

August 9, 2017

To,
DCS - Listing
Bombay Stock Exchange Limited
Dalal Street
Mumbai 400 001

Sub: Updates on the Subsidiary of the Company – IndiaNivesh Capitals Limited (ICL)

Respected Sir,

With reference to the notification dated August 7, 2017 issued by Securities and Exchange Board of India (SEBI), we would like to state that the name of one of our Subsidiary Company – IndiaNivesh Capitals Limited (ICL) has been included in the list of suspected shell companies published by SEBI.

We further state that ICL had not received any communication regarding the company being suspected to be a shell company either from MCA, SEBI or any other regulatory authorities. ICL has duly submitted its representation to SEBI (through email), Stock Exchanges, Depositories which is self-explanatory (Copy enclosed).

This is for your information and record.

Yours faithfully,
For **IndiaNivesh Limited**


Jinesh Doshi
Company Secretary



IndiaNivesh Limited

Corporate Off.: 17th Floor, Lodha Supremus, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.

Tel: +91 (22) 6240 6240 | **Fax:** +91 (22) 6240 6241 | **Email:** indianivesh@indianivesh.in | **Web:** www.indianivesh.in

Regd. Off.: 601/602 "Sukh Sagar" N. S. Patkar Marg, Girgaum Chowpatty, Mumbai - 400 007. | **Tel:** +91 (22) 2362 0074

CIN: L99500MH1931PLC001493

August 9, 2017

To
Shri Sunil Kadam
Chief General Manager
Integrated Surveillance Department
Securities and Exchange Board of India
SEBI Bhavan, Plot No. C4-A, 'G' Block,
Bandra Kurla Complex, Bandra (East),
Mumbai 400 051

Sub.: Database of listed Shell Companies
Ref.: SEBI/HO/ISD/ISD/OW/P/2017/18183 dated August 7, 2017

Dear Sir,

We refer to your aforementioned circular on the captioned subject wherein the list of 331 companies identified as 'Shell Companies' have been placed on record (complete list of 331 companies were on public domain vide Exchange Circular) and advised the concerned Stock Exchanges to take necessary steps as enumerated in the said notice. It is noted that such an action has been undertaken based on a purported letter dated June 09, 2017 issued by Ministry of Corporate Affairs (MCA).

We would like to highlight the following for your kind perusal and reference;

1. IndiaNivesh Capitals Limited (ICL) is a public limited company and listed on Calcutta Stock Exchange Limited since long and also secured an in-principle approval from Bombay Stock Exchange Limited (BSE) as well as that from National Stock Exchange of India Limited (NSE) under direct listing;
2. ICL is also a Non Banking Finance Company (NBFC) registered with RBI since 1998 with the registration no. N-13.02126.
3. ICL is engaged in the business of extending short term finance and bridge loans and Investment in shares and securities;
4. ICL is also the Sponsor (through its wholly owned Subsidiary) of a SEBI registered Venture Capital Fund and has other operating businesses in financial services sector through its subsidiary companies;
5. The compliance record of the ICL with the regulators is Impeccable and there have been no investor complaints against the Company till date. Also, the Company has not indulged in any unlawful activity;



IndiaNivesh Capitals Limited

Regd. Off.: 1705, 17th Floor, Lodha Supremus, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.
Tel: +91 (22) 6240 6240 | **Fax:** +91 (22) 6240 6241 | **Email:** icl@indianivesh.in | **Web:** www.icl.in.net

CIN: L51909MH1983PLC267005

6. ICL was acquired by the present promoters i.e. IndiaNivesh Limited (BSE listed company) along with Artha Sri Investment Consultants LLP through an Open Offer under the erstwhile SEBI (SAST) Regulations 1997 and on May 14, 2012 ICL has classified IndiaNivesh Limited and Artha Sri as its Promoters. The Promoters together holds 74.59% of the total equity capital of ICL and since then there is no offloading of its holding by the promoters except for inter-se transfers between the Promoters;
7. It is pertinent to note that the trading of the scrip of ICL is not happening since very long (approximately 10-12 years) and there are no quoted price available and the question of price movement (either way) is ruled out and the Promoters have therefore in the interest of the Public Shareholders have applied to BSE and NSE for direct listing and was able to secure the in principle approval for direct listing;
8. For the previous financial year, ICL had reported consolidated total income of Rs. 28.31 crores and Profit after Tax was around Rs.0.53 crores. Also, ICL is regular in paying Income Tax, Service Tax and other statutory dues to various government authorities and has paid approximately Rs.0.54 crore of income tax in previous year. The asset size of the Company at consolidated level is approximately Rs. 273 crores. ICL is also regular dividend paying company;
9. Further, ICL is regular in filling in its Income Tax returns as well as payment of taxes and assessment of ICL u/s 143(3) is completed till A.Y. 2014-2015 and assessment is completed for A.Y. 2015-2016 u/s 143 (1).

Considering the aforesaid facts, we fail to understand under what provisions of law the Company has been classified as a 'Shell Company' and is subjected to such harsh and unilateral action. It is not a case where ICL failed to respond to the SEBI's inquiry about our operating status, did not have an operational address, or failed to provide Stock Exchanges with an operational address.

On the contrary, we would like to submit that ICL is a part of the IndiaNivesh group which is a one-stop-shop for all investment needs and have strong emphasis on long term wealth creation & protection catering to diverse set of clients. IndiaNivesh group has presence in more than 100 cities pan India and has employee strength of more than 350 employees and more than 500 business associates.

For the previous three financial year, the group as a whole had reported total income of Rs.217 crores out of which ICL alone has contributed around 20%, and Profit after Tax for group for last three years was more than Rs.20 crores. Also, IndiaNivesh Group is regular in paying Income Tax, Service Tax and other statutory dues to various government authorities and has paid more than Rs.12 core of income tax in previous three years.

ICL is one of the main operating companies of the IndiaNivesh Group catering to more than 30,000 clients across the country and such unilateral action against the Company jeopardises the confidence of various stakeholders including public shareholders in the group. Such actions also cast serious doubts on the future business plans of the Company and have serious bearings on the shareholders of IndiaNivesh.



This extreme action, in our respectful submission is presumptive, vague and against the principles of natural justice as well as it does not mention what law is being violated by us. Under SEBI's own norms, ICL was under process to revive / relist the company after receiving in-principle approval from BSE and NSE.

In view of the above, we earnestly request you to provide us a copy of MCA letter describing us as a suspected 'Shell Company' and rationale for considering ICL a shell company or passing of this order against us. Pending the same, kindly issue necessary clarifications so as to minimize the implications caused due to such harsh and unilateral action.

Considering all the aforesaid facts on record, we request you to kindly withdraw the unilateral directions issued vide aforesaid circular and remove the name of the Company from the list of 'Shell Companies' and we are ready to provide all necessary documents / information's as may be necessary in this regard.

We request you to give us an opportunity of personal hearing in the matter.


We crave leave to file additional documents and make further submissions, if required.

Kindly do the needful.

Thanking You.

Yours faithfully,

For **IndiaNivesh Capitals Limited**


Rajesh Nuwal
Director
(DIN 00009660)



Cc

1. The Managing Director
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400 001
2. The Managing Director and CEO
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai 400 051
3. The Managing Director and CEO
Metropolitan Stock Exchange of India Limited
4th floor, Vibgyor Tower,
Opp. Trident Hotel, Bandra Kurla Complex,
Mumbai 400 098

4. National Securities Depository Limited
Times Tower, 1st floor,
Kamla Mills Compound,
Senapati Bapat Marg,
Lower Parel, Mumbai 400 013
5. Central Depository Services Limited
17th floor, P J Tower,
Dalal Street, Mumbai 400 001

