

12th July, 2021

To,
General Manager
The Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort
Mumbai
Maharashtra 400001

**Subject : Intimation pursuant to Regulation 30 of the Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Company Code : 540728

ISIN : INE327G01032

Dear Sir,

In furtherance of our letter dated 29th March, 2021, we hereby inform that National Company Law Appellate Tribunal-New Delhi ("NCLAT") stayed the order of imposition of cost subject to Appellant, Ramesh B. Desai furnishing adequate security within 3 weeks subject to the satisfaction of National Company Law Tribunal, Ahmedabad Bench ("NCLT"). The original Respondent no. 1 Sayaji Industries Limited filed execution application with NCLT Ahmedabad stating that security has not been provided by the Appellant to the satisfaction of NCLT within 3 weeks as directed by NCLAT. Appellant, Ramesh B. Desai filed solvency certificate obtained by his wife and son on their joint property and also provided security bond creating security on their joint property in his favour.

NCLT passed an order dated 5th July, 2021, stating that such solvency certificate and security bond created by wife and son of Ramesh B. Desai on their joint property in favour of Ramesh B. Desai and not in favour of Sayaji Industries Limited cannot be considered as adequate security and held that Ramesh B. Desai has failed to provide adequate security to the satisfaction of NCLT as directed by NCLAT. NCLT also directed that copy of this order be sent to NCLAT for their kind consideration. The copy of this order passed by NCLT Ahmedabad is enclosed.

We bring to your kind notice that earlier order Dated 27th January, 2021, and recent order dated 5th July, 2021, passed by NCLT do not affect the management or control of the Company. However, the Company thought it prudent to bring this to the notice of BSE, irrespective of its materiality. We will inform the exchange in relation to further developments in the captioned matter at relevant stages.

This is for your information and record.

Thanking You.

For, Sayaji Industries Limited

R. H. Shah

(Rajesh H. Shah)

Company Secretary &

Sr. Executive Vice President



Encl.: As Above

IN THE NATIONAL COMPANY LAW TRIBUNAL, AHMEDABAD
COURT - 1

ITEM No153
Comp.Appl/17(AHM) 2021 in
TP 02 of 2018 (CP 35 of 1988 Transfer from GHC)

Order under Section 155 of 1956

IN THE MATTER OF:

Sayaji Industries Ltd
V/s
Ramesh B Desai & Ors

.....Applicant

.....Respondent

Order delivered on ..05/07/2021

Coram:

Madan B. Gosavi, Hon'ble Member(J)
Virendra Kumar Gupta, Hon'ble Member(T)


PRESENTS:

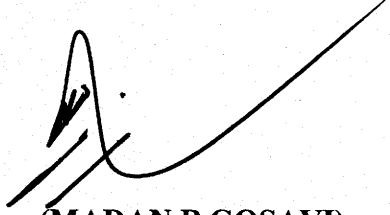
For the Applicant : Ld. Sr. Counsel Mr. Devang Nanavati a.w. Learned
Counsel Ms. Prachiti Shah
For the Respondent No. 1 : Learned Counsel Mr. Arjun Sheth
For one of the Respondents : Learned Counsel Mr. Sandeep Singhi

ORDER

The case is fixed for pronouncement of order.

The order is pronounced in open Court, vide separate sheet.


(VIRENDRA KUMAR GUPTA)
MEMBER (TECHNICAL)


(MADAN B GOSAVI)
MEMBER (JUDICIAL)

**IN THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD BENCH
COURT-I**

**Comp. Appeal/17(AHM) 2021 in TP 02 of 2018 (CP 35 of 1988 Transfer from
Hon'ble' High Court of Gujarat)**

[An application under Section 155 of Companies Act, 1956]

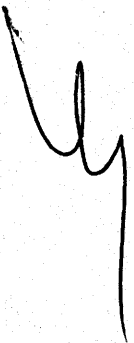
Sayaji Industries Limited

Having its registered office at:
P.O. Kathwada, Maize Products,
Ahmedabad-382430

....Applicant
(Original Respondent No.1)

V/s.

1. **Ramesh B Desai,**
Having address at:
15, Maitri Society, Near Polytechnic,
Ahmedabad-380015
....(Original Petitioner No. 1)
2. **Bipinbhai Vadilal Mehta**
Managing Director,
M/s Sayaji Industries Ltd.
Having address at:
P.O. Kathwada, Maize Products,
Ahmedabad-382430 (Deceased) (Original Respondent No. 2)
3. **Nirmayaben, widow of Bipin Mehta**
Having address at:
"Bipin Nivas", Nr. Panchavati Cross Road,
C. G. Road, Ahmedabad
4. **Priyambhai, son of Bipin Mehta**
Having address at:
"Bipin Nivas", Nr. Panchavati Cross Road,



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High Court of Gujarat)

- C. G. Road, Ahmedabad
5. **Priya, daughter of Bipin Mehta**
Having address at:
"Bipin Nivas", Nr. Panchavati Cross Road,
C. G. Road, Ahmedabad
(Respondent No. 10.1 to 10.3 added as per order of
Hon'ble High Court of Gujarat dated 12.10.2011)
6. **Priyambhai Bipinbhai Mehta**
Having address at:
P.O. Kathwada, Maize Products,
Ahmedabad-382430
....(Original Respondent No. 3)
7. **Suhasbhai Vadilal Mehta**
Having address at:
13, Lallubhai Park, Nr. St. Xavier's College Corner,
Navrangpura, Ahmedabad-380009
....(Original Respondent No. 12)
8. **Chhayaben Vadilal Mehta**
Having address at:
13, Lallubhai Park,
Nr. St. Xavier's College Corner,
Navrangpura, Ahmedabad-380009
....(Original Respondent No. 13)
9. **Niramayiben, widow of Bipin Mehta**
Having address at:
Nr. Panchavati Cross Road,
C.G. Road, Ahmedabad
....(Original Respondent No. 14)
10. **Priya, daughter of Bipin Mehta**
Wife of Amal Kothari
Having address at:
C/o "Bipin Nivas", Nr. Panchvati Cross Road,
C.G. Road, Ahmedabad
....(Original Respondent No. 15)
11. **B. V. (HUF), through its Karta Priyam
Bipin Mehta**

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C/o "Bipin Nivas", Nr. Panchvati Cross Road,
C.G. Road, Ahmedabad(Original Respondent No. 16)

12. **Prashant Associates**

Having address at:

C/o "Bipin Nivas", Nr. Panchvati Cross Road,
C.G. Road, Ahmedabad(Original Respondent No. 17)

....Respondents

Order Reserved on: 29.06.2021
Order Pronounced on: 05.07.2021

Coram: MADAN B. GOSAVI, Member (J)
VIRENDRA KUMAR GUPTA, Member (T)

Appearance:

Learned Senior Counsel Mr. Devang Nanavati along with Learned Counsel Ms. Prachiti Shah appeared for the Applicant.

Learned Counsel Mr. Arjun Sheth appeared for the Respondent No. 1.

Learned Counsel Mr. Sandeep Singhi appeared for one of the Respondents.

ORDER

[Per: VIRENDRA KUMAR GUPTA, MEMBER (TECHNICAL)]

1. In TP 02 of 2018 (CP 35 of 1988 Transfer from GHC), this Tribunal passed an order on 27.01.2021 against which an appeal was preferred by the Petitioner before Hon'ble NCLAT. The Hon'ble NCLAT vide its order dated 15.03.2021 asked the Petitioner/Appellant to provide adequate security to the

satisfaction of the Tribunal in regard to costs imposed by this Tribunal within three weeks from the date of such order.

2. In this background, the original Respondent No. 1 made two submissions as regard to non-compliance of the order of Hon'ble NCLAT by the Petitioner/Appellant. The first plea is that NCLT, being a Lower Authority cannot accept the so-called security offered by Petitioner as that would amount to the passing of the order of extension of time beyond three weeks as stipulated by the Hon'ble NCLAT. The second plea is that the security claimed to have been offered is not at all a security but it is of the nature of surety for the reason that Solvency Certificate obtained on the basis of property belonging to Petitioner's wife and son in index issued by the office of the Sub-Registrar, it is stated that mortgage has been created in favour of Ramesh Desai, being the original Petitioner/Appellant and not in favour of Respondent No. 1 and, therefore, even if the matter was be decided on merits in favour of original Respondent No. 1, the intervention of the Court may be required for the execution of such surety. It was also pleaded that considering all these facts, the case laws relied on by the Petitioner do not render any assistance to the cause of the Petitioner/Appellant.

3. On behalf of the Petitioner/Appellant, the learned counsel argued that if the steps had been taken before the expiry of the stipulated period, then, in that situation, even though the security was given after such period, cognizance of such security could be taken. He further emphasized on the fact that considering the pandemic situation and lockdown, the delay is beyond the control of the Petitioner. Thereafter, he referred to the various documents as regard to the nature of security being offered. Learned counsel also relied on various decisions on the aspects of competence of Lower Court to accept security offered after the expiry of the period as well as on the sufficiency of the security offered by the Petitioner.
4. Mr. Sandeep Singhi also argued that, though, the wife of the Petitioner applied for security on 03.04.2021 but in that application it was not mentioned that property was a joint property and the son initiated the process only on 05.06.2021 with the intent to delay the matter, hence, even claim of compliance on the basis of judicial decisions relied on by the Petitioner does not exist.
5. We have considered the submissions made by both sides. This Tribunal vide its order dated 27.01.2021 imposed a cost of Rs. 25,00,000/- (Rupees Twenty-Five Lakhs) to be paid to the Respondent No. 1 and Petitioner was


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also directed to deposit a sum of Rs. 25,00,000/- (Rupees Twenty-Five Lakhs Only) in PM Cares Fund. In an Appeal filed by the Petitioner before Hon'ble NCLAT against such order, the Hon'ble Appellate Tribunal directed that adequate security to the satisfaction of the Tribunal be provided by the Petitioner within three weeks from the date of the order of Hon'ble NCLAT i.e. 15.03.2021. It is claimed by the Petitioner that steps had been initiated for providing such security before the expiry of said period. However, as pointed out by the other side, application was made only by the wife of the Petitioner in respect of a joint property which is now being claimed to be offered as security and not by her son within such period who has consented to such action on 05.06.2021. Thus, on the basis of this factual position, it cannot be said that steps were taken in the right way prior to expiry of the period as directed by Hon'ble NCLAT. Further, as pointed out by the counsel of the Respondent No. 1, the mortgage/charge has been created in favour of Petitioner and not in favour of Respondent, hence, on this basis alone, it can be concluded that it is an instance of wife and son being surety to the Petitioner only and no security, in sum and substance, as directed by the Hon'ble NCLAT has been offered. We are further of the view that Solvency Certificate has also been obtained on the basis of this joint property and that

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too by the wife of the Petitioner and, therefore, such Solvency Certificate also cannot be considered as provision of adequate security by the Petitioner. Further, for the recovery of the costs in this case, if the petitioner loses the appeal on merits, a new litigation would start. Accordingly, we hold that the Petitioner has failed to provide security to the satisfaction of this Tribunal as directed by the Hon'ble NCLAT.

6. Accordingly, Co. Appeal 17 (AHM) 2021 in TP 02 of 2018 (CP 35 of 1988 transfer from Hon'ble' High Court of Gujarat) stands disposed of in terms indicated above.
7. We direct the Registry to send a copy of this order to the Hon'ble NCLAT as compliance to their order for their kind consideration.
8. Urgent certified copy of this order, if applied for, be issued upon compliance with all requisite formalities.


(VIRENDRA KUMAR GUPTA)
MEMBER (TECHNICAL)


(MADAN B. GOSAVI)
MEMBER (JUDICIAL)

Dated this the 5th day of July 2021

Rajeev K. Sen/Stenographer