

Date: 29th July, 2022



To,

The Listing Department <b>BSE Limited</b> P. J. Towers, Dalal Street, Mumbai – 400 001 <b>Fax</b> : 02222722037	The Listing Department <b>National Stock Exchange of India Limited</b> Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 <b>Fax</b> : 02226598237/38 <b>Email</b> : cmlist@nse.co.in
Scrip Code: 533301	Scrip Symbol: SPYL

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

Dear Sir/Madam,

We wish to inform you that the Hon'ble Securities Appellate Tribunal vide dated 18<sup>th</sup> July, 2022 has allowed Appeal No. 432 of 2021 filed by our Company and its Promoters being aggrieved by rejection of our Application for waiver of fines aggregating to Rs. 8,67,300/- (Rs. Eight Lakhs Sixty-Seven Thousand and Three Hundred Only) for non-compliance of Regulation 17(1)(c) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Order passed by Hon'ble Securities Appellate Tribunal has been displayed on website of sat.gov.in however copy of said Order is annexed hereto.

The above disclosure is made under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thanking You,

Yours faithfully,

For Shekhawati Poly-Yarn Limited

  
Meena Agal  
Company Secretary



**Shekhawati Poly-Yarn Ltd.**

**Registered Office**

Survey No. 185/1, Near Kanadi Phatak, Village - Naroli, Silvassa, D & N. H. -396 235, India  
72260 71555 Email : info@shekhawatiyarn.com CIN : L17120DN1990PLC000440 GST : 26AABCS5224N1Z6

**Corporate Office**

Express Zone 'A' Wing, Unit No. 1102/1103, 11th Floor, Near Patel Vatika, off W. E. Highway,  
Malad East, Mumbai-400097, Maharashtra, India GST : 27AABCS5224N2Z3  
+ 91 22 6236 0800 / 6694 0626 Email : ho@shekhawatiyarn.com www.shekhawatiyarn.com

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BEFORE THE SECURITIES APPELLATE TRIBUNAL  
MUMBAI

**Order Reserved On: 13.07.2022**

**Date of Decision : 18.07.2022**

**Appeal No. 432 of 2021**

1. Shekhawati Poly-Yarn Limited  
Plot No. 185/1, Naroli Village,  
Near Kanadi Phatak,  
Naroli, Silvassa,  
Dadra & Nagar Haveli- 396 235
2. Ramniranjan N Ruia  
2201, A-Wing, Lakshachandi Heights,  
Krishna Vatika Marg,  
Gokuldharm,  
Goregaon East,  
Mumbai- 400 063
3. Kaplana Mukesh Ruia  
2102, B-Wing, Lakshachandi Heights,  
Krishna Vatika Marg,  
Gokuldharm,  
Goregaon East,  
Mumbai- 400 063
4. Mukesh Ramniranjan Ruia HUF  
Express Zone, Unit No. 1102/ 1103,  
A-Wing, Patel Vatika,  
Off. W.E. Highway,  
Malad East,  
Mumbai- 400 097
5. Shrey Mukesh Ruia  
2102, B-Wing, Lakshachandi Heights,  
Krishna Vatika Marg,  
Gokuldharm,  
Goregaon East,  
Mumbai- 400 063

6. Mukesh Ramniranjan Ruia  
2102, B-Wing, Lakshachandi Heights,  
Krishna Vatika Marg,  
Gokuldharm,  
Goregaon East,  
Mumbai- 400 063
  7. Altius Buildcon Private Limited  
B/3, Ground Floor, Prarthana Star,  
Andheri Sahar Road,  
Andheri (East),  
Mumbai- 400 069
  8. Ski Buildcon Private Limited  
F- 073, A-Wing, Express Zone Mall,  
Off. Western Express Highway,  
Malad East,  
Mumbai- 400 097
- ... Appellants

Versus

1. National Stock Exchange of India Limited  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex,  
Bandra (E),  
Mumbai- 400 051
  2. Securities and Exchange Board of India,  
SEBI Bhavan, Plot No. C-4A, G-Block,  
Bandra-Kurla Complex, Bandra (East),  
Mumbai- 400 051
- ... Respondents

Dr. S .K.Jain, Practicing Company Secretary for the Appellants.

Mr. Pradeep Sancheti, Senior Advocate with Mr. Rashid Boatwalla and Mr. Juan D'Souza, Advocates i/b MKA & Co. for Respondent No. 1

Mr. Manish Chhangani, Advocate with Mr. Ravi Shekar Pandey and Ms. Samreen Fatima, Advocates i/b The Law Point for Respondent SEBI.

CORAM: Justice Tarun Agarwala, Presiding Officer  
Justice M. T. Joshi, Judicial Member  
Ms. Meera Swarup, Technical Member

Per: Justice Tarun Agarwala, Presiding Officer

1. The present appeal has been filed against the imposition of a fine by National Stock Exchange of India Limited (“NSE” for convenience) against the appellants for non-compliance of Regulation 17(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations, 2015” for convenience). By a communication dated August 20, 2020, a fine of Rs. 5,36,900/- including GST was imposed and by a communication dated November 17, 2020, a fine of Rs. 3,30,400/- including GST was imposed. The appellants are also aggrieved by the decision of the Committee dated April 13, 2021 whereby the request for waiver of the penalty was rejected.

2. The facts in brief leading to the filing of the present appeal is, that the appellant is a listed company with the BSE Limited and NSE. The appellant-company received an email dated January 14, 2020 from NSE informing that the appellant-company was placed at Sr. No. 1641 in the list of top 2000 listed Companies as on December 31, 2019 on the basis of

Market Capitalization. As per Regulation 17(1)(c) of the LODR Regulations, 2015, the composition of the Board of Directors for top 2000 listed entities shall comprise of not less than six directors. Thus, if a listed Company comes within the top 2000 listed entities, then the said Company is required to have a minimum of six directors w.e.f. April 01, 2020. For facility, Regulation 17 (1)(c) of the LODR Regulations, 2015 is extracted hereunder:-

*“17(1)(c) the Board of directors of the top 1000 listed entities (with effect from April 1, 2019) and the top 2000 listed entities (with effect from April 1, 2020) shall comprise of not less than six directors.*

*Explanation:- The top 1000 and 2000 entities shall be determined on the basis of market capitalisation as at the end of the immediate previous financial year.”*

3. The appellant was informed by an email dated January 14, 2020 that they were in the top 2000 listed companies and was thus required to have six directors to be appointed on or before April 01, 2020.

4. Before the sixth director could be appointed, in the meanwhile, one Independent Director Mrs. Rohini Dandekar

resigned on February 13, 2020 and, consequently, the strength of the Board of Directors was reduced to four.

5. The appellants made efforts and appointed one Independent Director Mrs. Shweta Mundra as a Women Independent Director on May 08, 2020 and Mrs. Sudha Agarwal was appointed as an Additional Independent Director on August 26, 2020.

6. Since the appointment of the Directors was not made within the stipulated period a combined fine of Rs. 8,67,300/- was imposed vide notice dated August 20, 2020 and November 17, 2020.

7. The appellants thereafter filed an application seeking waiver in terms of Circular dated January 22, 2020 which provided that the Stock Exchange may deviate from taking action if found necessary only after recording reasons in writing. The appellants contended that due to the sudden lockdown imposed by the Government of India in March 2020 all operations of the Company closedown and partially resumed in the last week of May 2020. Further, the Company was making continuous losses for several years and the market

capitalization of the Company as on March 31, 2020 was only 6.89 Croes. The lockdown, COVID-19 Pandemic and losses incurred by the Company created complications in finding suitable persons. It was contended that the Company was finding it difficult to convince a person to become an Independent Director on account of poor financial health of the Company and the unprecedented situation prevailing in the country due to COVID-19 Pandemic.

8. The Committee of the respondent by an order dated April 13, 2021 rejected the Review Application for waiver on the ground that the Company had failed to provide any document / supporting evidence to show the steps taken by the Company in the process of appointment from January 14, 2020 to March 31, 2020.

9. We have heard Dr. S.K Jain, Practicing Company Secretary for the appellants and Shri Pradeep Sancheti, the learned senior advocate for Respondent No. 1 and Shri Manish Chhangani, the learned advocate for Respondent No. 2.

10. The rationale for ensuring compliance of Regulation 17 of the LODR Regulations is to ensure that the Board of listed entities is properly constituted throughout the financial year so that each member of the Board could contribute in effective management of the Company. In view of the fact that the appellant-company came in the top 2000 listed entities, it was required to have a minimum of six directors on the Board of the Company from April 01, 2020 onwards. Admittedly, requirement of six directors on the Board of the Company was not made between April 01, 2020 to August 25, 2020 and that the compliance was achieved by appointment of one Director on May 08, 2020 and the sixth director on August 26, 2020.

11. We cannot lose sight of the fact that in view of COVID-19 Pandemic, the Government of India declared a lockdown in March 2020 and for two months there was complete closure of all companies and industries. Work from home was in its infancy stage. There was lack of any industrial or commercial activity. The COVID-19 Pandemic was at its peak in India between May and October 2020. Life had come to a standstill during these months. In spite of the lockdown and the difficulties faced by Companies, the appellants did manage to appoint two directors on May 08, 2020 and August 26, 2020.



12. Considering the aforesaid, we are of the opinion that the appellants have given sufficient explanation and justification for waiver of the fine for non-compliance of Regulation 17(1)(c) of the LODR Regulations, 2015 within the prescribed period. No consideration whatsoever has been taken by the Committee of NSE with regard to the ensuing COVID-19 Pandemic and the lockdown declared from March 2020 onwards. This fact cannot be ignored and this Tribunal takes judicial notice of the lockdown and the COVID-19 Pandemic which impacted the working and existence of many Companies including the appellants.

13. Thus, for the reasons stated aforesaid, we are satisfied that a case was made out by the appellants for waiver of the fine imposed by the respondent. We, consequently, quash the order dated August 20, 2020 and November 17, 2020 imposing the fine as well as the consequent decision of the Committee dated April 13, 2021 through which the Review Application of the appellants was rejected. The appeal is allowed. In the circumstances of the case, parties shall bear their own costs.

14. This order will be digitally signed by the Private Secretary on behalf of the bench and all concerned parties are directed to act on the digitally signed copy of this order. Certified copy of this order is also available from the Registry on payment of usual charges.

Justice Tarun Agarwala  
Presiding Officer

Justice M. T. Joshi  
Judicial Member

Ms. Meera Swarup  
Technical Member

18.07.2022  
PK

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by  
KSHMI RAJALAKSHMI H  
NAIR  
Date: 2022.07.21  
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