

**Before the Delisting Committee (“Committee”)  
Of  
National Stock Exchange of India Limited  
A Wing, Ground Floor, Exchange Plaza, Bandra Kurla Complex,  
Bandra (East), Mumbai - 400 051  
Held on September 24, 2020**

**In the matter of the company  
M/s Girdharilal Sugar and Allied Industries Limited**

**Members present:**

Ms. Sunita Sharma	- Chairperson through Video Conferencing
Ms. Mona Bhide	- Committee Member through Video Conferencing
Mr. K Narasimha Murthy	- Committee Member through Video Conferencing
Mr. Ashok Dhare	- Committee Member
Ms. Priya Subbaraman	- Committee Member

**Also Present:**

Mr. Vikram Limaye	- Managing Director & CEO through Video Conferencing
Mr. Avishkar Naik	- Head of Listing Compliance
Mr. Lokesh Bhandari	- Senior Manager -Listing Compliance through Video Conferencing
Ms. Mansi Chheda	- Senior Manager – Listing Compliance

**1. Background**

- 1.1 The trading in equity shares of M/s. Girdharilal Sugar and Allied Industries Limited (“NARMADASUG” or the “Company”) are suspended w.e.f. August 02, 2000 due to non-compliance with erstwhile Listing Agreement.
- 1.2 An amount of INR 29,59,040 (including interest) towards annual listing fees is pending as on October 02 ,2020

**2. Show Cause Notice, Public Announcement and responses.**

- 2.1 Accordingly, the Exchange issued Show Cause Notice (SCN) dated August 26, 2020 to the company.
- 2.2 In terms of Regulation 22(3) of Delisting Regulations, 2009, a public notice dated February 25, 2017 was issued intimating the proposed delisting of the equity share from the Exchange platform.
- 2.3 The Exchange vide SCN has informed the Promoter’s, Promoter Group and Director of the Company (wherever details available with Exchange) about the proposed delisting of the Company.
- 2.4 In response to the SCN, the Company had responded vide email or letter dated September 06, 2020 that:

- i. Due to unfavorable trade scenario and huge losses the Company is facing severe liquidity crunch, due to which Company had to close its plant hence Company could not pay stock exchange annual listing fee.
- ii. Banker has classified account as NPA and closed operations.
- iii. Commercial Tax Department has frozen Bank accounts.
- iv. Municipal Corporation has sealed Plant.
- v. Many of the crucial staff members left, due to delay in payment of salaries.
- vi. The directors have humbly requested for liberal view and not to take action at least for next 6 months.

### **3. Present Proceedings Before Delisting Committee dated September 24, 2020**

- 3.1 The Company was given an opportunity of personal hearing vide SCN to appear before the Committee on September 24, 2020. The Committee finds that no representative of the Company remained present for the hearing in the Committee meeting held on September 24, 2020.
- 3.2 The Committee was updated with the Company's response to the SCN, which was as under:
  - i. Due to unfavorable trade scenario and huge losses the Company is facing severe liquidity crunch, due to which Company had to close its plant hence Company could not pay stock exchange annual listing fee.
  - ii. Banker has classified account as NPA and closed operations.
  - iii. Commercial Tax Department has frozen Bank accounts.
  - iv. Municipal Corporation has sealed Plant.
  - v. Many of the crucial staff members left, due to delay in payment of salaries.
  - vi. The directors have humbly requested for liberal view and not to take action at least for next 6 months.

### **4. Committee's Findings and Decision:**

- 4.1 The trading in the equity shares of the Company has been suspended for non-compliances of the requirements under erstwhile Listing Agreement since August 02, 2000.
- 4.2 The current non-compliances pertain to the non-submission of Shareholding Pattern (Regulation 31 of LODR) for the Quarter ended March 31, 2020 and June 30, 2020 and non-submission of Reconciliation of share capital Audit (Regulation 76 of Depositories and Participants Regulations, 2018) for the Quarter ended June 30, 2020. The Company has also not paid the outstanding listing fees.
- 4.3 The trading of the Company's shares has been suspended since August 02, 2000. Despite a lapse of more than 20 years from the date of suspension, no efforts have been taken by the Company to ensure compliance.

- 4.4 The provisions of Regulations 22 (1) under Chapter V of Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 provides for delisting of equity shares on any ground as prescribed under Section 21A of the Securities Contracts (Regulation) Act, (SCR) 1956. The provisions of Rule 21 of the Securities Contracts (Regulation) Rules (SCR), 1957 provides for the various grounds due to which the shares of the company can be delisted.
- 4.5 The provisions under the said SCR Act, 1956, SCR Rules, 1957 and the Delisting Regulations, also require that no order shall be made under the Delisting Regulations, 2009 unless the company concerned has been given a reasonable opportunity of being heard.
- 4.6 The Company has failed to respond to the Exchange correspondence on various occasions. Further, the Company did not remain present in personal hearing before the Delisting Committee in its Meeting held on September 24, 2020.
- 4.7 The Committee finds that sufficient opportunity has been provided to the Company to respond to the Exchange communication and to comply with Regulatory requirements.
- 4.8 The Committee finds that the Company has failed to demonstrate serious efforts are being taken to ensure compliances required under SEBI (LODR) Regulations, 2015 read with erstwhile Listing Agreement and Listing Regulations for continued listing on the Exchange Platform.
- 4.9 The Committee finds that the Company has been suspended since August 02, 2000 and has remained suspended for more than 20 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.
- 4.10 The Committee observes that upon delisting of a Company, the Regulation 23 of SEBI (Delisting of Equity Shares) Regulations, 2009 casts a responsibility on the promoter and promoter group of the company to acquire delisted equity shares from the public shareholders within three months of the date of delisting from the recognised Stock Exchange. The value of such delisted shares which is required to be acquired by promoter and promoter group is determined by the independent valuer. The Committee is therefore of the view that delisting of the Company will not only provide an exit route to the investors but will also help the investors in taking an informed decision and any further delay in delisting the company, when no tangible efforts could be seen to be taken by the company, will prejudice the interest of the investors.
- 4.11 The Committee also further observes that Regulation 24 of SEBI (Delisting of Equity Shares) Regulations, 2009 provides that the promoters, promoter group 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 are given in compliance with sub-regulation (3) of regulation 23 of the SEBI (Delisting of Equity Shares) Regulations, 2009. The said Regulation 24 also provides that where a company has been compulsorily delisted under this Chapter, the company, its whole-time

directors, its promoters, promoter group 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. The Committee is therefore of the view, upon delisting of the Company the consequences of delisting that follow by virtue of the provisions of Regulation 24 of the SEBI (Delisting of Equity Shares) Regulations, 2009 will be in the larger interest of the investors/shareholders.

### **Decision**

- 4.12 In view of the above of the findings, after taking into consideration the fact and circumstances as set out above, the Committee is of the opinion that that there are no justifiable grounds for allowing the continuance of the dealing in securities from the Exchange Platform and that no purpose would be achieved in continuing the Company as listed entity.
- 4.13 Accordingly, the Committee directs that dealings in the securities of M/s. Girdharilal Sugar and Allied Industries Limited (NARMADASUG) (hereinafter referred to as the "Company") be restrained and withdrawn in terms of Regulation 22 (1) of SEBI (Delisting of Equity Shares) Regulation, 2009 read with Rule 21 (b) of the Securities Contract Regulation Rules, 1957.
- 4.14 The matter was discussed in the Delisting Committee meeting held on September 24, 2020 through physical presence and video conferencing and at this stage it is neither possible to sign a copy of this order nor a certified copy of the order can be issued by Exchange. Therefore, an electronic copy of this order which is sent from the Exchange's mail id shall be treated as a signed copy for all purposes.

Sd/- Sunita Sharma (Chairperson)	Sd/- Mona Bhide (Committee Member)	Sd/- K Narasimha Murthy (Committee Member)	Sd/- Ashok Dhare (Committee Member)	Sd/- Priya Subbaraman (Committee Member)
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Date: November 27, 2020