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**Parsharti  
Investment Limited**

Website : [www.parshartiinvestment.com](http://www.parshartiinvestment.com)

**CIN No : L65990MH1992PLC069958**

18<sup>th</sup> September, 2019.

To,  
BSE Limited.,  
Market-Operation Dept.  
1st Floor, New Trading Ring,  
Rotunda Bldg., P.J. Towers,  
Dalal Street, Fort, MUMBAI 400023.

**Sub: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**Ref: Code No: 511702.**

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 the Company has received an Order No. F.No.25/275/2019-BOA/II dated 06.09.2019 from Appellate Authority for NBFC Registration case under Section 45-1A (7) RBI ACT, 1934 with respect to dismissing Companies' appeal filled for restoration of COR.

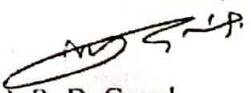
Due to dismissing the Companies' appeal, the company cannot continue with its current business of non-banking financial activities. The Company is under process of changing its main business activity in order to comply with order of Appellate Authority/RBI.

Further, the copy of the Order received from Appellate Authority is enclosed herewith as an "Annexure A" for your information

Please take the same on your records.

Thanking you.

For Parsharti Investment Ltd.

  
R. D. Goyal  
DIN 00184667

Whole Time Director & Compliance Officer



F.No.25/275/2019-BOA/II  
GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
APPELATE AUTHORITY FOR NBFC REGISTRATION  
CASE UNDER SECTION 45-1A(7) RBI ACT, 1934

3<sup>RD</sup> Floor, Jeevan Deep Building, New Delhi  
Dated: 09.09.2019

To,

Managing Director,  
M/s. Parsharti Investments Limited,  
3, National House, 1<sup>st</sup> Floor, 27, Ragnath Dadajl Street,  
Fort Mumbai-400 001.

Department of Non-Banking Supervision,  
Reserve Bank of India,  
Central 1, World Trade Centre,  
Cuffe Parde, Mumbai-400 005.

Deputy General Manager,  
Reserve Bank of India,  
Department of Non-Banking Supervision,  
Mumbai Regional Office 3<sup>rd</sup> Floor, Opp. Mumbai central Railway Station ,  
Byculla Mumbai-400 008.

Subject: M/s. Parsharti Investments Limited . Appeal under Section 45-1A(7) of the Reserve Bank India Act 1934. against the order of dated 30.07.2018 passed by the Chief General Manager Mumbai.

Sir/Madam,

The Appellate Authority constituted under the section 45-1A(7) of the Reserve Bank of India, Act 1934 to consider the appeals preferred to the Central Government by any aggrieved company by the order of rejection of application or cancellation of Certificate of Registration by the Reserve Bank of India held its hearing on 29.05.2019 to hear the Appeal as referred above.

2. The Appellate Authority has passed an order dated 06.09.2019 in this regard, copy is which enclosed.

Encl., as above.

Yours faithfully



( Jnanatosh Roy)

Under Secretary to the Government of India

**Government of India  
Ministry of Finance  
Department of Financial Services**

**(APPELLATE AUTHORITY UNDER SECTION 45-IA(7) OF  
THE RESERVE BANK OF INDIA ACT, 1934)**

**F.No.25/275/2019/BOA-II**

**In the matter of:**

**M/s Parsharti Investment Limited.....Appellant**

**Versus**

**Reserve Bank of India.....Respondent**

**ORDER**

M/s Parsharti Investment Limited (hereinafter referred to as the 'appellant company'), a non-deposit taking non-banking financial company, having registered office at 3, National House, 1<sup>st</sup> Floor, 27, Raghunath Dadaji Street, Fort, Mumbai-400001, was incorporated on 14<sup>th</sup> December, 1992 under the Companies Act, 1956. The company was granted a Certificate of Registration (hereinafter referred to as the 'CoR') bearing No.13.00874 dated 26<sup>th</sup> May, 1998 by the Reserve Bank of India (RBI) under the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 (hereinafter referred to as the 'Act') to carry on the business of a Non-Banking Financial Institution (NBFI) subject to fulfilling the requirements under chapter III-B of the Act and complying with the directions, regulations including prudential norms issued by the RBI from time to time as also the terms and conditions under which the CoR was issued to it. The CoR of the appellant company was cancelled by RBI vide order dated 30<sup>th</sup> July 2018. The company has filed an appeal dated 20<sup>th</sup> September, 2018 (which was received in Department of Financial Services on 25<sup>th</sup> September, 2018) under section 45-IA (7) of the Act against the order of cancellation of CoR.

2. The appeal was listed for hearing on 08<sup>th</sup> May, 2019. Shri Hitesh Joshi, PCS and Authorized Representative, argued the case on behalf of the appellant company. Dr. Kumkum Budgujar, Assistant Legal Advisor, the representative of RBI presented the views of respondent.

3. RBI informed that in terms of provisions of Section 45-IA(1)(b) of the Act, no Non-Banking Financial Company (NBFC) can carry on the business of a NBFI without having a Net Owned Fund (NOF) of Rs.25.00 lakh or such other amount, not exceeding Rs.200.00 lakh, as the RBI may, by notification in the Official Gazette, specify. In terms of their notification No.DNBS.132/CGM (VSNM)-99 dated 20<sup>th</sup> April, 1999, the requirement of minimum NOF for new companies applying for grant of CoR to commence business of an NBFC was raised from Rs.25.00 lakh to Rs.200.00 lakh. However, the minimum NOF for companies that were already in existence before 21<sup>st</sup> April, 1999 was retained at Rs.25.00 lakh. It was further informed that subsequently RBI vide circular RBI/2014-15/520 DNBR (PD) CC.No.024/03.10.001/2014-15 on revised Regulatory framework for NBFCs read

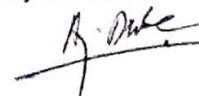


with notification No.DNBR.007/CGM (CDS)-2015, both dated 27<sup>th</sup> March, 2015, specified Rs.200.00 lakh as the NOF required for all NBFCs to commence or carry on the business of NBFCs. However, the NBFCs holding a CoR issued by the RBI and having NOF less than Rs 200.00 lakh were permitted to carry on the business of NBFCs provided such companies achieve the NOF of Rs 200.00 lakh before 1<sup>st</sup> April, 2017. RBI also referred to para No.4.3 of the Revised Regulatory Framework for NBFC RBI/2014-15/299 DNBR (PD) CC. No. 002/03.10.001/2014-15 dated 10<sup>th</sup> November, 2014 wherein it is stated that NBFCs failing to achieve the prescribed ceiling within the stipulated time period shall not be eligible to hold the CoR as NBFCs and RBI will initiate the process for cancellation of CoR against such NBFCs.

4. RBI further stated that the appellant company was holding CoR issued by them on the date of issuance of the aforementioned directions. RBI has contended that the appellant company failed to comply with the requirement of NOF of Rs.200.00 lakh by the end of March 2017, in terms of the above said notification. Thus, the appellant company's failure to comply with the prescribed NOF of Rs. 200.00 lakh by the end of March 2017 was in violation of directions issued by RBI. Accordingly, the Appellant Company was called upon vide their letter No.गैबैपवि. मुक्षेका. कंनिप्र. सं. 1887.377/13.27.002/2017-18 dated 7<sup>th</sup> May, 2018, to show cause within 15 days of the receipt of the said notice as to why the CoR issued to it should not be cancelled under Section 45-IA(6) of the Act and penal action be not initiated against the appellant company for the offences punishable under section 58B of the Act. In reply to the Show Cause Notice (SCN), the appellant company vide its letter dated 15<sup>th</sup> May, 2018, acknowledge that it had failed to achieve NOF of Rs. 200.00 lakh before 1<sup>st</sup> April, 2017 and requested for time till 31<sup>st</sup> March, 2019 to achieve the prescribed NOF. As the said reply was not found to be satisfactory, RBI has stated that it cancelled the CoR of the appellant company vide order dated 30<sup>th</sup> July, 2018 in exercise of its power conferred under Section 45-IA(6) of the Act.

5. In its appeal, the appellant company has stated that they had, vide letter dated 24<sup>th</sup> June, 2017, requested RBI to allow time till 31<sup>st</sup> March, 2020 to achieve the net worth at desired level of Rs.200.00 lakh. The company did not receive any response or guidance on this letter from RBI. The appellant company has further stated that they discussed with RBI about the company's plan to enhance NOF to a minimum amount of Rs.200.00 lakh. The company is a listed entity, hence needs to follow additional compliance related to SEBI and stock exchange to adhere to regulations. In their reply dated 15<sup>th</sup> May, 2018 to the Show Cause Notice, the Company requested for grant of permission upto 31<sup>st</sup> March, 2019 as against earlier request to grant permission upto 31<sup>st</sup> March, 2020. The appellant company has submitted that they have achieved the NOF of more than Rs. 200.00 lakh and completed the process by 09<sup>th</sup> August, 2018, by allotting the shares to Promoter/Promoter group, well before the time requested by the appellant. In its written submissions, the appellant company has contended that opportunities under provisos to section 45-IA (6) of the Act were not granted to the appellant company before cancellation of the CoR. Further, RBI did not consider its response and action taken to enhance NOF.

6. After going through the records and hearing the arguments put before me, It is observed that the RBI vide circular dated 10<sup>th</sup> November, 2014 read with notification dated 27<sup>th</sup> March, 2015 had clearly prescribed a NOF of Rs.200.00 lakh to be achieved before 1<sup>st</sup> April, 2017 for NBFCs to commence or carry on the



business of NBFI. It was also stated in the circular that NBFCs failing to achieve the prescribed ceiling within the stipulated time period shall not be eligible to hold the CoR against such NBFCs. It is observed that the NOF of the appellant company stood at Rs. 1.03 crore as on 31<sup>st</sup> March, 2017 as against the NOF of Rs.200.00 lakh prescribed vide RBI notification dated 27<sup>th</sup> March, 2015. Thus, it failed to achieve the stipulated NOF before 1<sup>st</sup> April, 2017. The appellant's contention is that the additional time requested by it and its efforts were not considered by the RBI. It is observed that the additional time was sought in June, 2017 after the required date of March 2017 for achieving the NOF. Company held discussions with RBI and RBI's contention is that the statutory requirement is to be followed. As regards grant of additional time, it is observed that reasonable time was available to the appellant since March, 2015 notification. As regards the contention of the appellant company that it is incumbent upon the respondent to give an opportunity to the appellant to fulfill the condition, as per clause (ii) and (iii) under section 45-IA (6) of the Act, RBI has contended that the cancellation of the CoR of the appellant company is under Section 46-IA(6) which includes sub-section (iv) amongst other provisions i.e failing to comply with any direction, and hence not fulfilling the conditions subject to which the CoR was issued. Since the conditions of the CoR to carry on the business of an NBFC were not complied with, the respondent is well within its power to cancel the CoR. It is observed that RBI has followed due process of law in the matter. The legal arguments put forth by the appellant are not tenable as per the terms of issue of CoR. As regards contention of the appellant that grant of personal hearing is mandatory before cancellation of CoR, it is observed that a reasonable opportunity of being heard does not necessarily mean an opportunity of personal hearing.

7. Having heard both the parties and keeping in view the facts and circumstances of the case, I have no reasons to disagree with the views of RBI in cancelling the CoR of the appellant company. The appeal being devoid of any merits is hereby dismissed with no order as to costs.

8. A copy of the order may be served on the appellant and Reserve Bank of India.

  
**Appellate Authority**

Place: New Delhi  
Dated: 06.09.2019