

ORDER PASSED BY THE DELISTING COMMITTEE OF BSE LTD. IN THE MATTER OF SAFAL HERBS LIMITED FOR COMPULSORY DELISTING UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (DELISTING OF EQUITY SHARES) REGULATIONS, 2009, SECURITIES CONTRACTS (REGULATION) ACT, 1956 r/w SECURITIES CONTRACTS (REGULATION) RULES, 1957 AND RULES, BYE-LAWS AND REGULATIONS OF BSE LTD.

1. This Order is passed under Regulation 22 of Chapter V under the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (as amended from time to time) ("**Delisting Regulations**") r/w Section 21A of the Securities Contracts (Regulation) Act, 1956 ("**SCRA**"), the Securities Contracts (Regulation) Rules, 1957 ("**SCRR**") and the Rules, Bye-Laws and Regulations of BSE Ltd. ("**Exchange**") in the matter of compulsory delisting of equity shares of Safal Herbs Limited ("**Company**") from the Exchange.
2. At the meeting held on October 20, 2023, the Delisting Committee of the Exchange ("**Delisting Committee**") perused the records, considered the facts and the relevant provisions of law, including the circulars issued by the Securities and Exchange Board of India ("**SEBI**"). The Delisting Committee unanimously decided to direct the Company to complete the requirements for revocation of suspension in trading in the securities of the Company and make payment of outstanding dues within the stipulated timelines, failing which, the securities of the Company ought to be compulsorily delisted from the platform of the Exchange. In this regard, the Delisting Committee proceeds to furnish the reasons for its decision.

3. The relevant facts are as follows:

- a. The trading in the securities of the Company was suspended w.e.f. April 13, 2020 in terms of and in accordance with SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2018/77 dated May 3, 2018 on account of non-compliance for two consecutive quarters i.e., September 2019 and December 2019 with Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”) and in particular sub-regulation (1)(b) thereof. The said suspension was notified on the Exchange’s website vide notice no. 20200319-48 dated March 19, 2020.
- b. The Company vide email dated July 17, 2020 sought procedure for revocation of suspension of the company including details of outstanding fees and penalties.
- c. An email dated August 17, 2020 (“**advisory letter**”) was sent by the Exchange to the Company on its email id : parikhherbals@gmail.com; stating inter-alia, that the Exchange had informed the Company about its non-compliance with the provisions of Regulation 31 of LODR Regulations, the quantum of fines payable and the further action that would be initiated pursuant to SEBI circular dated January 22, 2020 (erstwhile SEBI circular dated May 3, 2018), if the Company failed to comply with the obligations and pay the fines. The said email further stated that as the Company had failed to comply with its obligations and to pay the fines, the trading in the scrip was shifted to “Z” group w.e.f. March 3, 2020 and that the trading in the securities has been

suspended w.e.f April 13, 2020. The provisions of SEBI circular dated January 22, 2020 (erstwhile SEBI circular dated May 3, 2018) dealing with the consequences of non-compliances and failure to pay the fine within 6 months from the date of the suspension were notified in the said email. This included initiation of the process of compulsory delisting under the SCRR and Delisting Regulations. The Company was accordingly advised to comply with the obligations and pay the fines for completing the process for revocation of suspension.

- d. The trading in the securities of the Company continued to remain suspended for more than six (6) months and the Company failed to take all the steps necessary to enable revocation of suspension in the trading of securities prescribed by the Exchange. Hence, the shareholders / investors are deprived of the facility for dealing in the securities of the Company.
- e. Pertinently, the Company did not complete all the formalities for revocation of suspension in the trading of its securities. Therefore, a Show Cause Notice dated December 21, 2020 was issued to the Company by the Exchange (“SCN”) at its last known registered address available with the Exchange and as available on the website of Ministry of Corporate Affairs ([MCA](#)) as well as the Company’s email ID, calling upon the Company to show cause within 15 days from the date of the SCN as to why the securities of the Company should not be compulsorily delisted from the platform of the Exchange in terms of Chapter V of the Delisting Regulations. Further, the Company was also

informed that if it wished to avail an opportunity of personal hearing before the Delisting Committee, then such request be included in its representation to the SCN. The Company was also directed to submit its representation to the SCN.

- f. The Company vide emails dated September 22, 2021, October 1, 2021 and October 5, 2021 sought the list of pending compliances and the checklist of documents for revocation of suspension of the Company including details of penalties.
- g. In response, the Exchange vide email dated November 2, 2021 had provided the details of pending compliances including the outstanding dues to the Company for revocation of suspension of the Company.
- h. Further, the Exchange vide emails dated November 15, 2021 requested the Company to revert on the aforesaid Exchange email dated November 2, 2021 at the earliest.
- i. The Company vide email dated April 13, 2022 and April 27, 2022 requested the Exchange to provide annual listing fees for the current year and any outstanding fees.
- j. The Exchange vide email dated May 4, 2022 had provided the details of pending compliances including the outstanding SEBI SOP fines, reinstatement fees and application processing fees to the Company for revocation of suspension of the Company.

- k. The Company vide email May 12, 2022 requested the details of outstanding listing fees. Further the Company had provided the authority letter and Board Resolution in favour of Mrs. Sheela Anjaria to Coordinate with Exchange in the matter of revocation of suspension in the securities of the Company.
- l. Further, the Exchange vide emails dated May 19, 2022; May 31, 2022 and June 6, 2022 requested the Company to comply with the respective revocation formalities / compliances at the earliest.
- m. The Company vide email dated June 7, 2022 stated the following:
- “We highly appreciate providing details for revocation or suspension of our company. This is to request you to place our matter for waivers of SOPLOTR penalties amounting to 6988000 Lacs as it is difficult for the company to pay such a huge penalty.*
- We will initiate the process for revocation of suspension in due course of waiver of penalties.”*
- n. Pursuant to the above and in terms of the Delisting Regulations, Initial Public Notices (“IPN”) were published in one English national newspaper viz., The Financial Express (all editions) dated April 10, 2023 and one vernacular newspaper viz., Navshakti (in Marathi) dated April 10, 2023, *inter alia*, informing about the proposal for compulsory delisting of the equity shares of the Company and inviting representations from any person/s concerned desirous of making any representation to the Exchange, within 15 working days of the notice, at the specified email id bse.delistscn@bseindia.com. The

IPNs were also disseminated on the Exchange's website. Link of the IPN was sent to the company and its promoters through email on April 11, 2023.

- o. A letter dated July 4, 2023 was sent by the Exchange to the Company granting an opportunity of personal hearing to the Company, to make the submission/representation before Delisting Committee of the Exchange (meeting through video conferencing). An email was also sent by the Exchange to the Company and its promoters on July 4, 2023 on the email ids: parikhherbals@gmail.com; KRUHAD@YAHOO.COM ; bhupendrashah1@gmail.com; SARFARAZ@GRAFLAB.CO.IN; scottbaroda@yahoo.com; VIKRAMBHAISHAH@GMAIL.COM.
- p. The notices were published in one English national newspaper viz., The Financial Express (all editions) dated July 5, 2023, one vernacular newspaper viz. Navshakti (in Marathi) dated July 5, 2023 and one Hindi national newspaper viz., Business Standard (all editions) dated July 6, 2023 and, inter alia, granting the Company a last and final opportunity to inform the Exchange whether it wanted to avail a personal hearing before Delisting Committee of the Exchange. Further it was also stated that if no response was received from the Company within the stipulated timelines and in the prescribed mode, it would be presumed that the Company has waived the opportunity of being heard and the Delisting Committee shall be constrained to decide the matter, on an ex-parte basis and the Exchange shall proceed with the process for compulsory delisting. Further, it was specified that the Company may address

a communication at the specified email id: bse.delistscn@bseindia.com by July 10, 2023. The said notices were also disseminated on the Exchange's website.

- q. The email dated July 6, 2023 was also sent to the company and promoter/promoter group, informing the company about publication of aforesaid public notice dated July 5, 2023 and July 6, 2023 in newspaper.
- r. The Company vide email dated July 10, 2023 confirmed to attend the personal hearing before the Delisting Committee of Exchange for the meeting scheduled to be held on August 8, 2023. Further, the Company had provided the board resolution and letter of authority in favour of Mr. Sumit Bajaj & Associates (Practising Company Secretary) to represent the Company before the Committee.
- s. In response, the Exchange vide email dated July 10, 2023 requested the Company to submit its detailed written representation to be submitted before the Delisting Committee.
- t. The Company vide email dated July 24, 2023 stated the following:
"In order to initiate the Company's revocation process, please provide us with the list of outstanding violations/fees/penalties, as we have received a request by mail to attend the in-person hearing before the Exchange's Delisting Committee scheduled for August 8, 2023 (via video conference). As a result, we wanted to initiate the revocation process and address the pending complaints before then.

Please share the list with us for better compliance.”

- u. The Exchange vide email dated July 27, 2023 provided the details of pending compliance (critical regulations of SEBI LODR Regulations) and informed the Company to submit revocation application letter along with Annexure & supporting's through Listing Centre. Further, the Exchange had informed the Company that the application and checklist for revocation of suspension is available at the Exchange website. Link for the same was also provided to the Company (i.e. <https://www.bseindia.com/Static/about/Revocation.aspx>). Additionally, the Exchange had informed the Company that the documents are to be submitted / dues paid / compliance ensured and requested the Company to give clarifications / replies on the letterhead of the Company. Further the Exchange had requested the Company to submit the documents for difference in capital, if any through BCRMS (Listing Centre).
- v. The Exchange vide email dated August 2, 2023 informed the Company that the company's matter will be placed in subsequent meeting of the Delisting Committee. The date of the subsequent Delisting Committee meeting will be informed to the Company well in advance.
- w. The Company vide email dated August 7, 2023 submitted the representation letter for the personal hearing before the Delisting Committee of Exchange for the meeting scheduled to be held on August 8, 2023.
- x. In response, Exchange vide email dated August 7, 2023 reiterated that Company's matter will be placed in subsequent meeting of the Delisting

Committee. The Exchange had also enclosed the copy of the email dated August 2, 2023 which was communicated earlier, for reference.

- y. A letter dated September 21, 2023 was sent by the Exchange to the Company granting an opportunity of personal hearing to the Company, to make the submission/representation before Delisting Committee of the Exchange (meeting through video conferencing). An email was also sent by the Exchange to the Company and its promoters on July 4, 2023 on the email ids: madhavkruhad@yahoo.in; parikhherbals@gmail.com; KRUHAD@YAHOO.COM; bhupendrakumarhshah@gmail.com; sheetalromilshah@gmail.com; sarfaraz@graflab.co.in; scottbaroda@yahoo.com; vshah6718@gmail.com.
- z. The notices were published in one English national newspaper viz., The Financial Express (all editions) dated September 23, 2023, one vernacular newspaper viz. Navshakti (in Marathi) dated September 23, 2023 and one Hindi national newspaper viz., Business Standard (all editions) dated September 23, 2023 and, inter alia, granting the Company a last and final opportunity to inform the Exchange whether it wanted to avail a personal hearing before Delisting Committee of the Exchange. Further it was also stated that if no response was received from the Company within the stipulated timelines and in the prescribed mode, it would be presumed that the Company has waived the opportunity of being heard and the Delisting Committee shall be constrained to decide the matter, on an ex-parte basis

and the Exchange shall proceed with the process for compulsory delisting.

Further, it was specified that the Company may address a communication at the specified email id: bse.delistscn@bseindia.com by September 27, 2023.

The said notices were also disseminated on the Exchange's website.

- aa. The email dated September 25, 2023 was also sent to the company and promoter/promoter group, informing the company about publication of aforesaid public notice dated September 23, 2023 in newspaper.
 - bb. The Company vide email dated October 3, 2023 confirmed to attend the personal hearing before the Delisting Committee of Exchange for the meeting scheduled to be held on October 20, 2023. Further, the Company had provided the board resolution and letter of authority in favour of Mr. Sumit Bajaj & Associates (Practising Company Secretary) to represent the Company before the Committee.
 - cc. The Exchange Vide email dated October 16, 2023 had provided the details of link to the Company to join the meeting scheduled on October 20, 2023.
4. The matter of compulsory delisting of the Company was placed before the Delisting Committee on October 20, 2023.
 5. At the threshold, the Delisting Committee observed that at the time of passing of this decision, SEBI Delisting Regulations, 2009 had been repealed by SEBI (Delisting of Equity Shares) Regulation, 2021 ("**SEBI Delisting Regulations, 2021**"). The Committee also noted that Regulation 44 of SEBI Delisting Regulations, 2021 provides a saving clause as follows:

“44.(1) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, stand repealed from the date on which these regulations come into force.

(2) Notwithstanding such repeal,—

(a) anything done or any action taken or purported to have been done or taken including in-principle approval given by the recognised stock exchanges, relaxation or exemption granted by the Board, fee collected, any adjudication, enquiry or investigation commenced or show cause notice issued under the repealed regulations prior to such repeal, shall be deemed to have been done or taken under the corresponding provisions of these regulations;

(b) the previous operation of the repealed regulations or anything duly done or suffered thereunder, any right, privilege, obligation or liability acquired, accrued or incurred under the repealed regulations, any penalty, forfeiture or punishment incurred in respect of any contravention or offence committed against the repealed regulations, or any investigation, proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid, shall remain unaffected as if the repealed regulations had never been repealed;”

6. Thus, considering the aforesaid facts and in particular the fact that the SCN was issued on December 21, 2020 i.e. prior to SEBI Delisting Regulations, 2021, the Committee is of the considered view that the present proceeding will be governed by SEBI

(Delisting of Equity Shares) Regulations, 2009. It is clarified that this is restricted to the adjudication of the present SCN for delisting of securities of the Company.

7. On October 20, 2023, Mr. Sumit Bajaj (Practicing Company Secretary) appeared before the Delisting Committee. It was admitted that the Company had failed to comply with requirements on the aforesaid. Mr. Sumit Bajaj however submitted the following:

- a. The Company is suspended since 2019 due to certain non-compliances.
- b. The Company had no proper business. The Company has now initiated new business post management discussions in waste management.
- c. The Company has set up a new plant in Sarangpur district, Uttar Pradesh. The same is under Swach Bharat Scheme.
- d. The Company is currently under finalization of last 2 years Balance Sheet and the same is under discussion with the auditors.
- e. The Company sought 6 months' time to comply with pending compliances and outstanding dues.
- f. The Company has also sought waiver of fines.

8. Rule 21 of SCRR prescribes various grounds for compulsorily delisting the equity shares of a listed company by the Exchange, one of which is continuation of suspension in the trading of the securities for a period of more than 6 (six) months.

9. The SCN, *inter alia*, states that the Company has failed to take steps to enable revocation of suspension in the trading of its securities and that the trading in securities had been suspended for more than 6 (six) months.
10. These facts have not been controverted.
11. Based on the aforesaid facts, the Delisting Committee observed that:
- a. It is an admitted position that the trading in securities of the Company has remained suspended for a period of more than 6 (six) months in terms of Rule 21 of SCRR.
 - b. The Company is non-compliant with the following critical regulations of SEBI LODR, Regulations.
 - i. Regulation 31:- Shareholding Pattern
 - ii. Regulation 33:- Quarterly Results
 - iii. Regulation 34:- Annual Report
 - iv. Information on the Reconciliation of Share Capital Audit Report.
 - c. It is established that the Company has not complied with all the requirements for revocation of suspension in trading of securities of the Company at the Exchange. Hence, the suspension in the trading of securities of the Company at the Exchange continues as on date thereby depriving the shareholders of the Company the facility of dealing in its securities. The public shareholding of the Company as per the last filing with the Exchange is 90.38%.

- d. The aforesaid facts indicate negligent conduct and lack of interest on the part of the Company in complying with its obligations and revoking the suspension in the trading of securities which happened in the year 2020.
- e. In terms of the requirements of the Delisting Regulations, IPNs were published in one English national newspaper viz., The Financial Express (all editions) dated April 10, 2023 and one vernacular newspaper viz. Navshakti (in Marathi) dated April 10, 2023, *inter alia*, informing about the proposal for compulsory delisting of the equity shares of the Company. However, the representations were received from the Company as stated above and representation submitted by the company during the meeting of Delisting Committee meeting held on October 20, 2023.
- f. While the grounds for compulsory delisting are made out in light of the above facts, the Delisting Committee, as a last opportunity, considers it appropriate to grant the Company's request that time be granted to the Company to comply with requirements for revocation of suspension in the trading of securities of the Company in terms of the following order to which the Company has agreed:-

ORDER

12. As per the request of and with the consent of the Company and in exercise of powers vested with the Delisting Committee under Regulation 22 (2) of the Delisting Regulations, the following Order is passed:

- a) The Company shall comply with the following:-

- i. Complete the pending compliances and formalities for revocation of suspension, including payment of processing fees, Annual Listing Fees, SEBI SOP fines and reinstatement fees within four (4) months from the date of receipt of this Order by the Company. In case the Company wishes to seek waiver of SEBI SOP fines, the Company shall make an application to the Request Review Committee not later than two (2) weeks from the receipt of this Order. The Company shall pay the SEBI SOP fines as decided and communicated by the Request Review Committee within the timelines mentioned above.
- b) In case, the Company fails to comply with any of the aforesaid directions, then the securities of the Company shall automatically stand compulsorily delisted from the platform of the Exchange, in terms of Regulation 22 of Chapter V under the Delisting Regulations r/w Section 21A of the SCRA and the Rules, Bye-Laws and Regulations of the Exchange.
- c) The securities of the Company will stand compulsorily delisted with effect from the date mentioned in the notice issued by the Exchange on its website informing the market participants about the compulsory delisting of the securities of the Company.

Date: January 5, 2024

Sd/-
Chairman

Sd/-
Member



Sd/-
Member

Sd/-
Member

Sd/-
Member