by the company in reply to the showcause notice dated December 21, 2020 issued by the Exchange and decided to grant time of two months from the date of this communication i.e. on or before April 20, 2021 to complete the formalities for revocation of suspension. The company was informed that if the company fails to complete the formalities within two months from the date of the communication i.e. on or before April 20, 2021 the Exchange would proceed with the compulsory delisting of the company as per provisions mentioned under SEBI (Delisting of Equity shares) Regulations, 2009.

- l. Further, vide Exchange email dated April 8, 2021 the company was again advised to complete the formalities for revocation of suspension which would inter-alia include redressal of investor complaints, payment of outstanding dues if any, completion of pending compliances, as per SEBI Listing Regulations, 2015. It was further informed that no extension of time would be granted to the company to complete the formalities for revocation of suspension and the Exchange would initiate the process for Compulsory Delisting as per the provisions of SEBI (Delisting of Equity Shares) Regulations, 2009 (Delisting Regulations).
- m. In response to the Company email dated January 5, 2021, the Exchange vide email dated July 27, 2021:
 - i. requested the Company to submit a detailed breakup providing the timelines within which the company expects to comply with the pending formalities for revocation of suspension and pay the outstanding dues including Exchange dues and SEBI SOP fines levied on the company if any.
 - ii. requested the Company to provide the said details within 5 days from receipt of this communication to enable the Exchange to proceed suitably in the matter.
- n. The Exchange vide email dated August 9, 2021 sent the reminder to the Company.
- o. The Company vide email dated August 9, 2021 had stated the following:

“...We have done almost all the pending compliance’s and there are a few points that we need to discuss with you before making the final payments.”

We request for a personal hearing and looking at the current scenario we can do it through Vedio confrencing.

Once we get a clarity on our doubts we shall make the payments and move forward in the listing process...”

- p. The Exchange vide email dated November 25, 2021, informed the Company about revision in processing fees and reinstatement fees for revocation of suspension in trading of securities of the Company w.e.f. January 01, 2022.
- q. The Exchange vide email dated February 8, 2022 granted an opportunity of personal hearing before the Request Review Committee of the Exchange (earlier known as “Internal Committee”) scheduled on February 11, 2022, wherein the Company had an opportunity to make representation for revoking the suspension in the trading of the securities.
- r. However, neither the Company submitted its representation in response to the Exchange’s email dated February 8, 2022 and nor appeared before the Request Review Committee of the Exchange.
- s. The Exchange vide email dated April 8, 2022 again granted an opportunity of personal hearing before the Request Review Committee of the Exchange scheduled on April 12, 2022, wherein the Company had an opportunity to make representation for revoking the suspension in the trading of the securities.
- t. The Company vide email dated April 11, 2022 enclosing the letter dated (without any date) had stated the following:

“....It is informed that Naraingarh Sugar Mills Limited is being managed by Govt of Haryana with effect from 07/01/2020. Naraingarh Sugar Mill Limited has taken a loan of 105.21 Crore from Haryana Co-Operative Bank which they have not paid yet so HARCO bank will also be a party to all these meetings. All day-to-day operations are done under the supervision of Haryana Govt Officials. Numerous Police investigations are being conducted against the promoters of the company. Therefore, such type of meeting may be conducted with the consent of Govt of Haryana we are sending our request to Government of Haryana for approval...”

- u. Pursuant to the above and in terms of the Delisting Regulations, Initial Public Notices (“IPN”) were published in one English national newspaper viz., The Financial Express (all editions) dated April 10, 2023 and one vernacular newspaper viz., Navshakti (in Marathi) dated April 10, 2023, *inter alia*, informing about the proposal for compulsory delisting of the equity shares of the Company and inviting representations from any person/s concerned desirous of making any representation to the Exchange, within 15 working days of the notice, at the specified email id bse.delistscn@bseindia.com. The IPN were also disseminated on the Exchange’s website. The email dated April 11, 2023 was also sent to the company and its promoters, informing about publication of aforesaid notice dated April 10, 2023 in newspaper.
- v. In response, the Company vide email dated April 12, 2023 had stated the following:
“.....This is with reference to your mail dated 11.04.2023 with respect to Initial public notice issued by you on 10.04.2023 for compulsory delisting of securities of

Naraingarh Sugar Mills Limited. Please share a copy of Show cause notice given by you as it is not available with us at the earliest....”

- w. On company’s request, the Exchange vide email dated April 12, 2023 had provided the copy of Show Cause Notice dated December 21, 2020 to the Company.
- x. *The Company vide email dated April 22, 2023 enclosing the letter of even date had stated the following:*

Firstly, we request you to accept our apology in regard to non-attendance of personal hearing and request review committee meeting dated 08 Feb 22 and 08 Apr 22 on the cited subject. We would like to mention that such situation arose due to incomplete quorum of directors in our Mill.

Secondly, this has to your captioned show cause notice and subsequent publication of Public Notice in the Newspaper on April 10,2023 regarding the same.

In this connection we will like submit as under:

- 1) We are a publicly listed company with approx. 90% of the capital held by the general public;*
- 2) The company was incorporated in 1991 and subsequently got listed in 1996 after public Issue of its Equity shares;*
- 3) The Company was operating satisfactorily and making all the Compliances including those related to listing with BSE;*
- 4) However, the erstwhile Company promoters and whole time directors and other directors were arrested by the Economic Offences Wing (EOW) in*

connection with the certain serious financial irregularities in the company done by them during their tenure with company ;

- 5) Besides, various other criminal proceedings for several offences (including Fraud) those under IPC are pending against the erstwhile Promoters and directors , including under section 138 of Negotiable Instruments Act filed by the Bankers and IREDA and others;*

- 6) Consequent to the prosecution of promoters / executive directors of the company by EOW and their involvement in other criminal cases including fraud, the other professional/ independent directors also resigned from the Board so the Company was virtually without any effective Board till FY22;*

- 7) In the interest of all stakeholders including banks/ institutions, Sugar cane farmers and public shareholders, the Management of the Company was intervene by Govt. of Haryana in 2021.*

- 8) Since The Company had no effective Board of Directors for a considerable time the operations were supervised by the State Government of Haryana. Consequently various compliances comprising the Company law and listing could not be complied due to lack of availability of competent Board of Directors;*

- 9) Further, consequent upon the aforesaid development and inadequate number of directors in the company, all the statutory and regulatory committees constituted by the Board of Directors, under the provisions of*

Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 stood dissolved and the Finance Department of the State Government of Haryana constituted an Audit Team for a period of one year starting from 20.05.2021 to 31.05.2022, to conduct Audit of the company including:-

a) Forensic Audit required under the technical guidance and support of Principal Accountant General (Audit) Haryana.

b) The Audit team constituted includes one Joint Director, one Senior Auditor and two Auditors.

10) As apprised above, as on 31st March 2022, the company did not have an effective Board of Directors. The composition of the Board was deficient in terms of Companies Act and listing regulations as the company had only 02 directors namely Mr. Sandeep Singh (DIN: 07275838) being the Whole Time Director and Ms. Grupsi (DIN: 08788588) a non- executive Independent Woman Director;

11) Mr. Yogesh Jain tendered his resignation as an independent director with effect from 28.09.2021. Further, Mr. Manish Jain, Independent Director of the company also put in his papers from the office of Independent Director on 22.03.2022 before completion of their tenure;

12) The Company's Board co-opted Mr. Manoj Kumar Das and Mr. Rayappa Ramappa Hanchinal as Additional Independent Directors of the

company with effect from 28th November, 20220 The Appointment of both these directors is proposed to be regularized and they shall be appointed as Independent Directors for their first tenures of 5 years each.

13) Due to the happening as above, it was very difficult for the Company to retain/appoint new Directors and have effective Board composition in Compliance with the Companies Act and Listing Agreement; the Company had detailed correspondence with the BSE on the subject (a copy of the same attached for ready reference);

14) Govt. Officials started the process of appointment of required KMP's including Independent Directorsto complete the required quorum and smooth functioning of the Company;

15) For the FY22 also, there was a dip in the company's performance due to softening in the sugar prices due to domestic surplus, increase in State Administrative Price of Sugarcane by the State Government and reduction of Co-generation tariffs. The new set of Board member and team of professional management (KMPs) was struggling to keep the company running by effectively managing its cash flows in the sole interest of all the stakeholders;

16) In the meanwhile the financial Creditors of the Company had filed Insolvency proceedings against the Company in the Hon' able NCLT, Chandigarh in terms of provisions of Insolvency and Bankruptcy under IBC.

17) However, in response to the petition filed by the Company against initiation of Insolvency proceedings, the Punjab and Haryana high court in its hearing on 23rd December, 2022 of this petition, stayed the insolvency proceedings against **Naraingarh Sugar Mills** considering that the move may have an adverse impact on farmers in the current sugarcane season.

18) High Court (HC) observed while staying the insolvency process.

"The Naraingarh mill had allegedly committed certain financial irregularities for which criminal proceedings are pending and the mill is currently managed by the Haryana government. The sugarcane crushing season has Marled and as per the statutory regime, farmers in the area specified have to sell sugarcane only to the petitioner (Naraingarh Sugar Mill) and cannot sell in the open market. It is stated that 31, 000 acres is under sugarcane cultivation in the area stretching to Ambala, Yamunanagar, parts of Punjab and Panckula, and if at this point of time, authorities are allowed to proceed with the matter and appoint Insolvency Resolution Process (IRP), there is likely to be an uproar from the farmers ' community since they have nowhere to sell their produce, and it may also lead to labour unrest, and other untoward incidents,"

The HC was also of the view that since the management of the petitioner-company is in the capable hands of officials who are working under the supervision of Haryana government, it would not be appropriate to replace

*them at this stage with the IRP who may not have the requisite experience
to run the mill with all the problems. "*

*From the above it is very clear that Company has run into rough weather (from
2019 onwards) due to certain illegitimate activities and financial criminal
offences committed by the erstwhile promoters and directors who have since
been removed, and company management has been Administered by the
Haryana Government Officials in order to protect the interest of all the
stakeholder including the large number of public shareholders.*

*Though section 21A of the SCRA provides wide powers to the stock exchange
for de-listing of the securities but because of the principle of equity and natural
justice, these powers to delist should be used judicially in the best interest of
all stakeholders. In the present situation, if the securities of Company are
delisted from the BSE, it will be highly prejudicial to the interest of all
stakeholders mainly the large number of small shareholders (numbering about
2448) holding very small lots of shares. Further, if the securities of the Company
are delisted, the shares held by the large number of shareholders will become
junk as no exit route will be available from the Promoter [directors (in terms of
delisting provisions) who are already behind the bars and being prosecuted by
EOW and police authorities for various criminal offences:*

Current Management is putting their best efforts to bring the operations, Governance and financial discipline of the company on track. The present management undertakes to comply with all future possible compliance of the various statutes including Listing compliances. It is worthwhile to mention here that The Company had already returned around Rs 25 crores to the banks towards their outstanding dues.

In view of the foregoing the principle of natural justice and equity demand that the securities of the Company should NOT be compulsorily delisted as it will be highly prejudicial to the interest of all stakeholders and primarily the small equity shareholders who will stand to lose without any fault of theirs.

*In view of the foregoing we humbly request you kindly withdraw the invocation of delisting proceedings against the Company in the interest of all the stakeholders specially the small shareholders Further, we also request you to please waive the past listing **compliances including the past outstanding fees/penalties (including but NOT limited to reinstatement fees) and charges** in view of the special and exceptional circumstances and conditions of nonavailability of proper Board of Directors. However, we the new Board members and KMPs in their professional capacity undertake and ensure compliance of all applicable provisions of LODR and other listing provisions in future.*

In the unlikely event of you NOT finding our justification to your satisfaction, we would like to avail the opportunity of being heard thru a personal hearing on the matter.

Looking forward to a positive response in the best interest of all stakeholders, which we feel is the primary motive and objective of Regulatory bodies like SEBI/BSE; and restoring their confidence in the Company and Law of the land..."

- y. The Exchange vide email dated May 15, 2023 granted an opportunity of personal hearing before the Request Review Committee of the Exchange scheduled on May 19, 2023, wherein the Company had an opportunity to make representation for revoking the suspension in the trading of the securities.
- z. The Company appeared before the Request Review Committee of the Exchange in its meeting held on May 19, 2023 and submitted its representation.
- aa. The Committee after considering the facts of the case and the submissions made by the company during the personal hearing, decided that the Company be advised to:
 - i. Company is advised to submit Government order received by the company.
 - ii. To submit the compliances and pay dues within 2 months from the date of Exchange communication.

- bb. After the meeting, the Company vide email dated May 19, 2023 had submitted all the Government orders as required by the Request Review Committee for Naraingarh Sugar Mills Limited.
- cc. Based on the decision taken at the Request Review Committee meeting held on May 19, 2023, the Exchange vide email dated July 7, 2023 provided the details of pending compliances and pending dues to the company for completing the formalities for revocation of suspension of the securities of the company and informed the company to complete all the pending compliances/formalities within 2 months from the date of this communication.
- dd. A letter dated September 21, 2023 was sent by the Exchange to the Company granting an opportunity of personal hearing to the Company, to make the submission/representation before Delisting Committee of the Exchange (meeting through video conferencing). An email was also sent by the Exchange to the Company on September 21, 2023 on the email ids: nsml_naraingarh@yahoo.co.in; nsmlnaraingarh@gmail.com; nsmlnaraingarh@nsml.in; cs@nsml.in; vaibavmehan@gmail.com; SBMEHAN@HOTMAIL.COM; sbmehan@hotmail.com; SALIL.MEHAN@AUTOPACE.CO.IN; salil.mehan@autopace.co.in; NITIN.MEHAN@AUTOPACE.CO.IN; nitinmehan@autopace.co.in; vaibhavamehan@gmail.com; mehanvijay@gmail.com; mehanvijay@gmail.com; baldevkang39@gmail.com; baldevkang39@gmail.com.
- ee. The notices were published in one English national newspaper viz., The Financial Express (all editions) dated September 23, 2023, one vernacular newspaper viz.

Navshakti (in Marathi) dated September 23, 2023 and one Hindi national newspaper viz., Business Standard (all editions) dated September 23, 2023, inter alia, granting the Company a last and final opportunity to inform the Exchange whether it wanted to avail a personal hearing before Delisting Committee of the Exchange. Further it was also stated that if no response was received from the Company within the stipulated timelines and in the prescribed mode, it would be presumed that the Company has waived the opportunity of being heard and the Delisting Committee shall be constrained to decide the matter, on an ex-parte basis and the Exchange shall proceed with the process for compulsory delisting. Further, it was specified that the Company may address a communication at the specified email id: bse.delistscn@bseindia.com by September 27, 2023. The said notices were also disseminated on the Exchange's website.

- ff. The email dated September 25, 2023 was also sent to the company and promoter/promoter group, informing the company about publication of aforesaid public notice dated September 23, 2023 in newspaper.
- gg. The Company vide email dated September 27, 2023 confirmed to attend the personal hearing before the Delisting Committee of Exchange for the meeting scheduled to be held on October 20, 2023.
- hh. The Exchange vide email dated October 10, 2023 had sought the letter of authority in the prescribed format on company letterhead along with supporting documents authorizing persons to represent the company before the Delisting Committee in its meeting scheduled on October 20, 2023.

- ii. The Exchange vide emails dated October 12, 2023 and October 16, 2023 had again requested the Company to submit the aforesaid documents at the earliest.
- jj. The Company vide email dated October 16, 2023 had stated the following:
“...As in a very short time we can not hold a Board meeting for passing this resolution, we will have a post facto approval of the same in the next Board meeting. We will attend a meeting on 20th October, 2023 as per the scheduled time. Kindly share the link to us for the meeting. Please find attached Letter of Authority....”
- kk. The Exchange Vide email dated October 16, 2023 had provided the details of link to the Company to join the meeting scheduled on October 20, 2023.
- ll. The matter of compulsory delisting of the Company was placed before the Delisting Committee on October 20, 2023.
- mm. On October 20, 2023, Ms. Prabhjot Kaur – Company Secretary, appeared before the Delisting Committee. The Company representatives had submitted the following:
 - i. The Company is taken over by State Government of Haryana. Daily affairs are looked after by State Government of Haryana.
 - ii. The Company secretary has recently joined a month ago.
 - iii. The Company secretary is not prepared with all updates on the Company.
 - iv. The Company secretary needs to go through the records and hence sought time for making a representation.

nn. The Committee, after considering the facts of the case and the submissions made by the company representative during the personal hearing, decided it was appropriate to grant the company's request for time for making a representation. Accordingly, the matter was adjourned.

oo. The Company vide email dated November 2, 2023 had stated the following:

".....The Company M/s Naraingarh Sugar mills Limited has got delayed in various submissions which are required to be filed with BSE. All compliance of last quarter will be submitted soon. The previous company secretary has resigned from the company and it requires some time to co-relate some of the previous things.

Secondly, Our RTA, Alankit Assignments Limited is handling all with the shareholding pattern of the Company. Their Official named Mr. Ram Avtar Pandey has got seriously ill due to which we are unable to access some of the records. We have already talked to other officials of the Alankit Assignment Limited for the same. They will provide all reports i.e Reconciliation statements, shareholding pattern for the quarter ended 30.09.2023 as soon as possible.

Kindly cooperate with us till all the hurdles get resolved.

Further, We assure you of the timely compliance in future...."

pp. A letter dated December 13, 2023 was sent by the Exchange to the Company granting an opportunity of personal hearing to the Company, to make the submission/representation before Delisting Committee of the Exchange (meeting through video conferencing). An email was also sent by the Exchange to the Company on December 13, 2023 on the email ids: nsml_naraingarh@yahoo.co.in;

nsmlnaraingarh@gmail.com; nsmlnaraingarh@nsml.in; cs@nsml.in;
vaibavmehan@gmail.com; SBMEHAN@HOTMAIL.COM; sbmehan@hotmail.com;
SALIL.MEHAN@AUTOPACE.CO.IN; salil.mehan@autopace.co.in;
NITIN.MEHAN@AUTOPACE.CO.IN; nitinmehan@autopace.co.in;
vaibhavmehan@gmail.com; mehanvijay@gmail.com; mehanvijay@gmail.com;
baldevkang39@gmail.com; baldevkang39@gmail.com.

- qq. The Company vide email dated December 13, 2023 confirmed to attend the personal hearing before the Delisting Committee of Exchange for the meeting scheduled to be held on January 5, 2024.
- rr. The Exchange Vide email dated January 4, 2024 had provided the details of link to the Company to join the meeting scheduled on January 5, 2024.
- ss. The Company vide email dated January 4, 2024 enclosing the letter dated January 4, 2023 had inter-alia stated the following:
- “...Firstly, We would like to convey thanks to you to accept our request for adjournment of the personal hearing which was held on October 20, 2023. We would like to mention that:-*
- 1) We are a publicly listed company with approx. 90% of the capital held by the general public;*
 - 2) The company was incorporated in 1991 and subsequently got listed in 1996 after public Issue of its Equity shares;*
 - 3) The Company was operating satisfactorily and making all the Compliances including those related to listing with BSE;*

- 4) *However, the erstwhile Company promoters and whole time directors and other directors were arrested by the Economic Offences Wing (EOW) in connection with the certain serious financial irregularities in the company done by them during their tenure with company ;*
- 5) *Besides, various other criminal proceedings for several offences (including Fraud) those under IPC are pending against the erstwhile Promoters and directors , including under section 138 of Negotiable Instruments Act filed by the Bankers and IREDA and others;*
- 6) *Consequent to the prosecution of promoters / executive directors of the company by EOW and their involvement in other criminal cases including fraud, the other professional/ independent directors also resigned from the Board so the Company was virtually without any effective Board till FY 22;*
- 7) *In the interest of all stakeholders including banks/ institutions, Sugar cane farmers and public shareholders, the Management of the Company was intervene by Govt. of Haryana in 2021.*
- 8) *Since The Company had no effective Board of Directors for a considerable time the operations were supervised by the State Government of Haryana. Consequently various compliances comprising the Company law and listing could not be complied due to lack of availability of competent Board of Directors;*
- 9) *Further, consequent upon the aforesaid development and inadequate number of directors in the company, all the statutory and regulatory committees*

constituted by the Board of Directors, under the provisions of Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 stood dissolved and the Finance Department of the State Government of Haryana constituted an Audit Team for a period of one year starting from 20.05.2021 to 31.05.2022, to conduct Audit of the company including:-

- a) Forensic Audit required under the technical guidance and support of Principal Accountant General (Audit) Haryana.*
- b) The Audit team constituted includes one Joint Director, one Senior Auditor and two Auditors.*

10) As apprised above, as on 31st March 2022, the company did not have an effective Board of Directors. The composition of the Board was deficient in terms of Companies Act and listing regulations as the company had only 02 directors namely Mr. Sandeep Singh (DIN: 07275838) being the Whole Time Director and Ms. Grupsi (DIN: 08788588) a non- executive Independent Woman Director;

11) Company has complied with the requirements of its Board of Directors few months ago.

12) Presently, the Company is looking forward for all the pending compliances to be done as soon as possible for it, as all the existing staff/officials are now changed. So, it is difficult for present staff to get all necessary information, documents required for the compliances.

- 13) *Company is regularly filling its Financial statements with concerned Authorities on time from the years and also tried its best to comply with all the listing compliances with stock exchange from the past one year and also tries its best to comply with all the LODR regulations in future as well.*
- 14) *During the year, Company Secretary of the Company Ms Misha Soni also has resigned w.e.f 18.07.2023 due to which it was also not possible for the Company to comply with all the compliances on time. Thereby, Company has appointed other Company Secretary w.e.f 11.09.2023 and she has taken actively charge of the Company in the month of October, 2023.*
- 15) *Due to absence of CS, Company can not hold Annual General meeting in the month of September, 2023, thereby, Company has applied for extension of holding AGM by filing a duly signed application with ROC and it has been given approval for extended two months i.e 30.11.2023. So by keeping all the deadlines to meet the criteria laid down for sending notices of AGM on time, there was very short time left with the Company and with CS of the Company to do another compliances. So, Company has conducted its Annual General Meeting on 30.11.2023 by following all the timelines and it is well intimated to BSE through its portal and via email.*
- 16) *Now, the Company is still pending with certain compliances of stock exchange which is very crucial to be done. But it is requested to you due to unavailability of required information and data as all the members/officials working in a company has been changed, it is impossible to do some of the compliances. It*

would be easier for Company to be granted a minimum sufficient time to do compliances from the current date.

*17) In the FY 2023, Company has achieved a Turnover of Rs. 21,571.76 (In lakhs) as compared to Rs. 20316.94 (In lakhs) in the FY 2022. **(Signed Annual report and Balance sheet for the year 2023 is duly enclosed herewith for your reference).***

From the above it is very clear that Company has run into rough weather (from 2019 onwards) due to certain illegitimate activities and financial criminal offences committed by the erstwhile promoters and directors who have since been removed, and company management has been Administered by the Haryana Government Officials in order to protect the interest of all the stakeholder including the large number of public shareholders.

Though section 21A of the SCRA provides wide powers to the stock exchange for de-listing of the securities but because of the principle of equity and natural justice, these powers to delist should be used judicially in the best interest of all stakeholders. In the present situation, if the securities of Company are delisted from the BSE, it will be highly prejudicial to the interest of all stakeholders mainly the large number of small shareholders (numbering about 2448) holding very small lots of shares. Further, if the securities of the Company are delisted, the shares held by the large number of shareholders will become junk as no exit route will be available from the Promoter /directors (in terms of delisting provisions) who are already behind the bars and being prosecuted by EOW and police authorities for various criminal offences:

Current Management is putting their best efforts to bring the operations, Governance and financial discipline of the company on track. The present management undertakes to comply with all future possible compliance of the various statutes including Listing compliances.

In view of the foregoing the principle of natural justice and equity demand that the securities of the Company should NOT be compulsorily delisted *as it will be highly prejudicial to the interest of all stakeholders and primarily the small equity shareholders who will stand to lose without any fault of theirs.*

In view of the foregoing we humbly request you kindly withdraw the invocation of delisting proceedings against the Company in the interest of all the stakeholders specially the small shareholders Further, we also request you to please waive the past listing compliances including the past outstanding fees/ penalties (including but NOT limited to reinstatement fees) and charges. However, we the new Board members and KMPs in their professional capacity undertake and ensure compliance of all applicable provisions of LODR and other listing provisions in future.

In the unlikely event of you NOT finding our justification to your satisfaction, we would like to avail the opportunity of being heard thru a personal hearing on the matter in future also.

Looking forward to a positive response in the best interest of all stakeholders, which we feel is the primary motive and objective of Regulatory bodies like SEBI/BSE; and restoring their confidence in the Company and Law of the land..."

4. The matter of compulsory delisting of the Company was placed before the Delisting Committee on January 5, 2024.
5. At the threshold, the Delisting Committee observed that at the time of passing of this decision, SEBI Delisting Regulations, 2009 had been repealed by SEBI (Delisting of Equity Shares) Regulation, 2021 ("**SEBI Delisting Regulations, 2021**"). The Committee also noted that Regulation 44 of SEBI Delisting Regulations, 2021 provides a saving clause as follows:

"44.(1) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, stand repealed from the date on which these regulations come into force.

(2) Notwithstanding such repeal,—

(a) anything done or any action taken or purported to have been done or taken including in-principle approval given by the recognised stock exchanges, relaxation or exemption granted by the Board, fee collected, any adjudication, enquiry or investigation commenced or show cause notice issued under the repealed regulations prior to such repeal, shall be deemed to have been done or taken under the corresponding provisions of these regulations;

(b) the previous operation of the repealed regulations or anything duly done or suffered thereunder, any right, privilege, obligation or liability acquired, accrued or incurred under the repealed regulations, any penalty, forfeiture or punishment incurred in respect of any contravention or offence committed against the repealed regulations, or any investigation, proceeding or remedy in respect

of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid, shall remain unaffected as if the repealed regulations had never been repealed;

6. Thus, considering the aforesaid facts and in particular the fact that the SCN was issued on December 21, 2020 i.e. prior to SEBI Delisting Regulations, 2021, the Committee is of the considered view that the present proceeding will be governed by SEBI (Delisting of Equity Shares) Regulations, 2009. It is clarified that this is restricted to the adjudication of the present SCN for delisting of securities of the Company.
7. On January 5, 2024, Ms. Prabhjot Kaur – Practicing Company Secretary, appeared before the Delisting Committee. The Company representatives had submitted the following:
 - a. The Haryana government is still reviewing the Company.
 - b. The Company needs more time to comply with the requirements.
8. Rule 21 of SCRR prescribes various grounds for compulsorily delisting the equity shares of a listed company by the Exchange, one of which is continuation of suspension in the trading of the securities for a period of more than 6 (six) months.
9. The SCN, *inter alia*, states that the Company has failed to take steps to enable revocation of suspension in the trading of its securities and that the trading in securities had been suspended for more than 6 (six) months.
10. These facts have not been controverted.
11. Based on the aforesaid facts, the Delisting Committee observed that:

- a. It is an admitted position that the trading in securities of the Company has remained suspended for a period of more than 6 (six) months in terms of Rule 21 of SCRR.
- b. It is established that the Company has not complied with all the requirements for revocation of suspension in trading of securities of the Company at the Exchange. Hence, the suspension in the trading of securities of the Company at the Exchange continues as on date thereby depriving the shareholders of the Company the facility of dealing in its securities. The public shareholding of the Company as per the last filing with the Exchange is 90.41%.
- c. The aforesaid facts indicate negligent conduct and lack of interest on the part of the Company in complying with its obligations and revoking the suspension in the trading of securities which happened in the year 1999.
- d. In terms of the requirements of the Delisting Regulations, IPN were published in one English national newspaper *viz.*, The Financial Express (all editions) dated April 10, 2023 and one vernacular newspaper *viz.* Navshakti (in Marathi) dated April 10, 2023, *inter alia*, informing about the proposal for compulsory delisting of the equity shares of the Company. However, the representations were received from the Company as stated above and representation submitted by the company during the meeting of Delisting Committee meeting held on January 5, 2024.
- e. While the grounds for compulsory delisting are made out in light of the above facts, the Delisting Committee, as a last opportunity, considers it appropriate, considering that it is being reviewed by Haryana Government, to grant the Company's request that time be granted to the Company to comply with requirements for revocation of

suspension in the trading of securities of the Company in terms of the following order to which the Company has agreed:-

ORDER

12. As per the request of and with the consent of the Company and in exercise of powers vested with the Delisting Committee under Regulation 22 (2) of the Delisting Regulations, the following Order is passed:

- a) The Company shall comply with the following:-
 - i. Complete the pending compliances and formalities for revocation of suspension, including payment of processing fees, Annual Listing Fees, and reinstatement fees within six (6) months from the date of receipt of this Order by the Company.
- b) In case, the Company fails to comply with any of the aforesaid directions, then the securities of the Company shall automatically stand compulsorily delisted from the platform of the Exchange, in terms of Regulation 22 of Chapter V under the Delisting Regulations r/w Section 21A of the SCRA and the Rules, Bye-Laws and Regulations of the Exchange.
- c) The securities of the Company will stand compulsorily delisted with effect from the date mentioned in the notice issued by the Exchange on its website informing the market participants about the compulsory delisting of the securities of the Company.

Date: April 25, 2024

Sd/-
Chairman



Sd/-
Member

Sd/-
Member

Sd/-
Member

Sd/-
Member

Sd/-
Member