

PDL/SEC./SE/2019-20/

May 28, 2019

National Stock Exchange of India Ltd.  
"Exchange Plaza"  
Bandra-Kurla Complex, Bandra (E),  
Mumbai – 400 051

BSE Limited  
Phiroze Jeejeebhoy Tower  
Dalal Street,  
Mumbai – 400 001

Dear Sirs,

**Scrip Code No. : PARSVNATH-EQ (NSE); 532780 (BSE)**

**Subject: Submission of Annual Secretarial Compliance Report  
For the year ended March 31, 2019**

Pursuant to SEBI Circular No. CIR/CFD/CMD1/27/2019 dated February 08, 2018, please find enclosed Annual Secretarial Compliance Report of the Company for the year ended March 31, 2019, given by M/s Upender Jajoo & Associates, Company Secretaries.

Please acknowledge the receipt.

Thanking you,

Yours faithfully,  
For **Parsvnath Developers Limited**



(V Mohan)  
Company Secretary &  
Compliance Officer



Encl.: As above



**SECRETARIAL COMPLIANCE REPORT**  
**OF**  
**PARSVNATH DEVELOPERS LIMITED**  
**For the year ended 31<sup>st</sup> March, 2019**

We, Upender Jajoo & Associates, Company Secretaries, have examined:

- (a) all the documents and records made available to us and explanation provided by **PARSVNATH DEVELOPERS LIMITED** ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the Stock Exchanges,
- (c) website of the listed entity,
- (d) any other document/ filings, as may be relevant, which has been relied upon to make this certification,

for the year ended 31<sup>st</sup> March, 2019 ("Review Period") in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable for the period under review**
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not Applicable for the period under review**
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable for the period under review**







- (g) Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013; **Not Applicable for the period under review**
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- and circulars/ guidelines issued thereunder;

and based on the above examination, we hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
N.A.	N.A.	N.A.	N.A.

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from our examination of those records.
- (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
N.A.	N.A.	N.A.	N.A.	N.A.

**Note: Attached is a brief Note on the matter relating to 'Shell Companies Issue' giving therein the progress in the matter since August 2017 till date.**





(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended _____ (The years are to be mentioned)	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
N.A.	N.A.	N.A.	N.A.	N.A.

For Upender Jajoo & Associates,  
Company Secretaries,  
ICSI Unique Code: S2015DE307600



Signature: \_\_\_\_\_

Name of the Practicing Company Secretary: CS Upender Jajoo  
ACS No.: 33121  
C P No.: 14336

Place: New Delhi  
Date: 28 May, 2019



## PARSVNATH DEVELOPERS LIMITED – SEBI SHELL COMPANIES ISSUE

1. On 9<sup>th</sup> June 2017, the Ministry of Corporate Affairs (MCA) issued a letter to Securities Exchange Board of India (SEBI) providing a database of 331 listed Companies, which are suspected “Shell Companies” and recommended SEBI to consider appropriate actions as per SEBI laws/regulations.
2. Pursuant to the said MCA letter, the Integrated Surveillance Department of SEBI issued directions vide letter No. SEBI/HO/ISD/ISD/OW/P/2017/18183 dated 7<sup>th</sup> August 2017, to the Bombay Stock Exchange (BSE), National Stock Exchange of India (NSE) and Metropolitan Stock Exchange of India (SEBI’s Order).
3. In terms of the directions, the Stock Exchanges were asked to take various actions against the suspected shell companies in the list provided by MCA. BSE and NSE, acting on the aforesaid directions, placed equity shares all such companies in the GSM Stage VI category. Parsvnath Developers Ltd (PDL) was one such identified company in MCA reference. As a result, severe restrictions and limitations were imposed on trading of equity shares of PDL.
4. PDL being aggrieved by the directions contained in the SEBI’s Order, issued a letter / representation dated 08<sup>th</sup> August 2017, setting out facts to demonstrate that it is not a Shell Company and seeking withdrawal of SEBI’s Order qua the Company.
5. Thereafter, PDL also filed an Appeal bearing No. 175 of 2017 before the Hon’ble Securities Appellate Tribunal, Mumbai (Hon’ble SAT) impugning SEBI’s Order. After hearing the submissions on behalf of PDL, the Hon’ble SAT, vide its order dated 11<sup>th</sup> August 2017 stayed the directions (a) & (b) contained in SEBI’s Order and also directed the stock exchanges to reverse their decision based on SEBI’s Order in respect of PDL, as expeditiously as possible. Further, it also directed SEBI to dispose of PDL’s representation dated 08<sup>th</sup> August 2017 in accordance with law.
6. After the Hon’ble SAT’s order, in pursuance to the directions of SEBI, BSE and NSE sought various information and clarifications in respect of the Company which were provided by PDL without any delay. A personal hearing given by NSE was also attended by representatives of PDL on 08<sup>th</sup> September 2017, wherein PDL provided detailed information to support its stand that it is not a Shell Company.
7. On 07<sup>th</sup> December 2017, an email was received from SEBI’s Integrated Surveillance Department asking for PDL’s confirmation, whether it wants to waive its right for personal hearing, in view of its statement made during the hearing before Hon’ble SAT. In view of the post-decisional developments, PDL requested for a personal hearing. After the personal hearing, representation(s) were filed wherein information sought during the hearing was provided.



8. Thereafter, on 8th August 2018, SEBI has issued an Interim Order whereby SEBI has directed the Exchange to appoint an independent forensic auditor to inter alia verify the transactions mentioned in the Interim Order for any misrepresentation and misuse of the books of accounts / funds including facilitation of accommodation entries or compromise of minority shareholder interest. In the interim order PDL has also been given an opportunity to file its reply/ objections against the order and an opportunity personal hearing has been provided. PDL filed its reply/ objections against the Interim Order and has also requested for personal hearing in the same.
  
9. Thereafter, pursuant to personal hearing, SEBI passed a final order dated 04th January 2019 confirming the interim order whereby directions were issued to Stock Exchange for conducting forensic audit of the books of accounts of the PDL in connection with certain specific transactions during the financial years 2009-10, 2010-11 and 2011-12.
  
10. NSE has appointed Ernst & Young LLP (E&Y) to conduct the forensic audit and PDL has furnished the documents against the initial information requirement list given by E&Y.

