

**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. PSL 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	-Invitee
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1. Background

- 1.1** The equity shares of **M/s. PSL Limited (PSL)** (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 May 29, 2003. The trading in equity shares of the Company is suspended w.e.f. October 13, 2020, pursuant to the order passed by the Hon'ble National Law Tribunal (hereinafter referred to as "NCLT"), Ahmedabad Bench, for initiation of liquidation process and appointment of Mr. Nitin Jain as the Liquidator.

- 1.2** The Company is non-compliant with Regulation 13(3), Regulation 17, Regulation 24(A), Regulation 27, Regulation 31, Regulation 33 and Regulation 34 of the Securities and Exchange Board 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. 9,66,420 /- towards fines (including GST) levied in terms of SEBI SOP Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020, for non-compliance of the requirements under Listing Regulations including fine for non-compliance with Regulation 76 of the Depository Regulations as on February 03, 2023, and Rs. 10,59,361/- towards Annual listing fees (including interest) as on February 06, 2023, is still due and payable by the Company to the Exchange.

2. Show Cause Notice, Public Announcement, and Responses

- 2.1** The Exchange issued a Show Cause Notice (hereinafter referred to as the "SCN") vide ref. no. NSE/LIST/DELIST/10 dated April 23, 2021, to the Company seeking an explanation as to why the equity shares of the Company should not be delisted from the Exchange.
- 2.2** In terms of Regulation 22(3) of Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 read with Regulation 32(3) of Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (hereinafter referred to as the "Delisting Regulations"), the Exchange issued a public notice of the proposed delisting of the Company's equity shares, in two newspapers namely Business Standard and Navshakti on April 23, 2021. 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 letters dated April 26, 2021, informed the Directors and Promoters of the Company about the proposed delisting of the Company.
- 2.4** In response to the SCN dated April 23, 2021, issued by the Exchange, the Liquidator vide an email dated April 26, 2021, submitted as under:
- a. Mr. Nitin Jain, appointed as the Liquidator by Hon'ble NCLT, was directed to undertake steps for selling the Corporate Debtor as a going concern during the Liquidation Process.

- b. In view of the said direction, the Liquidator had conducted an E-auction dated April 09, 2021, wherein all the assets of the Corporate Debtors were sold as a going concern on a successful bid of Rs. 425.50 crores.
- c. The Liquidator stated that he is in the process of obtaining necessary approvals from Hon'ble NCLT for the purpose of selling the corporate debtor as a going concern.
- d. On the receipt of the said approval, the possession and ownership of all the corporate debtor's assets will be transferred to the successful bidder.
- e. The Liquidator stated that, in view of the above, it is necessary to continue the listing status of the Company.
- f. Further, no suit or other legal proceedings shall be instituted by or against the Corporate Debtor post commencement of liquidation proceedings pursuant to the order passed by Hon'ble NCLT.
- g. The Liquidator also requested the Exchange to file its claim pertaining to the pending dues.

2.5 The Exchange has not received any response to the letter dated April 26, 2021 issued to the Company's promoters and directors.

2.6 The Exchange has not received any representation and/or objections in response to the Public Notice dated April 23, 2021.

3. Reference to previous Delisting Committee meetings:

3.1 The matter pertaining to the Company was previously placed before the Committee, in its meetings held on May 25, 2021, July 20, 2021, September 16, 2021, November 25, 2021, February 09, 2022, April 12, 2022, June 09, 2022, December 29, 2022.

3.2 In the Delisting Committee meeting dated May 25, 2021:

- a. The Committee noted the submissions made by the Liquidator and decided that the delisting of the Company to be kept in abeyance until the conclusion of the liquidation proceedings.

3.3 In the Delisting Committee meeting dated July 21, 2021, September 16, 2021, November 25, 2021, February 09, 2022, and April 12, 2022.

The Committee noted that:

- a. The Exchange vide emails dated September 02, 2021, November 01, 2021, December 21, 2021, and March 22, 2022, sought updated status of the liquidation process from the Liquidator.
- b. The Liquidator vide emails dated September 03, 2021, November 02, 2021, January 14, 2022, and March 23, 2022, submitted that:

- An E-auction dated April 09, 2021, was conducted, wherein all the assets of the Corporate Debtors were sold as a going concern on a successful bid of Rs. 425.50 crores to "Lucky Holdings Private Limited", the Successful bidder.
 - An EMD amount of Rs. 5 Crores and the 1st instalment amount of Rs. 30 crores have been paid by the successful bidder to further the sale of PSL Limited as a going concern.
 - However, post the approval of the liquidation sale, the Liquidator has filed an application for the distribution of proceeds before the Delhi High Court, as the Delhi High Court had allowed liquidation process to be conducted but had restrained distribution owing to an ongoing investigation against the Company and promoters by the Enforcement Directorate.
 - The Liquidator submitted that the distribution process will be initiated post receipt of approval from the Hon'ble Delhi High Court and the amount of Rs. 35 crores received from the successful bidder has been placed in Fixed deposit accounts.
 - Thereafter the Enforcement Directorate issued a provisional attachment order of an amount on the assets of the corporate debtor dated December 02, 2021. The Hon'ble High Court of Delhi vide its order dated December 15, 2021, permitted distribution of Rs. 35 crores of liquidation proceeds received.
 - However, the order of the single bench of the Hon'ble High Court of Delhi was challenged by the Enforcement Directorate via appeal dated December 21, 2021. The Divisional bench of the Hon'ble High Court of Delhi heard the matter on December 24, 2021, and passed an order to maintain 'status quo' of the assets of the Company.
 - Subsequently, on January 17, 2022, the PMLA court issued a notice for initiation of proceedings for confirmation of the provisional attachment order dated December 02, 2021.
 - The successful bidder withdrew its bid from the E-auction process of the Company approved by the Divisional Bench of Hon'ble High Court dated February 22, 2022, and keeping in view the status-quo order dated December 24, 2021, gave the parties liberty to take action in accordance with law in pursuance thereto.
 - The Liquidator submitted that the matter was still pending before the Divisional Bench of the Hon'ble High Court of Delhi and that the liquidator is making best efforts to keep the company as going concern and is complying with the order of Hon'ble High Court to maintain "status quo".
- c. The Committee, in view of the above, kept the delisting of the Company in abeyance until the conclusion of the liquidation proceedings.

3.4 In the Delisting Committee Meeting dated June 09, 2022, and December 29, 2022:

The Committee noted that:

- a. The Exchange vide emails dated May 25, 2022, and September 22, 2022, sought updated status of the liquidation process from the Liquidator.
- b. The Liquidator vide emails dated May 25, 2022, and September 23, 2022, reiterated the submissions made earlier and that he may file an application for conducting the sale of attached assets afresh in consultation with the Enforcement Directorate. Further, the Hon'ble bench has permitted the Liquidator to proceed with the sale of un-attached assets to primarily pay out the workers dues and pending liquidation cost.
- c. The Committee, in view of the ongoing liquidation proceedings kept the delisting of the Company in abeyance.

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

- 4.1 The Committee noted that the trading in equity shares of the Company is suspended w.e.f October 13, 2020, pursuant to the order passed by the Hon'ble NCLT, Ahmedabad Bench, for initiation of liquidation process and appointment of Mr. Nitin Jain as the Liquidator.
- 4.2 The Company also has outstanding dues towards the Annual listing fees and fines of the Exchange.
- 4.3 The Exchange vide an email dated January 23, 2023, sought updated status of the Liquidation process from the Liquidator.
- 4.4 The Committee finds that the Liquidator vide an email dated January 24, 2023, submitted as under:
 - a. The Company is not running as a going concern anymore and all the units of the Company are shut down, even the employees and workmen are discharged after consultation with the Stakeholders Consultation Committee (SCC) in its meetings held from time to time.
 - b. The Liquidator stated that about 90 Percent of the Assets of the Company is attached by the Enforcement Directorate (ED) vide provisional attachment order dated December 02, 2021, and until this issue of attachment of ED gets decided by the Hon'ble High Court of Delhi, the majority of the assets cannot be realised.
 - c. Further, the proceeds received from the sale of the unattached assets

are being used to pay out dues of workmen and some pending liquidation costs.

- 4.5** 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).
- 4.6** 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:
- a. the Company has incurred losses during the preceding three consecutive years, and it has a negative net worth.*
 - b. trading in the securities of the Company has remained suspended for more than six months.*
 - c. the securities of the Company have remained infrequently traded during the preceding three years.*
 - d. 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.*
- 4.7** 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 the Company and its Liquidator has been given opportunities as follows:
- a. SCN dated April 23, 2021, to explain why the Company's equity shares should not be delisted. The SCN was served at the last known address of the Company available with the Exchange and verified from the website of the Registrar of Companies.
 - b. The Exchange issued a Public Notice dated April 23, 2021, as prescribed under Regulation 22(3) of the Delisting Regulations, 2009 in two newspapers viz. Business Standard and Navshakti. The said Public

Notice is also published on the website of the Exchange under the header Home > Regulations > Delisting of Companies > Public Notices. There are no representations or objections received in response to the Public Notice.

- 4.8** The Committee finds that trading in the Company's equity shares, is under suspension for the past 2 years and a liquidator has been appointed by the Hon'ble NCLT, Ahmedabad Bench for liquidating the Company.
- 4.9** The Committee also noted that it is clear from the above-mentioned response received from the Liquidator vide an email dated January 24, 2023 that the Company is not running as a going concern anymore and that all the units have been shut down and even the employees and workmen have been discharged. The Committee, therefore, finds that no further purpose could be achieved by continuing the listing of the securities of the Company on the Exchange platform.

DECISION

- 4.10** Considering the facts and circumstances, and the response of the liquidator as mentioned above, the Committee directs that the equity shares of **M/s. PSL Limited (PSL)** be delisted from the Exchange in terms of Regulation 32(1) of Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 read with Rule 21(b) of Securities Contracts (Regulation) Rules, 1957.
- 4.11** 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