



**Before the Delisting Committee (“Committee”)  
Of  
National Stock Exchange of India Limited  
B Wing, Fifth Floor, Exchange Plaza, Bandra Kurla Complex,  
Bandra (East), Mumbai - 400 051  
Held on February 23, 2021**

**In the matter of the Company M/s. SRS Limited**

**Members present:**

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

**Also Present:**

Mr. Vikram Limaye	- MD & CEO, NSEIL through Video Conferencing
Dr. Dinesh Kumar Soni	- Senior Vice President - Regulatory
Mr. Suresh Nair	- Vice President – Enforcement
Mr. Avishkar Naik	- HOD – Listing Compliance
Mr. Dushyant Patadiya	- Manager – Enforcement
Ms. Shubhi Kapoor	- Deputy Manager– Enforcement

**1. Background**

- 1.1 The trading in equity shares of SRS Limited (SRSLTD) (hereinafter referred to as the “Company”) is suspended with effect from November 6, 2019, pursuant to an order dated October 15, 2019, passed by Hon'ble National Company Law Tribunal Chandigarh Bench vide order no. CA No. 391/2019 in CP (IB)201Chd/Hry/2018 on the appointment of Liquidator for SRS Limited.
- 1.2 An amount of Rs. 19,21,094/- towards listing fees including interest for delayed payment, is still pending to be paid by the Company as on February 18, 2021.

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

- 2.1 The Exchange issued a Show Cause Notice to the Company (hereinafter referred to as the “SCN”) vide reference no. NSE/23DLC/SC/16 dated August 28, 2020.
- 2.2 Further, in terms of Regulation 22(3) of Delisting Regulations, 2009, a public notice dated August 27, 2020, 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 Company.
- 2.3 The Exchange vide letter dated August 31, 2020, has informed the Directors of the Company about the proposed delisting of the Company.

2.4 In response to the Exchange show cause notice dated August 28, 2020, the Company has, vide its email dated September 10, 2020, made the following submissions:

- i. The Company is a going concern entity operating the cinema business across India. However, currently, the business of the Company is under mandatory closure since March 2020 vide directions of the Government on account of Covid-19. Hence, no business activities are carried out for the past five months.
- ii. As per IBC and IBBI (Liquidation Process) Regulations, the Liquidator is required to liquidate the assets of the Company that also includes the sale of a business as a going concern. Accordingly, the Liquidator released a public advertisement on August 06, 2020, in Financial Express (English) and JanSatta (Hindi), all India edition for e-auction of cinema business of the Company. The Liquidator is making efforts to sell the Company as a going concern.
- iii. Further, the Company has informed that SEBI is also investigating SRS Limited's matter and has sought information from the Company during the Insolvency and Liquidation period.
- iv. Therefore, the Company has requested to keep the delisting of the shares on hold for the time being. The Company also stated that they should inform the Stock Exchange about the conclusion of e-auction and liquidation process, as and when it happens, for taking necessary action thereafter.

### **3. Reference to the Previous Delisting Committee Meeting held on September 24, 2020**

- 3.1 The Committee, in view of the submissions made by the Company, decided that the delisting of the Company be kept in abeyance till the conclusion of the e-auction process and the same be placed before the Committee thereafter in its subsequent meetings.
- 3.2 Thereafter, the Exchange, vide email dated February 09, 2021, sought an updated status with respect to the resolution process in the matter.
- 3.3 The Liquidator, vide its email dated February 10, 2021, submitted that the assets of SRS Limited are under attachment of Directorate of Enforcement and Income Tax due to which the Liquidator could not proceed with the e-auction of assets under Liquidation as per Insolvency and Bankruptcy Code, 2016. The attachment of Income Tax on assets has been vacated by Hon'ble NCLT, Chandigarh Bench, on January 12, 2021, and Liquidator has released the auction notice for such assets on January 12, 2021. Whereas the attachment of ED is continuing, and the matter is pending before Hon'ble NCLT, Chandigarh Bench, and PMLA Court.
- 3.4 Further, the Liquidator has submitted that the Committee may proceed with the delisting of the shares of SRS Limited.

#### 4. Present Proceedings Before Delisting Committee dated February 23, 2021

The matter pertaining to the delisting of the Company was placed before the Committee in its meeting held on February 23, 2021. The Committee took note that the Liquidator has submitted that the Committee may proceed with the delisting of the shares of SRS Limited.

#### 5. Committee's Findings and Decision:

- 5.1. The trading in the equity shares of the Company is suspended in view of the Liquidation Order. The Company has also not paid the outstanding listing fees.
- 5.2. 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.
- 5.3. 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.
- 5.4. The Exchange has given the opportunity to the Company by way of issuance of the SCN dated August 28, 2020, to explain as to why the equity shares of the Company should not be delisted. We find that the Company has not responded to the SCN issued.
- 5.5. The Exchange has also issued public notices 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 and Navshakti and that no representations or objections have been received in response to the said public notice dated August 27, 2020. The Company has also not appeared before the Committee despite granting the opportunities of being heard.
- 5.6. The Committee finds that the Liquidator has been appointed by the Hon'ble NCLT, Chandigarh Bench, vide order dated October 15, 2019, for liquidating the assets of the Company and that the Liquidator has submitted that the Committee may proceed with the delisting of the shares of SRS Limited. The Committee, hence, finds that no further purpose could be achieved by continuing the listing of the securities on the Exchange platform.

#### **Decision:**

- 5.7. In view of the above and 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 securities of the Company from the Exchange Platform. The Committee also opines that no purpose would be achieved in continuing the Company as a listed entity.

- 5.8. Accordingly, the Committee directs that all future dealings in the securities of the Company M/s SRS Limited be restrained withdrawn from the Exchange platform 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.
- 5.9. The matter was discussed in the Delisting Committee meeting held on February 23, 2021, 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/-	Sd/-	Sd/-	Sd/-	Sd/-
Sunita Sharma (Chairperson)	Mona Bhide (Committee Member)	K Narasimha Murthy (Committee Member)	Ashok Dhere (Committee Member)	Priya Subbaraman (Committee Member)

Date: June 26, 2021