

**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 BS 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 Dhere	- Committee Member
Ms. Priya Subbaraman	- Committee Member

**Also Present:**

Mr. Vikram Limaye	- Managing Director & CEO through Video Conferencing
Dr. Dinesh Kumar Soni	- Senior Vice President - Regulatory through Video Conferencing
Mr. Suresh Nair	- Vice President - Enforcement
Mr. Dushyant Patadiya	- Manager – Enforcement
Ms. Shubhi Kapoor	- Deputy Manager– Enforcement

**1. Background**

- 1.1 The trading in equity shares of BS Limited (“BSLIMITED” or the “Company”) is suspended w.e.f. May 11, 2018 due to non-compliance with Regulation 34 (Annual Report) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 (‘Listing Regulation’) for two consecutive years i.e. March 31, 2016 and March 31, 2017 as well as non-payment of the fine amount levied for said non-compliance.
- 1.2 The Exchange, by its letter dated April 19, 2018, has informed that the entire promoter shareholding shall be frozen with immediate effect.
- 1.3 The Committee noted that as on date, an amount of Rs.33,25,675/-\* being fine for non-compliance of the requirements under Listing Regulations and Rs.10,17,708/-\* towards listing fees for FY 2017-18 to FY 2020-21 is pending as on September 15, 2020. (\*including interest)

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

- 2.1 Accordingly, the Exchange issued a Show Cause Notice to the company vide ref. no. NSE/LIST/82025 dated May 30, 2019.
- 2.2 Further, in terms of Regulation 22(3) of Delisting Regulations, 2009, a public notice dated June 06, 2019 was also issued intimating the proposed delisting of the equity share from the Exchange platform. The said Public Notice also

invited representation from any person who may be aggrieved by the proposed delisting of the equity shares of company.

- 2.3 The Exchange, vide letter dated June 04, 2019, has informed the Directors and Promoters of the Company about the proposed delisting of the Company.

### **3. Response to the SCN and Notices by Company and the Directors**

- 3.1 In response to the above show cause notice, the Company vide its letter dated June 10, 2019 submitted that:

- a. BS limited is under Corporate Insolvency Resolution Process (CIRP) from November 1, 2018. However, the CIRP period was extended by Hon'ble NCLT - Hyderabad, beyond 180 days, for a further period of 90 days, which ends on July 28, 2019. The objective behind extension of CIRP period is to secure a resolution plan.
- b. Meanwhile, the RP, Dr. K. V. Srinivas received a resolution plan from United Trade Co, Sharjah, UAE to resolve the insolvency position of the Company. The said resolution plan will be placed before the Hon'ble NCLT, Hyderabad for the revival of BS Limited, post approval of the Committee of Creditors.
- c. The Company in its letter, has also stated that it is not in a position to repay the penalty of Rs.5,45,470/- for non-compliance with Regulation 34 (Annual Report) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.
- d. If the shares of the Company are also delisted from the Stock Exchange, then the shareholders who have invested the funds will suffer loss as the Company is already in CIRP period. In addition, the Company is also not in a position to protect the interests of the shareholders by giving exit offer to them.
- e. The Company has further requested the Exchange not to delist the shares and also requested to waive off the penalty of Rs.5,45,470/-.

- 3.2 Further, in response to Exchange letter dated June 04, 2019 to the directors and promoters of the Company, the Exchange has received the following response.:

- a. Mr. Rajesh Agarwal, vide his letter dated June 14, 2019, has informed the Exchange that BS limited is under CIRP under IBC. Its affairs, business and assets are being managed by the RP appointed by the Hon'ble NCLT Hyderabad bench vide its order dated November 01, 2018. He stated that under provisions of section 17 of the code, the powers of Board of Directors of the Company are currently under suspension and the same are being exercised by the RP of BS limited. He also stated that as of now, Mr. Rajesh Agarwal is the only promoter in the Company and he is also the director of (suspended) Board of Directors of the Company.
- b. Mr. Arun Dogra, vide his letter dated June 17, 2019, has informed the Exchange that BS limited is under CIRP under IBC. He also informed that he is one of the existing directors of (suspended) Board of Directors of the Company.

- c. Ms. Dimple Kaul, vide her letter dated June 18, 2019, has informed the Exchange that she has resigned from Independent Directorship of the Company w.e.f. December 12, 2018.
- d. Mr. Kolta Chandra Shekararao, vide his letter dated June 17, 2019, has informed the Exchange that he had submitted his resignation from Directorship of the Company through his letter dated December 19, 2018 and email dated December 24, 2018.

#### **4. Reference to previous Delisting Committees meetings held on June 27, 2019, on December 12, 2019 and on March 24, 2020**

- a. **June 27, 2019** - The Committee noted that the Company is under Corporate Insolvency Resolution process and decided that the delisting of the Company be kept in abeyance till the conclusion of the Insolvency Resolution process.
- b. **December 12, 2019** -The Committee further took note that the resolution process is ongoing and decided that the delisting of the Company be kept in abeyance till the Tribunal decides with regard to the Resolution Plan.
- c. **March 24, 2020** - The Committee thereafter noted that Corporate Insolvency Resolution process did not succeed and pursuant thereto Hon'ble NCLT, Division Bench, Hyderabad vide order dated October 25, 2019 appointed Mr. Yadavilli Sai Karunakar as Liquidator of the Company. In view of the current situation of Pandemic, the Committee decided to give one more opportunity to the Company and directed the Exchange to place the matter in the subsequent delisting committee meeting.

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

The matter pertaining to delisting of the Company was placed before the Committee in its meeting held on September 24, 2020. The Committee took note that the Hon'ble NCLT, Division Bench, Hyderabad vide order dated October 25, 2019 appointed Mr. Yadavilli Sai Karunakar as Liquidator of the company.

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

- 6.1 The trading in the equity shares of the Company has been suspended on account of non-compliances of the requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 since May 11, 2018. The Company has also not paid the outstanding listing fees and fines as set out in para 1.3 above. The Committee finds that the Company is under the Corporate Insolvency Resolution Process (CIRP) from November 1, 2018 in terms of the order of Hon'ble NCLT – Hyderabad. The period of Resolution process was also considered to be extended beyond 180 days, for a further period of 90 days by the Hon'ble NCLT. The objective behind extension of CIRP period is to secure a resolution plan. The extended period expired on July 28, 2019. The Hon'ble NCLT, Division Bench, Hyderabad vide order dated October 25, 2019 has appointed a Liquidator and has ordered the liquidation of the Company.

- 6.2 The provisions of Regulations 22 (1) under Chapter V of Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 provide for delisting of equity shares on any ground as prescribed under Section 21A of the Securities Contracts (Regulation) Act, 1956. The provisions of Rule 21 of the Securities Contracts (Regulation) Rules, 1957 provide for the various grounds due to which the shares of the Company can be delisted.
- 6.3 The provisions under the said SCRA 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.
- 6.4 The Committee notes that the Exchange has given the opportunity to the Company by way of issuance of the SCN dated May 30, 2019 to explain as to why the equity shares of the Company should not be delisted. The Committee also finds that an opportunity for personal hearing was also granted to the Company.
- 6.5 The Committee notes that the Exchange has also issued a public notice as required under Regulation 22 (3) of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 in two newspapers viz Business Standard & Navshakti and finds that no representations or objections have been received in response to the said public notice dated June 06, 2019.
- 6.6 Out of the 5 Directors, 2 Directors have responded to reiterate the submission of the Company with respect to initiation of the Resolution Process and subsequent extension of time for completion of the process.
- 6.7 The Company or the Directors have not updated the status post July 28, 2019. The Company also did not appear before the Committee nor submitted any further response on the status despite various opportunities being given by way of a personal hearing in the Delisting Committee meetings held on December 12, 2019, March 24, 2020 and September 24, 2020.
- 6.8 The Committee finds that since the Corporate Insolvency Resolution process did not succeed, the Hon'ble Tribunal has allowed the initiation of liquidation process and accordingly, the liquidator has been appointed.
- 6.9 The Committee noted that the Company was initially suspended for trading since May 11, 2018 for non-compliance of LODR regulations and subsequently referred to liquidation by the order of the Hon'ble NCLT, Hyderabad Bench vide IA no.712/2019 in CP (IB) No.278/7/HDB/2018 pronounced on October 17, 2019. The initiation of the process of liquidation has been filed by the Company by way of corporate announcement in the month of November 2019.
- 6.10 The Committee finds that the resolution process under the IBC code is an effort to revive the Company from the state of insolvency. The Committee finds that upon the failure of the Resolution process and the consequent order of liquidation, the Committee does not find the slightest chance of the revival of the Company. The Committee, hence, finds that no further purpose could be achieved by continuing the listing of the securities on the Exchange platform.

**Decision:**

- 6.11 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 there are no justifiable grounds for allowing the continuance of the dealings in the Company's securities from the Exchange Platform and that no purpose would be achieved in continuing the Company as listed entity.
- 6.12 Accordingly, the Committee directs that the dealings in the securities of the Company M/s BS Limited 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.
- 6.13 The matter was discussed in the Delisting Committee meeting held on September 24, 2020 through 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 Dhere  
(Committee  
Member)

Sd/-  
Priya Subbaraman  
(Committee  
Member)

Date: November 27, 2020