



**Ambalal Sarabhai Enterprises Limited**

Registered Office : Shantisadan, Mirzapur Road, Ahmedabad-380001.  
Telephone : +9179-25507671 / 25507073, Fax : +9179-25507483, E-mail : ase@sarabhai.co.in

Ref. No. :

Date :

Date: 23.02.2024

To,  
BSE Limited  
Listing Compliance  
BSE Limited, Corporate Relations Dept.  
Jeejeebhoy Towers, Dalal Street,  
Mumbai - 400001

**Sub.: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir,

Pursuant to Regulation 30 of SEBI (LODR) Regulations, 2015 we would like to inform you that BSE Limited have vide communication dated 22.02.2024 has imposed fine on the Company under Regulation 17(1A) of the SEBI (LODR) Regulations, 2015.

The Company wish to clarify that the imposition of fine by BSE is improper.

In this regards, we would like to mention that as per Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 "No listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of Seventy Five years unless a special resolution is passed to that effect in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person."

Pursuant to the settled law in the matter of Nectar Life Sciences Ltd v. SEBI and also SAT Verdict in 20 Microns Limited v. BSE Limited, in which Regulation 17(1A) has been interpreted, SAT observed that "The word 'unless' depicted in regulation 17(1A) does not mean 'prior approval' nor requirement of passing a special resolution is a qualificatory condition for appointment of a person as a director."

Moreover, Regulation 17(1C) stated that the listed entity shall ensure that approval of Shareholders for appointment or re-appointment of a person on the Board of Directors or as a manager is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier.

Hence we further submit that Regulation 17(1A) should be read in conjunction with the Regulation 17(1C) of SEBI (LODR), these regulations do not use "prior approval" which allows a Company to regularize the appointment/ re-appointment at next annual general meeting or within a period of three months whichever is earlier. As such, the intent of legislation is clear that prior approval is not required for such appointment / reappointment.

While referring the case under reference of Mr. Anilkumar H. Parekh, was appointed on the Board of the Company as a Non-Executive Director w.e.f. 01.12.2019. His Date of Birth is 18.10.1948. He had attained the age of 75 years on 18.10.2023. Thereafter as per Regulation 17(1C) Company was required to take the approval of members by way of Special Resolution at the next general meeting or within a period of three months from the date of appointment, whichever is earlier. The last day to take the Shareholders approval would be three months from 18.10.2023 i.e. 17.01.2024. Before we could take the approval of Shareholders, he had resigned from the Board of the Company i.e. w.e.f. 29.12.2023. Hence the question of Shareholders approval does not



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and should not arise. Also, as per SAT judgement cited above there was no “prior approval” of Shareholders required, hence there is no non-compliance of Regulation 17(1A) of SEBI Listing Regulations since before the Company could have taken an approval of shareholders, Mr. A.H. Parekh had resigned from the Board of the Company as Non-executive Director with effect from 29.12.2023. Mr. A.H. Parekh is thereafter not associated with the Company which has already been intimated within stipulated time to the exchange on 29.12.2023.

In view of the above facts, we would like to inform you that the Company is in due compliance/s of provisions of Regulation 17(1A) of the SEBI Listing Regulations. We are in communication with BSE to take on record the above submission and waive the fines imposed on the Company.

**For Ambalal Sarabhai Enterprises Limited**

**Ms. Disha Punjani**  
**Company Secretary & Compliance Officer**  
**A55612**

Annexure 1



## Ambalal Sarabhai Enterprises Limited

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### Annexure 1

Details as required under SEBI Listing Regulations read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD1/P/CIR/2023/123 dated 13<sup>th</sup> July, 2023

Name of Authority	BSE
Nature and details of the action(s) taken, initiated or order passed	Fine of Rs. 1,72,280
Date of receipt of Direction or order	22.02.2024
Details of violation(s)/ Contravention(s) committed or alleged to be committed	<b>Regulation 17(1A)</b> Non-compliance with the requirements pertaining to appointment or continuation of Non-executive director who has attained the age of seventy-five years
Impact on financial, operation or other activities, quantifiable in monetary terms to the extent possible	Nil except the fine mentioned above is not waived