

**Before the Delisting Committee ("Committee")
of
National Stock Exchange of India Limited
Conference Room, Ground Floor, Ground Floor, A-Wing.
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051
Held on April 12, 2022**

In the matter of the Company: Chromatic India Limited ('CHROMATIC')

Members Present:

Ms. Sunita Sharma	- Chairperson
Ms. Mona Bhide	- Committee Member through Video Conferencing
Mr. K Narasimha Murthy	- Committee Member through Video Conferencing
Ms. Priya Subbaraman	- Committee Member through Video Conferencing

Also Present:

Mr. Suresh Nair	- Vice President, Enforcement
Mr. Avishkar Naik	- Vice President, Listing Compliance
Mr. Lokesh Bhandari	- Chief Manager, Listing Compliance
Mr. Rajendra Bhosale	- Senior Manager, Listing Compliance
Ms. Swati Spare	- Senior Manager, Inspection through Video Conferencing
Mr. Saksham Kaushik	- Senior Manager (Legal), Regulatory Support through Video Conferencing
Ms. Charmi Dharod	- Manager, Listing Compliance
Ms. Mittali Christachary	- Manager, Enforcement
Ms. Heena Hawaldar	- Deputy Manager, Enforcement

1. Background

- 1.1 The equity shares of **M/s. Chromatic India Limited ('Chromatic')** (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 May 29, 2012. The trading in equity shares of the Company is suspended w.e.f February 12, 2021, due to non-compliance with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for two consecutive quarters, June 2020 and September 2020.

- 1.2 Additionally, the Company is non-compliant with Regulation 13(3), Regulation 17 (1), Regulation 27(2)(a), Regulation 31, Regulation 33, Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Regulation 76 of Securities and Exchange Board of India ('SEBI') (Depositories and Participants) Regulations, 2018 ('Depository Regulations').
- 1.3 An amount of Rs. 47,20,000/- towards SOP fine (including GST) for non-compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 including fine for non-compliance with Regulation 76 of Depository Regulations and Rs. 8,47,091/- towards Annual listing fees (Including interest) as of March 29, 2022, is still due and payable by the Company.

2. Show Cause Notice, Public Announcement, and Responses

- 2.1 The Exchange issued a Show Cause Notice ("SCN") vide ref. no. NSE/LIST/DELIST/141 dated August 18, 2021, to the Company seeking an explanation why the equity shares listed on the Exchange should not be compulsorily delisted for the observed non-compliances.
- 2.2 In terms of Regulation 32(3) of Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 ("Delisting Regulations"), the Exchange issued a Public Notice dated August 19, 2021, 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 Exchange vide letter dated August 31, 2021, had informed the Directors and Promoters of the Company about the proposed compulsory delisting of the Company.
- 2.4 The Exchange neither received any response from the company to the show cause notice, nor any response from the Directors and Promoters of the Company to the Exchange letters.
- 2.5 The Exchange has not received any representation and/or objections in response to the Public Notice..

3. Reference to Previous Delisting Committee Meetings

- 3.1 The matter pertaining to the Company was previously placed before the Delisting Committee of the Exchange in its meetings held on September 16, 2021, November 25, 2021, and February 09, 2022.

3.2 In the Delisting Committee meeting dated September 16, 2021:

- a. The Committee was apprised that equity shares of Chromatic were listed on the Exchange with effect from May 29, 2012. The trading in the Company's equity shares is suspended with effect from February 12, 2021, for failure to comply with the requirements of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- b. The Committee noted that the Company is in non-compliance with the following Regulations:
 - i. Statement of Investor Grievance - Regulation 13 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
 - ii. Corporate Governance Report - Regulation 27(2)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
 - iii. Shareholding Pattern - Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
 - iv. Financial Results - Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
 - v. Annual Report - Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
 - vi. Reconciliation of share capital audit, Regulation 76 of SEBI (Depositories and Participants) Regulation, 2018.
- c. The Committee also noted that fine towards non-compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Depository Regulations, and Annual Listing fees, including interests, were still due and payable to the Exchange by the Company.
- d. The Committee also noted that the Exchange had issued the following notices and letters to the Company:
 - i. The Exchange letter dated January 12, 2021, intimating the Company of suspension of trading of its securities with effect from February 12, 2021.
 - ii. SCN dated August 18, 2021, for withdrawal of admission to dealing (Compulsory Delisting).
 - iii. The Exchange letter dated August 31, 2021, informing the Directors and Promoters of the Company about the proposed delisting of the Company.
 - iv. The Public Notice dated August 19, 2021, as per Regulation 32(3) of Delisting Regulations, inviting representations from any person aggrieved by the proposed compulsory delisting of the Company.

- e. The Exchange did not receive any response to the above notices and letters.
- f. The Committee noted that fine for non-compliance of requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations and Depository Regulations and Annual Listing fees, including interest, were still due and payable to the Exchange.
- g. The Committee, in view of the same, decided to grant one more opportunity to the Company to respond to the Exchange SCN.
- h. Accordingly, the Committee directed that the Company may be granted a time till November 15, 2021, to respond to the Exchange SCN. The Committee further directed that the matter be placed in the subsequent meeting for its decision.

3.3 In the Delisting Committee meeting dated November 25, 2021:

- a. The Committee noted that the Company has failed to respond to the SCN. Further, no response has been received to the Exchange email dated October 19, 2021.
- b. The Committee further noted that the Company has also not complied with any of the non-compliance that were noted by this Committee in the previous Delisting Committee meeting held on September 16, 2021.
- c. The Committee noted that fine for non-compliance of requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Depository Regulations, and Annual Listing fees, including interest, were still due and payable to the Exchange as of November 17, 2021.
- d. The Committee, in the interest of equity and justice, granted additional time to the Company to respond to the SCN, comply with the regulatory requirements, and pay all outstanding fees and fines due and payable to the Exchange, failing which the Committee shall proceed as per law.
- e. The matter was directed to be placed in a subsequent meeting of the Committee for its decision.
- f. The Exchange vide email dated December 16, 2021, communicated the Committee's decision to the Company, however Company did not respond to the said email.

3.4 In the Delisting Committee meeting dated February 09, 2022:

- a. The Exchange brought it to the attention of the Committee that despite of repeated reminders, the Exchange has neither received any response to the SCN nor the emails sent to the Company have returned undelivered till date.
- b. The Committee noted that the Company has also not complied with any of the non-compliance that were noted by this Committee in the previous Delisting Committee meeting held on September 16, 2021, and November 25, 2021.

- c. The Committee further noted that fine for non-compliance of requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Depository Regulations and listing fees, including interest, were still due and payable to the Exchange by the Company.
- d. The Committee, in the interest of equity and justice, granted one more additional opportunity to the Company as a final opportunity to comply with all the regulatory requirements and make payment of all its outstanding dues, failing which the Committee shall proceed based on the available records.
- e. The Committee also directed the Company to submit its plan of action indicating what efforts have been taken/proposed to be taken by the Company for its revival.
- f. Since the Company is not responding to the Communication by the Exchange, the final Notice were directed to be sent by speed post as well, in addition to the email communication.
- g. The Committee further directed that the matter be placed in the subsequent meeting of the Committee for its decision.

4. Present Proceedings before the Committee on April 12, 2022, Committee's Findings and Decision

Committee's Findings

- 4.1 The trading in equity shares of the Company is suspended w.e.f February 12, 2021, due to non-compliance with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for two consecutive quarters, June 2020 and September 2020.
- 4.2 In addition, the Company continues to be non-compliant with Regulation 13(3), Regulation 17 (1), Regulation 27(2)(a), Regulation 31, Regulation 33, Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Regulation 76 of Depository Regulations..
- 4.3 The Company has also not taken any concrete steps to ensure compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.
- 4.4 The Company has not taken any steps to comply with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and submit the following:

Sr. No	Details of Non – Compliance	Regulation
1.	Statement of Investor Grievance	Regulation 13 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

2.	Corporate Governance Report	Regulation 27(2)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
3.	Shareholding Pattern	Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
4.	Financial Results	Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
5.	Annual Report	Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
6.	Reconciliation of share capital audit	Regulation 76 of SEBI (Depositories and Participants) Regulation, 2018.

- 4.5 The Committee noted that the Company is also non-compliant with Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 4.6 The Company has not paid the outstanding listing fees and fines.
- 4.7 Regulation 32(1) of the Delisting Regulations provides for the delisting of equity shares of the Company on any ground prescribed in the rules made under Section 21A of the Securities Contracts (Regulation) Act, 1956 ("SCRA") (42 of 1956).
- 4.8 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:
- the Company has incurred losses during the preceding three consecutive years, and it has a negative net worth;*
 - trading in the securities of the Company has remained suspended for more than six months;*
 - the securities of the Company have remained infrequently traded during the preceding three years;*
 - 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.*

4.9 The Provisions of "SCRA" and "SCRR" provide that the securities of a company shall not be delisted unless the Company concerned has been given a reasonable opportunity of being heard. The Delisting Regulations also prescribe that no order shall be made unless the Company concerned has been given a reasonable opportunity of being heard. In this context, it is observed that the Company has been given ample opportunities as follows:

- a. SCN dated August 18, 2021, to explain why the Company's equity shares should not be delisted. The Company did not respond to the said SCN.
- b. The Exchange issued a Public Notice dated August 19, 2021, as prescribed under Regulation 32(3) of the Delisting Regulations in two newspapers, viz. Business Standard and Navshakti. There are no representations or objections received in response to the Public Notice.
- c. The Exchange vide email dated August 31, 2021, informed the persons whose names appear as Directors and Promoters of the Company in the records available with the Exchange and verified from the website of the Registrar of Companies about the proposed compulsory delisting of the Company.. The Directors and Promoters of the Company neither responded to the said email nor are they contactable.
- d. The Delisting Committee, in its meetings dated September 16, 2021, November 25, 2021, and February 09, 2022, granted additional opportunities to the Company to submit its response to the SCN, comply with the requisite requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Depository Regulations, to pay outstanding dues and fines of the Exchange and further demonstrate the plan of action for restoration of the trading in its Equity Shares.
- e. The Exchange, vide its emails dated October 19, 2021, December 16, 2021, communicated the decisions of the Delisting Committee to the Company. Additionally, the Exchange vide email dated January 28, 2022, had also sent a reminder to the Company. However, the Exchange did not receive any response to the said emails.
- f. Thereafter, as per the directions of the Delisting Committee in its meeting dated February 09, 2022, final opportunity letter dated February 23, 2022, at the last known registered office of the Company through Registered Post as

well as through email has been sent to the company. However, the letter sent through registered post to the Company returned undelivered with the remarks as 'Door Locked,' and the email returned undelivered.

- g. However, in the interest of justice the Exchange further, vide letter dated April 06, 2022, sent through the Registered post and email dated April 07, 2022, granted another opportunity to the Company for personal hearing before the Committee for its meeting to be held on April 12, 2022. However, the Company neither responded to the email/letter nor attended the meeting.
- h. Further, as required in accordance with Schedule III of the Delisting Regulations, the Exchange also granted the final opportunity vide its letter dated March 29, 2022, sent through Registered Post as well as through emails dated March 31, 2022, to the persons whose names appear as Directors and Promoters of the Company in the records available with the Exchange and as verified from Registrar of Companies to provide information pertaining to their current position in the Company. However, the letters sent through registered post to the Directors and Promoters returned undelivered. Moreover, the Exchange did not receive any response to the said emails.

4.10 The Company has been suspended for the past 15 months. There is no plan of action to revive the trading of the Company's equity shares on the Exchange. The Company and Directors and Promoters have failed to demonstrate any efforts to ensure compliances with the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Depository Regulations read with the erstwhile Listing Agreement.

4.11 The Committee finds that reasonable and sufficient opportunities have been granted to the Company to comply with the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Depository Regulations. The Committee noted the several emails were sent by the Exchange to the Company seeking a response to the SCN however, the Company failed to provide any response. The Committee also noted that pursuant to its directions, the Exchange also issued emails and physical letters to the Directors and Promoter of the Company on all available addresses with the Exchange, however no response was received from them as well. The Company has been unresponsive to all the communications made by the Exchange and hence the Committee noted that no purpose would be achieved even if any further opportunity is granted to the Company.

4.12 Regulation 33 of the Delisting Regulations 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 is determined by the independent valuer. Therefore, the Committee is of the view that delisting the Company's equity shares will enable the investors to make an informed decision. Further, any delay in the delisting of the

equity shares of the Company, when the Company takes no concrete steps for revocation of the suspension.

- 4.13 Regulation 34(1) of the Delisting Regulations provides that where a company has been compulsorily delisted, 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. Further, Regulation 34(2)(b) of the Delisting Regulations provide that the promoters and whole-time directors of the compulsorily delisted Company shall also not be eligible to become directors of any listed company till the exit option to the public shareholders is given in compliance with Regulation 33(3) of the Delisting Regulations. Therefore, the Committee is of the view that upon delisting of the Company, the consequences of delisting that follow by virtue of the provisions of Regulation 34 of the Delisting Regulations will be in the larger interest of the investors/shareholders.

DECISION

- 4.14 Considering the facts and circumstances mentioned above, the Committee directs that the equity shares of Chromatic India Limited ('CHROMATIC') 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.

- 4.15 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.

4.16 The proceedings of the Delisting Committee meeting held on April 12, 2022, were through video conferencing. At this stage, it is neither possible to sign a copy of this order nor Exchange can issue a certified copy of the order. Therefore, an electronic copy of this order sent from the Exchange's email id shall be treated as a signed copy for all purposes.

Sd/-
Ms. Sunita Sharma
(Chairperson)

Sd/-
Ms. Mona Bhide
(Committee Member)

Sd/-
Ms. Priya Subbaraman
(Committee Member)

Sd/-
Mr. K Narasimha Murthy
(Committee Member)

Date: June 08, 2022