(2020) 08 SEBI CK 0054

In the Securities Appellate Tribunal Mumbai

Case No : Miscellaneous Application No. 233 Of 2020, Appeal No. 163 Of 2020

Regent Chemicals Limited And Ohers — APPELLANT

Vs

BSE Limited — RESPONDENT

Date of Decision : 10-08-2020

Acts Referred:

Securities And Exchange Board Of India (Delisting Of Equity Shares) Regulations, 2009 — Regulation 23(1)

Citation : (2020) 08 SEBI CK 0054

Hon'ble Judges : Tarun Agarwala, Presiding Officer;Dr. C. K. G. Nair, Member;M. T. Joshi, J

Bench : Full Bench

Advocate : Prakash Shah, Kushal Shah, Tomu Francis, Arka Saha

Final Decision : Dismissed

Judgement

Tarun Agarwala, Presiding Officer

1. The present appeal has been filed against the order dated 25 May 2017 and 6 February 2020. The appeal is accompanied with an application for

condonation of delay which has been calculated from 6 February 2020 onwards. A prayer has been made to condone the delay on account of the

ensuing pandemic situation.

2. The facts leading to the filing of the appeal is, that the appellant is a public limited company and was incorporated in the year 1991. The said

company was listed on the platform of BSE Limited since 1995. However, no trading was going on since the year 2001 and accordingly by an order

dated 25 May 2017 the respondent directed the company to be delisted from the platform of the Exchange under the SEBI (Delisting of Equity

Shares) Regulations, 2009 (â??Delisting Regulationsâ?? for short). On 1 June

2017 the respondent determined the fair value of the shares of the company at the rate of 10/- per share under Regulation 23(1) of the Delisting Regulations. The appellant did not challenge either the order of delisting of its company by the order of 25 May 2017 nor challenged the determination of the fair value done on 1 June 2017. On the other hand, it is reported that the appellant submitted a valuation report on 8 May 2018 and then submitted balance sheets and annual reports to BSE Limited on 15 October 2019 and 26 November 2019 and prayed that the fair value determined by the independent valuer appointed by the appellant should be considered and the fair value determined by the BSE Limited should be reviewed. The respondent by a communication dated 6 February 2020 rejected the contention of the appellant holding that the fair value determined on 1 June 2017 does not require any reconsideration at this belated stage. The appellant, being aggrieved by the aforesaid orders, has filed the present appeal.

3. We have heard Shri Prakash Shah, the learned counsel for the appellant and Shri Tomu Francis, the learned counsel for the BSE Limited. We find that there is an inordinate delay of more than 3 years in approaching this Tribunal. No justification whatsoever has been given as to why the appeal against the order of 25 May 2017 or against the determination of the fair value dated 1 June 2017 could not be challenged by the appellant at that point of time. Nothing has been indicated in the memo of appeal to show that they were pursuing any other remedy. Merely by submitting a valuerâ??s report after one year from the passing of the impugned order and then again filing the annual reports and balance sheets after a further period of 17 months does not entitle them to condone this inordinate delay. We are of the opinion that the communication made by the respondent by their letter dated 6 February 2020 does not extend the period of limitation for questioning the veracity and/or the legality of the order dated 25 May 2017 or 1 June 2017.

4. In view of the inordinate delay of more than 3 years in filing the appeal and in the absence of any sufficient cause being shown we are of the opinion that the delay in filing the appeal could not be condoned. The application for condonation of delay is rejected, as a result of which, the appeal is also dismissed with no order as to costs.

5. The present matter was heard through video conference due to Covid-19

pandemic. At this stage it is not possible to sign a copy of this order nor a certified copy of this order could be issued by the registry. In these circumstances, this order will be digitally signed by the Presiding Officer on behalf of the bench and all concerned parties are directed to act on the digitally signed copy of this order. Parties will act on production of a digitally signed copy sent by fax and/or email.

