

ORDER PASSED BY THE DELISTING COMMITTEE OF BSE LTD. IN THE MATTER OF INDU NISSAN OXO CHEMICAL INDUSTRIES LTD FOR COMPULSORY DELISTING UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (DELISTING OF EQUITY SHARES) REGULATIONS, 2009, SECURITIES CONTRACTS (REGULATION) ACT, 1956 r/w SECURITIES CONTRACTS (REGULATION) RULES, 1957 AND RULES, BYE-LAWS AND REGULATIONS OF BSE LTD.

1. This Order is being passed under Regulation 22 of Chapter V under the Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009 ("**Delisting Regulations**") r/w Section 21A of the Securities Contracts (Regulation) Act, 1956 ("**SCRA**"), the Securities Contracts (Regulation) Rules, 1957 ("**SCRR**") and the Rules, Bye-Laws and Regulations of BSE Limited ("**Exchange**") in the matter of compulsory delisting of equity shares of INDU NISSAN OXO CHEMICAL INDUSTRIES LTD ("**Company**") from the Exchange.

Background:

2. The relevant background facts are as follows:
 - 2.1 The trading in the equity shares of the Company was suspended w.e.f January 07, 2002 as it was non-compliant with the provisions of the erstwhile Listing Agreement [presently regulations, under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**LODR Regulations**")]] at the relevant time.
 - 2.2 The suspension in the trading of shares has not revoked since the date of suspension.

- 2.3 As the Company has failed to revoke the suspension, the shareholders/investors are deprived of the market to deal in the securities of the Company. It is also generally observed that while such suspended companies are under an obligation to make adequate and timely disclosures as mandated under the law from time to time, they make little or no public disclosures regarding their shareholding pattern, financial results, etc. thereby depriving the shareholders/investors of the necessary information about the company and its functioning. Such lack of information also affects the decision making ability of the shareholders/investors with regard to their investments.
- 2.4 Hence, in order to encourage such suspended companies to complete compliances and other procedures for resumption of trading, in the interests of the investors, the Exchange issued a Circular dated February 12, 2016 to all the concerned suspended companies detailing the process to be followed by them for revocation of suspension of trading in their securities.
- 2.5 Pursuant to the aforesaid Circular, a letter dated January 08, 2018 was issued to the Company at the last known address as available in the records of the Exchange, *inter alia* requiring the Company to initiate the process of revocation of suspension and providing details of pending compliances. An email enclosing the said letter was sent to the company on January 08, 2018.
- 2.6 In spite of the aforesaid Circular and the communication from the Exchange, suspension in the trading was not revoked. Therefore, under the aforesaid regulatory framework, a Show Cause Notice ("SCN") dated February 19, 2018 was issued to the Company at the last known address available with the

Exchange, as to why the equity shares of the Company should not be compulsorily delisted from the platform of the Exchange.

- 2.7 In response to the SCN, the company had replied on March 16, 2018, however the company failed to complete the requirements for revocation namely, Compliance with all the critical Regulations of SEBI (LODR) Regulations, 2015 including outstanding Annual Listing Fees.
- 2.8 Pursuant to the above and in terms of Delisting Regulations, Public Notices were published in one English national daily newspaper viz., The Financial Express (all editions) dated May 19, 2018 and one regional language newspaper viz. Navshakti (in Marathi) dated May 19, 2018, *inter alia*, informing about the proposal of the Exchange for compulsory delisting of the Company.
- 2.9 The fair value of the Company as per the report of the Independent Valuer appointed by the Exchange is Rs. 0.84/-.
- 2.10 The Delisting Panel of the Exchange ("**Committee**") considered the SCN, the submissions in response to SCN respectively and the Committee's findings thereof are set out herein below:

3. Consideration of the SCN, the submissions in response to SCN, the findings of the Committee:

3.1 SCN states:

- a. In spite of repeated communications by the Exchange, the Company has failed to revoke the suspension in the trading of its equity shares.
- b. The trading in equity shares had been suspended for more than 6 months.

- c. Thus, the Company, inter alia, has made out grounds for delisting under Rule Section 21A of SCRA r/w Rule 21 of SCRR.

3.2 Company's representations:

In response to the SCN, the company had made its representation vide email dated March 16, 2018, however the company failed to complete the requirements for revocation namely, compliance with all the critical regulations of SEBI (LODR) Regulations, 2015, including outstanding Annual Listing Fees.

3.3 Committee's observations:

The Committee noted the grounds and process involved in compulsory delisting of equity shares of the Company as follows:

- a. Rule 21 of SCRR prescribes various grounds for compulsorily delisting the equity shares of a listed company by the Exchange, one of which is continuation of suspension in the trading of the securities for a period of more than six months.
- b. Process to be followed for compulsory delisting in terms of Delisting Regulations is as follows:
 - Formation of the Delisting Panel, i.e. the present Committee in terms of Regulation 22 (1) of Delisting Regulations.
 - Provide an opportunity of representation and personal hearing to the Company.
 - Issuance of public notice.

- Consideration of representation made by the Company/any aggrieved person by the Committee.
 - Consideration of criteria specified in Schedule III of Delisting Regulations.
- c. At the outset, it is observed that the constitution of the present committee is in accordance with Regulation 22 (2) of Delisting Regulations, which has two directors of the Exchange (both of whom are public representatives), one representative of the investors, one representative of the MCA and the Managing Director & CEO of the Exchange.
- d. The Exchange had provided adequate opportunity to represent to the Company against compulsory delisting of the securities by issuing SCN. In response to the SCN, the company had made its representation vide email dated March 16, 2018, however the company failed to complete the requirements for revocation namely, compliance with all the critical regulations of SEBI (LODR) Regulations, 2015, including outstanding dues Annual Listing Fees.
- e. The Exchange has issued the said Initial Public Notice in terms of Regulation 22 (3) of Delisting Regulations. However, the Company failed to complete the requirements for revocation namely, compliance with all the critical Regulations of SEBI (LODR) Regulations, 2015 including outstanding Annual Listing Fees.
- f. Based on the aforesaid facts, the Committee observed that:-

- It is an admitted position that the trading in equity shares of the Company has remained suspended for a period of more than 6 months in terms of Rule 21 of SCRR.
 - It is observed that the company has not complied with all the requirements for revocation and hence, the suspension in the trading of securities continues as on date.
- g. Apart from the admitted ground made out for delisting in terms of Rule 21 of SCRR and the Delisting Regulations, the Committee noted the following with respect of the various factors mentioned in Schedule III of the Delisting Regulations:
- The public shareholding of the company as per the last filing with the Exchange is 75.66% approximately.
- h. The aforesaid facts indicate negligent conduct and lack of interest on the part of the Company in seeking the revocation of suspension of trading of its equity shares.
- i. The Company has failed to take steps for revocation of suspension for a very long period of 16 year thereby depriving the shareholders of the Company to deal in its securities and hence it is imperative that an exit opportunity be provided to such shareholders by compulsorily delisting the equity shares of the Company and making it incumbent on the promoters to buy back the public shareholding in terms of the Delisting Regulations.

4. Final conclusion:-

- 4.1 The aforesaid findings establish that the Company has satisfied the grounds for compulsorily delisting in terms of Rule 21 of SCRR r/w Regulation 22 (4) of Delisting Regulations and hence, in exercise of powers vested with the Committee under Regulation 22 (2) of Delisting Regulations, all listed equity shares of the Company are hereby compulsorily delisted from the Exchange.
- 4.2 On account of compulsory delisting, the Company, its whole time directors, its promoters and the companies which are promoted by any of them shall not directly or indirectly access the securities market or seek listing for any equity shares for a period of ten years from the date of such delisting in terms of Regulation 24 of Delisting Regulations.
- 4.3 On account of compulsory delisting of all listed equity shares of the Company in terms of Regulation 23 (3) of Delisting Regulations, the promoters of the Company are liable to acquire delisted equity shares from the public shareholders by paying them the value determined by the Valuer appointed by the Exchange.
- 4.4 The names and addresses of the Company and its promoters as available and the fair value determined by the Valuer appointed by the Exchange will be mentioned in a Public Notice to be issued in terms of Regulation 22 (6) (a) of the Delisting Regulations.
- 4.5 Further, the Company is hereby directed to ensure compliance with various directions contained in SEBI Circular No. SEBI/HO/CFD/DCR/CIR/P/2016/81 dated September 7, 2016 including the following :
 - *Non-transferability by the Company, by way of sale, pledge, etc., of any of the equity shares;*

- *Freezing of equity shares and corporate benefits thereof held by the promoters/ promoter group;*
- *the promoters and whole-time directors of the Company shall not be eligible to become directors of any listed company.*

till the time the promoters of the Company provide an exit option to the public shareholders in terms of value determined by the Valuer.

4.6 In the interest of investors and as advised by SEBI, the securities of the Company shall be moved to Dissemination Board for a period of 5 years.

4.7 This order is effective from July 04, 2018.

Date: June 26, 2018

Sd/-
Chairman

Sd/-
Member

Sd/-
Member

Sd/-
Member

Sd/-
Member

LIST/COMP/AS/506/2018-19

July 3, 2018

The Company Secretary/Compliance Officer

Indu Nissan Oxo Chemical Industries Ltd

Bajwa - Chhani Road,
Behind GSFC Complex,
Vadodara- 391310,
Gujarat

Dear Sir/Madam,

Sub: Order passed by the Delisting Committee of BSE Ltd in the matter of Indu Nissan Oxo Chemical Industries Ltd ("Company").

Please find attached herewith the order passed by the Delisting Committee of BSE Ltd ("Exchange") in terms of Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009 ("Regulations"), delisting the securities of the Company with effect from July 4, 2018 the contents thereof are self-explanatory.

Further, we request you to kindly take note of the said order and take necessary steps including purchasing of securities from public shareholders as prescribed under the Regulations.

Yours faithfully,



Netra Sahani
Dy. General Manager

Encl: as above


Arpita Joshi
Manager