

**Before the Delisting Committee ("Committee")
of
National Stock Exchange of India Limited
Conference Room, Ground Floor, Ground Floor, A-Wing.
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051
Held on February 20, 2023**

In the matter of the Company: M/s. Autoriders Finance Limited

Committee Members Present:

In person:

Mr Bishnu Charan Patnaik	-Chairperson
Mr. Ashok Dhere	-Committee Member
Ms. Priya Subbaraman	- Committee Member

Through Video Conferencing:

Ms. Mona Bhide	- Committee Member
Mr. Santosh Kumar	- Committee Member

Also Present:

In person:

Mr. Dinesh Soni	-Senior Vice President- Regulatory
Mr. Shailesh Adukia	-Vice President and Head, Enforcement
Mr. Avishkar Naik	-Head, Listing Compliance
Mr. Sanjayu Nair	-Vice President, Legal

Through Video Conferencing:

Mr. K Narasimha Murthy	-Special Invitee
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1. Background

- 1.1** The equity shares of **M/s. Autoriders Finance Limited (AUTORIDFIN)** (hereinafter referred to as the "Company") is listed on the National Stock Exchange of India Limited (hereinafter referred to as the "Exchange") with effect from March 01, 1995. The trading in equity shares of the Company is suspended w.e.f April 20, 2005, due to non-compliance with the erstwhile Listing agreement.

- 1.2 The Company is also non-compliant with Regulation 13(3), Regulation 27, Regulation 31, Regulation 33 and Regulation 34 of the Securities and Exchange of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "Listing Regulations") and Regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 (hereinafter referred to as the "Depository Regulations").
- 1.3 An amount of Rs. 5,31,973 /- towards Annual listing fees (including interest) as on February 08, 2023, is still due and payable by the Company to the Exchange.
- 1.4 SEBI vide letter dated August 07, 2017, had issued a list of companies suspected to be Shell Companies. The Company's name was appearing in the said list.

2. Show Cause Notice, Public Announcement, and Responses

- 2.1 The Exchange issued a Show Cause Notice (hereinafter referred to as "SCN") vide ref. no. NSE/LIST/AUTORIDFIN dated August 26, 2020, to the Company seeking an explanation as to why the equity shares of the Company listed on the Exchange should not be compulsorily delisted for the observed non-compliances. Further, the Company was given an opportunity of personal hearing before the committee, if desired so and was requested to communicate the details of persons being the Director/Compliance Officer or such other person responsible for managing the business on a day-to-day basis and is aware of the facts of the case, by September 14, 2020.
- 2.2 In terms of Regulation 22(3) of Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (hereinafter referred to as "Delisting Regulations"), the Exchange issued a Public Notice dated April 24, 2016, intimating the proposed delisting of the equity shares of the Company on the Exchange. The said Public Notice also invited representations from any person who may be aggrieved by the proposed delisting of the Company's equity shares.
- 2.3 The Exchange vide SCN has informed the Promoter and Promoter Group and Directors of the Company (wherever details are available with Exchange) about the proposed delisting of the Company.

- 2.4** In response to the Exchange's SCN dated August 26, 2020, the Company vide its email dated September 23, 2020, submitted that the Company wants to Voluntary Delist the Company from the Exchange.
- 2.5** Further, the Exchange did not receive any representation and/or objections in response to the Public Notice.

3. Reference to Previous Delisting Committee Meeting dated September 24, 2020.

The Delisting Committee, in its meeting dated September 24, 2020, vide order dated November 27, 2020, delisted the Company, with the following directions:

- 3.1** The Committee noted that the Company in response to the Show cause notice dated August 26, 2020, expressed its intention for Voluntary Delisting of the Company from the Exchange. However, the Company failed to provide any documents for the same.
- 3.2** Further, the Company neither complied with the requisite compliances under the Listing Regulations nor paid the outstanding Annual listing fees to the Exchange.
- 3.3** The Committee noted that the trading in Company has been suspended since April 20, 2005. Despite a lapse of more than 15 years from the date of suspension, no efforts were taken by the Company to ensure compliances.
- 3.4** The Committee noted that the Company failed to respond to the Exchange's correspondence on various occasions. Further, no representative of the Company was present for personal hearing before the Delisting Committee in its meeting held on September 24, 2020.
- 3.5** The Committee finds that sufficient opportunity has been provided to the Company to respond to the Exchange communications and to comply with regulatory requirements. However, the Company failed to demonstrate that serious efforts are being taken to ensure compliances required under Listing Regulations read with erstwhile Listing Agreement for continued listing on the Exchange Platform.
- 3.6** The Committee finds that the Company has been suspended since April 20, 2005, and has remained suspended for more than 15 years during which no substantive evidence of having taken any concrete steps were placed before the Committee for considering the continuation of the Company under the

“suspended category”. The Committee finds that no purpose would be achieved even if any further opportunity is granted.

4. The said decision of the Committee was communicated to the Company vide email dated February 04, 2021. Accordingly, the Company was compulsorily delisted w.e.f. February 24, 2021.

5. Proceedings before the Hon’ble Securities Appellate Tribunal (SAT)

- 5.1 Aggrieved by the Committee’s order dated November 27, 2020, whereby the Committee directed that dealings in the securities of a Company be restrained and withdrawn in terms of Regulation 22(1) of the Delisting Regulations read with Rule 21(b) of the Securities Contract Regulations Rules, 1957, the Company filed an appeal before the Hon’ble SAT with the following contention:

- *no opportunity of hearing was provided by the Delisting Committee before passing the impugned order and therefore the said order is violative of the principles of natural justice as embodied under Article 14 of the Constitution of India.*

- 5.2 The Hon’ble SAT vide its order dated June 16, 2022, set aside the Committee’s order dated November 27, 2020, and remanded the matter back to the Committee to decide the matter afresh after giving a notice and opportunity of hearing to the Company.

6. Reference to Previous Delisting Committee Meeting dated December 29, 2022.

- 6.1 In accordance with the Hon’ble SAT’s order dated June 16, 2022, the Exchange vide an email and physical letter dated December 14, 2022, granted the Company an opportunity for personal hearing before the Committee for its meeting dated December 29, 2022, to enable the Exchange to place the matter before the Committee for deciding the matter afresh. A reminder email dated December 16, 2022, was also sent by the Exchange to seek confirmation from the Company for personal hearing provided before the Committee.

- 6.2 The Company vide an email dated December 28, 2022, confirmed that the representatives of the Company viz Mr. Ganesh Somakumaran, Chief Financial Officer (CFO) and Ms. Bina Darji, Company Secretary (CS) shall

personally appear before the Committee in its meeting dated December 29, 2022.

Personal hearing before the Committee

- 6.3** Mr. Ganesh Somakumaran, Chief Financial Officer (CFO) and Ms. Bina Darji, Company Secretary (CS) physically appeared before the Committee and made the following oral submissions:
- i. The Company have settled the financial dues of Unit Trust of India (UTI), Financial lender.
 - ii. The Chief Financial Officer of the Company also informed that the Company has a Showroom (Asset) located at Santacruz, Mumbai which has a market value of approximately Rs.11 Crore.
 - iii. The representatives reiterated to grant additional time to make submissions before the Committee.
- 6.4** The Committee finds that no CHG-4 form (i.e., form for Satisfaction of Charges) has been filed by the Company with Ministry of Corporate Affairs (MCA) for the contention made by the Company of the settlement of financial dues of Unit Trust of India (UTI).
- 6.5** The Committee observed that the last Annual report of the Company submitted to the Exchange for financial year ended March 31, 2020, reflected total assets of Rs.55,527/- only.
- 6.6** The Committee requested the Chief Financial Officer of the Company to provide a clarification on the statement made by him that the Company has a Showroom (Asset) located at Santacruz, Mumbai with a market value of approximately Rs. 11 crores which is contradictory to the Annual report submitted by the Company. However, the Chief Financial Officer of the Company failed to answer to the queries raised by the Committee.
- 6.7** The Committee finds as under:
- i. that the representatives of the Company were unable to present their contentions before the Committee. Further, the Committee also observed that the Company does not seem to be serious about the

opportunity given by the Exchange, as the Executive Director of the Company who is aware about affairs of the Company was requested to be present for the meeting, however he failed to remain present before the Committee without taking any leave of absence or providing reason for his absence.

- ii. the representatives of the Company neither had any instructions nor were appearing with the objective of providing answers to the Committee.

6.8 However, in the interest of equity and justice, the Committee decided to grant additional time of one month to: (a) complete all the pending non-compliances (b) submit a detailed action plan to revive the trading of the Company's equity shares on the Exchange.

6.9 The Committee, while granting the additional time, decided that this is a final opportunity granted to the Company and if the Company fails to make the submissions within the given timelines, the Committee may not grant any additional time and may proceed to conclude the proceedings based on the available records.

6.10 The Committee directed that the matter be placed in the subsequent meeting for its decision.

7. Present Proceedings before the Committee on February 20, 2023, Committee's Findings and Decision

Committee's Findings

7.1 The trading in equity shares of the Company is suspended w.e.f April 20, 2005 (prior to SOP circular no. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020), due to non-compliance with the erstwhile Listing Agreement.

7.2 The current non-compliances of the Company pertain to the following requirements of the Listing Regulations and Depository Regulations:

Sr. No	Details of Non - Compliance	Regulation
1.	Statement of Investor Grievance	Regulation 13 (3) of the Listing Regulations

2.	Corporate Governance Report	Regulation 27 of the Listing Regulations.
3.	Shareholding Pattern	Regulation 31 of the Listing Regulations
4.	Financial Results	Regulation 33 of the Listing Regulations
5.	Annual Report	Regulation 34 of the Listing Regulations
6.	Reconciliation of share capital audit	Regulation 76 of the Depository Regulations

- 7.3** The Committee noted that the Company has not taken any steps to comply with the above-mentioned requirements of the Listing Regulations and Depository Regulations.
- 7.4** The Company has also not paid the outstanding Annual listing fees of the Exchange.
- 7.5** The Committee noted that the Company was granted an additional opportunity for Personal hearing before the Committee vide Exchange's email and physical letter dated February 08, 2023. Further, reminder email dated February 14, 2023, was also sent by the Exchange to seek confirmation from the Company for personal hearing provided before the Committee. However, the Company vide an email dated February 16, 2023, sought adjournment from the hearing of the matter before the Committee in its meeting dated February 20, 2023.
- 7.6** Regulation 32(1) of the Delisting Regulations provides for the delisting of equity shares of the Company on any ground prescribed in the rules made under Section 21A of the Securities Contracts (Regulation) Act, 1956 ("SCRA") (42 of 1956).
- 7.7** Rule 21 of the Securities Contracts (Regulation) Rules, 1957 ("SCRR"), provides for various grounds for delisting of the equity shares of the Company, which are as under:
- the Company has incurred losses during the preceding three consecutive years, and it has a negative net worth;*
 - trading in the securities of the Company has remained suspended for more than six months;*
 - the securities of the Company have remained infrequently traded during the preceding three years;*
 - the Company or any of its promoters or any of its Director has been convicted for failure to comply with any of the provisions of the Act or the Securities and Exchange Board of India Act, 1992 or the Depositories Act,*

1996 (22 of 1996) or rules, regulations, agreements made thereunder, as the case may be and awarded a penalty of not less than rupees one crore or imprisonment of not less than three years;

- e. the addresses of the Company or any of its promoter or any of its directors are not known, or false addresses have been furnished, or the Company has changed its registered office in contravention of the provisions of the Companies Act, 1956 (1 of 1956); or
- f. shareholding of the Company held by the public has come below the minimum level applicable to the Company as per the listing agreement under the Act. The Company has failed to raise public holding to the required level within the time specified by the recognized stock exchange.

7.8 The Provisions of "SCRA" and "SCRR" provide that the securities of a company shall not be delisted unless the Company concerned has been given a reasonable opportunity of being heard. The Delisting Regulations also prescribe that no order shall be made unless the Company concerned has been given a reasonable opportunity of being heard. In this context, it is observed that post the matter was remitted back to the Committee by the Hon'ble SAT, the Company has been multiple opportunities as follows:

- a. In line with the direction given by the Hon'ble SAT, the Exchange vide its email and letter dated December 14, 2022 granted an opportunity for personal hearing before the Committee in its meeting dated December 29, 2022, which was sought by the Company.
- b. The Company appeared before the committee in its meeting dated December 29, 2022 and failed to present any contentions before the Committee. The representatives of the Company sought additional time for making submissions in the matter.
- c. In the interest of equity and justice, the Committee granted an additional time of one month to demonstrate the plan of action for restoration of the trading in its equity shares or to ensure compliances required under the Listing Regulations and to be continuously listed on the Exchange Platform. The said direction was communicated to the Company by the Exchange vide an email dated January 02, 2023. Additionally, the Exchange vide emails dated January 24, 2023, and February 01, 2023, had also sent reminders to the Company to comply with the directions given by the Committee. However, the Exchange did not receive any response to the said emails.
- d. Thereafter, the Exchange vide an email and letter dated February 08, 2023 granted another opportunity of personal hearing before the

Committee in its meeting dated February 20, 2023. Additionally, the Exchange vide an email dated February 14, 2023 had also sent reminder to the Company to seek confirmation from the Company for personal hearing provided before the Committee.

- e. The Company vide an email dated February 16, 2023 sought adjournment from personal hearing before the Committee, however did not make any written submissions in the matter as per the direction given by the Committee in its meeting dated December 29, 2022.

7.9 The Company has been suspended for more than 17 years. There is no plan of action to revive the trading of the Company's equity shares on the Exchange. The Company have failed to demonstrate any efforts to ensure compliances with the Listing Regulations and Depository Regulations read with the erstwhile Listing Agreement.

7.10 The Committee notes that reasonable and sufficient opportunities has been granted to the Company to ensure compliances as required under Listing Regulations. The Committee noted that several emails were sent by the Exchange to the Company seeking a response however, the Company failed to provide any submissions for continuing the listing on the Exchange Platform.

7.11 The Committee does not find any substantive grounds for considering the adjournment request of the Company and noted that giving another opportunity for continuation of the Company under the "suspended category" serves no purpose since there is no concrete plan of action which would give some hope of the revival of the operations of the Company vis a vis the trading of its equity shares on the platform of the Exchange.

7.12 Regulation 33 of the SEBI (Delisting of equity shares) Regulations, 2021 casts a responsibility on the Promoter of the Company to acquire the delisted equity shares from the public shareholders within three months of the date of delisting from the recognized stock exchange. The value of such delisted equity shares is determined by the independent valuer. Therefore, the Committee is of the view that delisting the Company's equity shares will enable the investors to make an informed decision. Further, any delay in the delisting of the equity shares of the Company, when no concrete steps are taken by the Company for revocation of the suspension, will prejudice the interest of the investors.

7.13 Regulation 34(1) of the SEBI (Delisting of equity shares) Regulations, 2021 provides that where a company has been compulsorily delisted, the Company,

its whole-time directors, its promoters, and the companies which are promoted by any of them shall not directly or indirectly access the securities market or seek listing for any equity shares for a period of ten years from the date of such delisting. Further, Regulation 34(2)(b) of the SEBI (Delisting of equity shares) Regulations, 2021 provide that the promoters and whole-time directors of the compulsorily delisted Company shall also not be eligible to become directors of any listed company till the exit option to the public shareholders is given in compliance with Regulation 33(3) of the SEBI (Delisting of equity shares) Regulations, 2021. Therefore, the Committee is of the view that upon delisting of the Company, the consequences of delisting that follow by virtue of the provisions of Regulation 34 of the SEBI (Delisting of equity shares) Regulations, 2021 will be in the larger interest of the investors/shareholders.

Decision

7.14 Considering the facts and circumstances mentioned above, the Committee directs that the equity shares of **M/s. Auto riders Finance Limited (AUTORIDFIN)** be compulsorily delisted from the Exchange in terms of Regulation 32(1) of SEBI (Delisting of Equity Shares) Regulations, 2021 read with Rule 21(b) of Securities Contracts (Regulation) Rules, 1957. As a result, the following consequences upon the compulsory delisting of equity shares shall follow:

7.15 Consequences of compulsory delisting:

Regulation 34 of Delisting Regulations states as under:

(1) Where a company has been compulsorily delisted under this Chapter, the company, its whole-time directors, person(s) responsible for ensuring compliance with the securities laws, its promoters and the companies which are promoted by any of them shall not directly or indirectly access the securities market or seek listing of any equity shares or act as an intermediary in the securities market for a period of ten years from the date of such delisting.

(2) In case of a company whose fair value is positive –

(a) such a company and the depositories shall not effect transfer, by way of sale, pledge, etc., of any of the equity shares held by the promoters / promoter group and the corporate benefits like dividend, rights, bonus

shares, split, etc. shall be frozen for all the equity shares held by the promoters/ promoter group, till the promoters of such company provide an exit option to the public shareholders in compliance with sub-regulation (4) of regulation 33 of these regulations, as certified by the relevant recognized stock exchange;

(b) the promoters, whole-time directors and person(s) responsible for ensuring compliance with the securities laws, of the compulsorily delisted company shall also not be eligible to become directors of any listed company till the exit option as mentioned in clause (a) is provided.

7.16 The proceedings of the Delisting Committee meeting held on February 20, 2023, were through video conferencing. At this stage, it is neither possible to sign a copy of this order nor Exchange can issue a certified copy of the order. Therefore, an electronic copy of this order sent from the Exchange's email id shall be treated as a signed copy for all purposes.

Sd/-
Mr. Bishnu Charan Patnaik
(Chairperson)

Sd/-
Ms. Mona Bhide
(Committee Member)

Sd/-
Mr. Priya Subbaraman
(Committee Member)

Sd/-
Mr. Ashok Dhere
(Committee Member)

Sd/-
Mr. Santosh Kumar
(Committee Member)

Date: March 31, 2023