

**Before the Delisting Committee ("Committee")
of
National Stock Exchange of India Limited
A Wing, Ground Floor, Conference Room-1,
Bandra Kurla Complex, Bandra (East),
Mumbai- 400051
Held on October 09, 2024**

In the matter of the Company: M/s. Jindal Cotex Limited (JINDCOT)

Committee Members Present:

In person:

Mr. S. Ravindran	- Chairman
Justice (Retired) Mrs. Abhilasha Kumari	- Committee Member
Mr. Ashok Dhere	- Committee Member
Mr. Santosh Kumar	- Committee Member
Mr. Ankit Sharma	- Committee Member

1. Background

- 1.1 The equity shares of **M/s. Jindal Cotex Limited (JINDCOT)** (hereinafter referred to as the "Company") is listed on the National Stock Exchange of India Limited (hereinafter referred to as the "Exchange") with effect from September 22, 2009. The trading in equity shares of the Company is suspended w.e.f. May 13, 2022, due failure to comply with the requirements of Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for two consecutive period i.e., September 30, 2021 & December 31, 2021.
- 1.2 The Company is non-compliant with submission of Statement of Investor Grievance (Regulation 13) for Quarter Ended June 2024, Shareholding Pattern (Regulation 31) for Quarter Ended June 2024, Secretarial Compliance Report (Regulation 24A) for the F.Y. 2023-2024, Corporate Governance Report (Regulation 17 (1)(c) of SEBI LODR Regulations, 2015) w.r.t. minimum 6 directors on Board from the Quarter ended December 2021 to June 2024 and Reconciliation of share capital audit (Regulation 76 SEBI Depositories and Participants Regulations 2018) for Quarter ended on June 2024.

- 1.3 The amount of INR 1,08,09,980/- (One Crore Eight lacs Nine Thousand Nine Hundred and Eighty) towards SOP fines (including GST) levied as per SEBI SOP Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020 and INR 56,51,955/- (Fifty Six lacs Fifty One Thousand Nine Hundred and Fifty Five) towards Annual listing fees (including interest) as on September 09, 2024, is still due and payable by the Company to the Exchange.

2. Show Cause Notice, Public Announcement, and Responses

- 2.1 The Exchange issued a Show Cause Notice (hereinafter referred to as "SCN") vide ref. no. NSE/LIST/DELIST/189 dated December 15, 2022, to the Company seeking an explanation as to why the equity shares of the Company listed on the Exchange should not be compulsorily delisted for the observed non-compliances. The Exchange vide letters dated December 26, 2022 informed the Directors, Promoters and Promoter group of the Company about the proposed Delisting of the Company.
- 2.2 In terms of Regulation 32(3) of Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, the Exchange issued a Public Notice dated January 31, 2023, intimating the proposed delisting of the equity shares of the Company on the Exchange. The said Public Notice also invited representations from any person who may be aggrieved by the proposed delisting of the Company's equity shares.
- 2.3 The Company vide its email dated January 05, 2023, sought additional time of 15 working days for filing its submissions with regard to the Show cause notice issued which was granted by the Exchange.
- 2.4 Thereafter, the Company vide its email dated January 27, 2023, made the following submission:
- "The Company has a listed history of more than 13 years on your esteemed exchange and it was for a reasons beyond the control of the Company during last few years, there happened certain lapses of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirement) Regulations, 2015 ("Listing Regulations") and as a result of which the trading in the shares of the Company got suspended. Now, the Company is in process of making good all the lapses and has made good almost all of these lapses and is in the process of filing the revocation application.*
 - The financial and managerial stability of the Company got distressed due to the uncertainty that arose in the export policy of Government of India related to cotton*

fiber and cotton yarn and the restriction imposed by Government of India on cotton yarn exports. The condition kept on worsening with the additions of new hinderances and difficulties like closing of manufacturing activities in the Unit-1 of the Company, leasing out of Unit-2, low-capacity utilization of Unit-2 upon its revival, Bank Accounts of the company got substandard and as a reason to those banks started initiating recovery actions against the Company, evil and devastating situation of Covid-19 etc.

- c. All these situations added woes to the health of the Company thereby dragging it to face of extreme hardships in the form of revenue loss which was very traumatic for the Company and thus, with huge financial losses & falling stock prices, the Company failed to be compliant and got stuck in a deprived and unfortunate situation.*
- d. The Company is coping to come out with financial crises and simultaneously making efforts to maintain its listing status. Delisting of securities of the Company at this stage where it is striving hard to come out of the financial and operational issues, would result as a hurdle in its proposed revival activities.”*

- 2.5 In light of the above-mentioned facts and representations made by the Company, the Company reiterated that it intends to remain listed and requested that the suspension be revoked and not to compulsorily delist the securities of the Company from the Exchange and also requested to not to initiate any adverse action against our Company, Directors, Promoters or Group Companies.

The Company further requested for an opportunity of being heard stating that, *in light of the unusual but extenuating circumstances, the Company humbly requests the good office to kindly withdraw the Compulsory Delisting Notice.*

Further, the Promoter/Director/Member of the promoter group made the following submissions:

- Representative of Mr. Santosh Kumar Jindal has stated that he has deceased.
- Representative of Mr. Santosh Kumar Jindal, member of the Promoter group responded stating that he holds Nil shares in the Company and forms part of the promoter group.
- Mr. Jagdish Jindal, Mr. Rajinder Jindal, Mr. Aman Jindal and Ms. Geeta Jindal, members of the Promoter group have stated that they are not involved in the day to day working of the Company and has requested the company to reclassify them from the Promoter group.

3 Reference to Previous Delisting Committee Meetings

3.1 The matter pertaining to the Company was placed before the Delisting Committee of the Exchange in its meetings held on February 20, 2023, June 09, 2023, October 04, 2023, January 29, 2024, March 04, 2024, June 04, 2024, July 09, 2024 and October 09, 2024.

3.2 In the Delisting Committee Meeting dated February 20, 2023

- a. The Committee noted that the Exchange had served a show-cause notice (SCN) vide its email dated December 15, 2022, at the registered email address of the Company and a copy of the same at the last known address of the Company available with the Exchange and as verified from the website of the Ministry of Corporate Affairs.
- b. The Committee observed that the Company continues to be non-compliant with the submission of Financial Results (Regulation 33 of Listing Regulations) and with the requirement to have a minimum of six directors on its board.
- c. The Committee further noted that fines for non-compliance of requirements under the Listing Regulations and Depository Regulations and Annual listing fees, including interest, were still due and payable to the Exchange by the Company.
- d. The Committee, in view of interest of equity and justice and considering the submissions of the company, decided that an additional opportunity be granted to the Company to comply with the requisite regulatory requirements and pay all outstanding fines due and payable to the Exchange, failing which the Committee shall proceed based on the available records. The Committee further directed that the matter be placed in the subsequent meeting of the Committee for its decision.

3.3 In the Delisting Committee Meeting dated June 09, 2023

- a. The Committee noted that the Company continues to be non-compliant with having minimum six directors on the Board of Directors (Regulation 17 of the Listing Regulations)
- b. The Committee noted that following submission made by the company vide its email dated March 28, 2023:

- *The company since listing in the year 2009 has been complying with the provisions of the listing agreement in true letter and spirits till recently due to tight liquidity position.*
 - *However, the Company has now majorly complied with the pending listing requirements as on date and has even paid a sum of Rs. 1.50 Lacs towards revocation fee for revocation of suspension in the trading in the Equity Shares of the company in the interest of the worthy shareholders who hold around 78% of the total equity capital of the company.*
 - *The company submitted that as it is in the process of completing all the pending compliances now and hence proposes to retain its listing status. It assured that these lapses will not happen again in future.*
 - *The Company requested the Exchange to withdraw the compulsory delisting notice and inform the pending compliances, if any, required to be complied by the Company.*
- c. The Committee further noted that SOP fines amounting to INR. 1,08,09,980/- (One crore Eight lacs Nine Thousand Nine Hundred and Eighty) including GST as on June 01, 2023, and Annual Listing Fees amounting to INR. 51,13,774/- (Fifty-One Lacs Thirteen Thousand Seven Hundred and Seventy-Four) including interest as on May 29, 2023, is still due and payable to the Exchange by the Company.
- d. The Committee, in view of interest of equity and justice, decided that an additional opportunity be granted to the Company to comply with Regulation 17 of the Listing Regulations requirements, pay all its outstanding fines and dues payable to the Exchange and revoke its suspension, failing which the Committee shall proceed based on the available records.
- e. The Committee further directed that the matter be placed in the subsequent meeting of the Committee for its decision.

3.4 In the Delisting Committee Meeting dated October 04, 2023

- a. The Committee noted that the Company continues to be non-compliant with having a minimum of six directors on the Board of Directors (Regulation 17 of the Listing Regulations) from quarter ended December 2021 to quarter ended June 2023.
- b. The Committee noted that the following submission made by the company vide its email dated July 10,2023.

- *The company has complied with all the requirements under SEBI (LODR) Regulations 2015, except regulation 17 which is regarding the requirement of minimum six directors.*
 - *The company is making efforts to appoint two independent directors and shall be able to appoint them shortly.*
 - *The company requested the Exchange to allow it to pay the Annual Listing Fees in five equal monthly instalments beginning from the month of June 2023 and further requested the Exchange to waive of the interest and SOP fines as the company is in facing financial stress due to the losses.*
 - *The company had also paid the revocation fee to the Exchange for the revocation of suspension of trading in the equity shares of the company to retain the listing status.*
 - *The company requested the Exchange to withdraw the compulsory delisting notice and further agrees to submit any documents/clarifications that may be imposed by the Exchange in this regard.*
- c. The Committee further noted that SOP fine of INR. 1,08,09,980 (One crore Eight lacs Nine Thousand Nine Hundred and Eighty) as on August 25, 2023 and Annual Listing Fees of INR. 52,41,611.78 (Fifty-Two Lacs Forty One Thousand Six Hundred and Eleven) as on August 25, 2023 were still due and payable to the Exchange by the Company.
- d. The Committee, in view of interest of equity and justice, decided that an final opportunity be granted to the Company to comply with Regulation 17 of the Listing Regulations requirements, pay all its outstanding fines and dues payable to the Exchange and revoke its suspension, failing which the Committee shall proceed based on the available records.
- e. The Committee further directed that the matter be placed in the subsequent meeting of the Committee for its decision and call the promoter for personal hearing.

3.5 In the Delisting Committee Meeting dated January 29, 2024

- a. The Committee noted that the Company continues to be non-compliant with a minimum of six directors on the Board of Directors (Regulation 17 of SEBI LODR Regulations) from quarter ended December 2021 to quarter ended September 2023.

- b. The Committee further noted that an opportunity of personal hearing was granted to the Company vide emails dated December 18, 2023,
- c. The Committee further noted that the Company vide his email dated January 27, 2024 informed the Exchange that *"We have gone through the list of nearest branch office location and Delhi is the nearest branch office. However, Mr. Sandeep Jindal, Managing Director & Promoter of our Company, will not be able to attend the Delisting Committee meeting on 29.01.2024 due to his meeting scheduled with Bankers of the Company on the same date i.e., 29.01.2024 around 12.00 P.M. at Ludhiana. You are, therefore, requested to kindly postpone his presence to the next scheduled meeting"*.
- d. The Committee further noted that the SOP fines amounting to INR 91,61,000/- (Ninety One Lacs Sixty One Thousand) excluding GST as on January 03, 2024, and Annual Listing Fees amounting to INR 54,53,145/- (Fifty Four Lacs Fifty Three Thousand One Hundred and Forty Five) including interest as on January 04, 2024, is still due and payable to the Exchange by the Company.
- e. The Committee decided to grant a personal hearing opportunity to the promoter(s) in the next meeting pursuant to the request of adjournment placed by the Company. Accordingly, the committee advised the Exchange to convey its decision to the Company.

3.6 In the Delisting Committee Meeting dated March 04, 2024

- a. The Committee noted that the Company continues to be non-compliant with a minimum of six directors on the Board of Directors (Regulation 17 of SEBI LODR Regulations) from quarter ended December 2021 to quarter ended September 2023.
- b. The Committee further noted that the Company vide his email dated March 01, 2024, informed the Exchange that *"We have also gone through the list of nearest branch office location and Delhi is the nearest branch office. However, due to ongoing agitation by the farmers at the Punjab & Haryana Borders, it seems difficult for Mr. Sandeep Jindal, Managing Director & Promoter of our Company, to travel to Delhi on Monday. You are, therefore, requested to kindly give an*

opportunity to Mr. Sandeep Jindal to appear in person in the next scheduled meeting before Delisting Committee due to above unavoidable circumstances.”

- c. The Committee further noted that the SOP fines amounting to INR 91,61,000/- (Ninety One Lacs Sixty One Thousand) excluding GST as on February 12, 2024, and Annual Listing Fees amounting to INR 49,80,015/- (Forty Nine Lacs Eighty Thousand Fifteen) including interest as on February 12, 2024, is still due and payable to the Exchange by the Company.
- d. The committee took on record the email sent by the company and advised the company to be compliant by April 30, 2024 and pay the outstanding dues.

3.7 In the Delisting Committee Meeting dated June 04, 2024

- a. The Committee noted that the Company continues to be non-compliant with a minimum of six directors on the Board of Directors (Regulation 17 of SEBI LODR Regulations) from quarter ended December 2021 to quarter ended March 2024 and Annual Secretarial Compliance Report for the year ended March 2024 (Regulation 24 of SEBI LODR Regulations)..
- b. The Committee also noted that the communication for opportunity of personal hearing was sent by the Exchange vide its email dated May 21, 2024, to Promoter of the company at the registered email id (cs@sjgroup.in) available with the Exchange and a physical notice through the courier which was returned undelivered to the Exchange. The Committee also took note of the matter that the Company is not responding to the Exchange communications.
- c. The Committee also noted that site visit was carried out by the Exchange at the registered office of the company at the address available as per Exchange records however it was found that the company has not been operating at the mentioned address.
- d. The Committee noted that the SOP fines amounting to INR 1,08,09,980 /- including GST as on May 16, 2024, and Annual Listing Fees amounting to INR 54,74,642 /- as on May 16, 2024, is still due and payable to the Exchange by the Company.

- e. The Committee decided to grant another opportunity and directed that the matter be placed in the subsequent meeting of the Committee.

3.8 In the Delisting Committee Meeting dated July 09, 2024

- a. The Committee noted that communication for opportunity of personal hearing was sent by the Exchange vide its emails dated June 13, 2024 and June 25, 2024 to Promoter of the company at the registered email id available with the Exchange and to unique 11 email ids of promoter /promoter group and a physical notice through the courier on June 13, 2024 and June 25, 2024 which was returned undelivered to the Exchange.
- b. Further, Company vide its email dated July 08, 2024, submitted that *“We are pleased to inform you that our Company has now complied with the pending listing requirements except Regulation 17(1)(c) & Regulation 14 of SEBI (LODR) Regulations, 2015. However, the management is making sincere and intense efforts to appoint two independent directors and shall be able to appoint them shortly in order to comply with the Regulation 17(1)(c). As regards for the payment of Annual listing fee under Regulation 14 of SEBI (LODR) Regulations, 2015, we request you to kindly allow us to pay the same in five equal instalments and waive the interest and SOP fines of the Company as the Company is in financial stress due to heavy losses. However, Management is confident to revive the company as soon as possible. Further, the Company has taken steps for the revocation of suspension of trading of securities of the Company and paid a sum of Rs. 1.50 Lacs towards revocation fee dated 27.03.2023 to your esteemed exchange and the Company has complied all the pending compliances except the abovementioned compliance requirement to retain its listing status. We, further, may inform you that Mr. Sandeep Jindal, Managing Director & CFO of our Company, will be unable to attend the scheduled meeting on 09.07.2024 due to some health issues.*
- c. The Exchange vide its email dated July 09, 2024 before the commencement of the meeting, granted the Company an opportunity of personal hearing through video conferencing. However, the Company vide its email dated July 09, 2024 submitted that *“We regret to inform you that Mr. Sandeep Jindal, Managing Director of our Company is seriously ill and currently unable to attend the scheduled meeting today. Therefore, you are requested to kindly reschedule the meeting at earliest possible next date.”*

- d. The Committee further noted that the SOP fines amounting to INR 1,08,09,980/- (One crore Eight lacs Nine Thousand Nine Hundred and Eighty) including GST and Annual Listing Fees amounting to INR 55,26,147.31/- (Fifty Five Lacs Twenty Six Thousand One Hundred and Forty Seven) as on June 19, 2024, is still due and payable to the Exchange by the Company.
- e. The Committee also took a note of the following:
- The company is non complaint with Regulation 17 (1)(c) of SEBI LODR Regulations w.r.t minimum 6 directors on Board from quarter ended December 2021 to quarter ended June 2024 and Submission of Annual Secretarial Compliance report, Regulation 24A of SEBI LODR Regulations 2015 for the Quarter/year ended March 2024 respectively.
 - The Exchange has conducted 2 site visits at the registered office address as per Exchange records and in both instances the company was not found at the location.
 - The Exchange tried contacting the company in following ways, but no positive response received:
 - An email was sent to the company's current statutory auditors seeking an alternate contact detail of the company or its officials.
 - The Exchange had sent communication to the company via email as well as a physical copy was sent to its office vide registered post which returned undelivered to the company.
 - The Exchange contacted the independent directors ("ID") of the Company. One of the ID's, Ms. Alisha, informed that she is not aware of any matter and that she has already resigned from the Company. However, no disclosure was made to the Exchange.
 - The Exchange had sent personal hearing letter to unique 11 email ids of promoter /promoter group, however, no revert received till date.
 - Exchange had sought clarifications from the company pertaining to its wholly owned subsidiary Jindal International FZE (JIF) however no response was received from the company.
- f. In view of the above, the Committee directed the Exchange to provide a final opportunity to the company to comply and appear before the committee in the next meeting.

3.9 Proceedings before Delisting Committee meeting dated October 09, 2024

1) The Committee noted that:

a. The company continues to be non-compliant with the submission of:

- Statement of Investor Grievance (Regulation 13 of SEBI LODR Regulations 2015) for Quarter Ended June 2024.
- Shareholding Pattern (Regulation 31 of SEBI LODR Regulations 2015) for Quarter Ended June 2024.
- Secretarial Compliance Report (Regulation 24A of SEBI LODR Regulations 2015) for the F.Y. ended March 2024.
- Corporate Governance (Regulation 17 (1)(c) of SEBI LODR Regulations, 2015 Regulations) w.r.t minimum 6 directors on Board from the Quarter ended December 2021 to June 2024.
- Reconciliation of share capital audit Report (Regulation 76 of SEBI Depositories and Participants Regulations 2018) for Quarter June 2024.

b. The SOP fines amounting to INR 1,08,09,980/- (One crore Eight lacs Nine Thousand Nine Hundred and Eighty) Including GST, and Annual Listing Fees amounting to INR 56,51,955/- (Fifty Six lacs Fifty One Thousand Nine Hundred and Fifty Five) as on September 09, 2024 is still due and payable to the Exchange by the Company.

c. The communication for opportunity of personal hearing was sent by the Exchange vide its emails dated September 18, 2024 to Promoter of the company at the registered email id (cs@sigroup.in) available with the Exchange however the company has failed to provide any response to the Exchange.

2) The Committee also noted the following observations:

- As per results for Mar 2024, there is no manufacturing activity in the Company. Operations at windmill situated at Jaisalmer are also closed due to non-payment of maintenance charges to SUZLON.
- Site visit was carried out by the Exchange at the registered office of the company at the address available as per the Exchange records on June 09, 2023 and on June 05, 2024, however, the company was not found at the location. The Exchange tried contacting the company in following ways, however no response was received.
 - An email was sent to the Company's current statutory auditors seeking an alternate contact detail of the company or its officials.

- The Exchange had sent communication to the Company via email as well as a physical copy was sent to its office vide registered post which returned undelivered to the company.
 - The Exchange contacted the Independent directors ("ID") of the Company. One of the ID's, Ms. Alisha informed that she is not aware of any matter and that she has already resigned from the Company. However, no disclosure was made to the Exchange.
 - The Exchange had sent personal hearing letter to unique 11 email ids of promoter /promoter group, however, the Exchange has not received any revert till date.
 - The Exchange had sent multiple reminder emails to the Company to meet in person, however the company has been non-responsive and has failed to respond to the communications sent by the Exchange.
- 3) The Exchange has not received any communication from the Company on appearance before the Committee.
- 4) In spite of multiple opportunities for personal hearing provided to the company, the Company has failed to respond to the Exchange.
- 5) In view of the above, the Committee finds that the Company has failed to: (a) comply with the requirements SEBI LODR (b) pay the outstanding dues (c) respond to the opportunity given for personal hearing before the Committee.
- 6) Rule 21 of the Securities Contracts (Regulation) Rules, 1957 ("SCRR"), provides for various grounds for delisting of the equity shares of the Company, which are as under:
- a. the Company has incurred losses during the preceding three consecutive years, and it has a negative net worth.*
 - b. trading in the securities of the Company has remained suspended for more than six months.*
 - c. the securities of the Company have remained infrequently traded during the preceding three years.*
 - d. the Company or any of its promoters or any of its Director has been convicted for failure to comply with any of the provisions of the Act or the Securities and Exchange Board of India Act, 1992 or the Depositories Act, 1996 (22 of 1996) or rules, regulations, agreements made thereunder, as the case may be and awarded a penalty of not less than rupees one crore or imprisonment of not less than three years;*

- e. the addresses of the Company or any of its promoter or any of its directors are not known, or false addresses have been furnished, or the Company has changed its registered office in contravention of the provisions of the Companies Act, 1956 (1 of 1956); or*
- f. shareholding of the Company held by the public has come below the minimum level applicable to the Company as per the listing agreement under the Act. The Company has failed to raise public holding to the required level within the time specified by the recognized Stock Exchange.*
- 7) It is noted that reasonable and sufficient opportunities have been granted to the Company to ensure compliances as required under Listing Regulations and Depository Regulations. Also, several emails were sent by the Exchange to the Company seeking a response. However, the Company is not responsive to Exchange Communications and failed to make good the non-compliances.
- 8) Further, Regulation 33 of the SEBI (Delisting of equity shares) Regulations, 2021 casts a responsibility on the Promoter of the Company to acquire the delisted equity shares from the public shareholders within three months of the date of delisting from the recognized Stock Exchange. The value of such delisted equity shares shall be determined by an empaneled independent valuer.
- 9) It is noted that the Company and its promoters/directors have failed to demonstrate sufficient efforts to ensure compliances required under the Listing Regulations and Depository Regulations to be continuously listed on the Exchange Platform.

DECISION

Considering the facts and circumstances mentioned above, the Committee directed that the equity shares of **M/S Jindal Cotex Limited (JINDCOT)** be compulsorily delisted from the Exchange in terms of Regulation 32(1) of SEBI (Delisting of Equity Shares) Regulations, 2021 read with Rule 21(b) of Securities Contracts (Regulation) Rules, 1957.

As a result, the following consequences upon the compulsory delisting of equity shares shall follow:

Consequences of compulsory delisting:

Regulation 34 of Delisting Regulations states as under:

1. Where a company has been compulsorily delisted under this Chapter, the company, its whole-time directors, person(s) responsible for ensuring compliance with the securities laws, its promoters and the companies which are promoted by any of them shall not directly or indirectly access the securities market or seek listing of any equity shares or act as an intermediary in the securities market for a period of ten years from the date of such delisting.
2. In case of a company whose fair value is positive -
 - a. such a company and the depositories shall not effect transfer, by way of sale, pledge, etc., of any of the equity shares held by the promoters / promoter group and the corporate benefits like dividend, rights, bonus shares, split, etc. shall be frozen for all the equity shares held by the promoters/ promoter group, till the promoters of such company provide an exit option to the public shareholders in compliance with sub-regulation (4) of regulation 33 of these regulations, as certified by the relevant recognized Stock Exchange.
 - b. the promoters, whole-time directors and person(s) responsible for ensuring compliance with the securities laws, of the compulsorily delisted company shall also not be eligible to become directors of any listed company till the exit option as mentioned in clause (a) is provided.

Sd/-
Mr. S. Ravindran

(Chairperson)

Sd/-
Justice (Retired)
Mrs. Abhilasha
Kumari
(Committee Member)

Sd/-
Mr. Ashok Dhere

(Committee Member)

Sd/-
Mr. Santosh Kumar
(Committee Member)

Sd/-
Mr. Ankit Sharma
(Committee Member)

Date: October 09, 2024