

ORDER PASSED BY THE DELISTING COMMITTEE OF BSE LTD. IN THE MATTER OF KUSHAL LTD. FOR COMPULSORY DELISTING UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (DELISTING OF EQUITY SHARES) REGULATIONS, 2021, 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 32 of Chapter V under the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (as amended from time to time) (“**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 Kushal Ltd (“**Company**”) from the Exchange.
2. At the meeting held on June 24, 2024, the Committee perused the record, considered the facts and the relevant provisions of law, including the circulars issued by SEBI. The Committee unanimously decided that the Company ought to be delisted from the platform of the Exchange for reasons to be separately recorded. Accordingly, the Committee proceeds to furnish the reasons for its decision.
3. The relevant facts are as follows:

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- a. The trading in the equity shares of the Company was suspended by the Exchange, pursuant to the provisions of SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020, w.e.f. June 13, 2022 on account of non-compliance for two consecutive quarters i.e September 2021 & December 2021 with Regulation 33 – Financial Results of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (“LODR Regulations”). The suspension was notified on the Exchange’s website vide notice no. 20220511-20 dated May 11, 2022.
- b. The Company has not taken all the steps necessary to enable revocation of suspension in the trading of securities by the Exchange and consequentially, the suspension in the trading of securities continues till date.
- c. As the Company has failed to take requisite steps for enabling revocation of the suspension in the trading of securities by the Exchange, the shareholders / investors are deprived of the facility for dealing in the securities of the Company.
- d. An email dated June 22, 2022 (“**advisory letter**”) was sent by the Exchange to the Company on its email id : ['cs@kushallimited.com'](mailto:cs@kushallimited.com); ['cmd@kushallimited.com'](mailto:cmd@kushallimited.com) stating inter-alia, that the Exchange had informed the Company about its non-compliance with the provisions of Regulation 33 of LODR Regulations, the quantum of fines payable and the further action that would be initiated pursuant to SEBI circular dated January 22, 2020, if the

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Company failed to comply with the obligations and pay the fines. The said email further stated that as the Company had failed to comply with its obligations and to pay the fines, the trading in the scrip was shifted to “Z” group w.e.f. April 25, 2022 and that the trading in the securities has been suspended w.e.f. June 13, 2022. The provisions of SEBI circular dated January 22, 2020 dealing with the consequences of non-compliances and failure to pay the fine within 6 months from the date of the suspension were notified in the said email. This included initiation of the process of compulsory delisting under the SCRA, SCRR and Delisting Regulations. The Company was accordingly advised to comply with the obligations and pay the fines for completing the process for revocation of suspension.

- e. The Exchange vide email dated August 03, 2022 provided details of pending compliances for revocation of suspension alongwith outstanding dues payable by the company.
- f. Further, vide Exchange email dated August 23, 2022, the company was informed that the company was yet to complete the formalities for revocation of suspension communicated to it vide Exchange email dated August 03, 2022. Vide the said email, the company was once again advised to complete the formalities for revocation of suspension including the payment of dues within six months from the date of suspension failing which the Exchange would initiate the process of compulsory delisting.

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- g. The Exchange vide emails dated September 08, 2022, September 26, 2022 and October 27, 2022, November 14, 2022 and November 24, 2022 requested the company to submit documents as mentioned in Exchange email dated August 23, 2022 and had to ensure continuous compliance as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- h. However the Company failed to take adequate steps for revocation of suspension.
- i. Therefore, under the aforesaid regulatory framework, a Show Cause Notice (“**SCN**”) dated March 18, 2024 was issued to the Company at its last known registered address available with the Exchange and as available on the website of Ministry of Corporate Affairs (www.mca.gov.in), calling upon the Company to show cause as to why the securities of the Company should not be compulsorily delisted from the platform of the Exchange in terms of Chapter V of the Delisting Regulations. The Company was also informed that if it wished to avail an opportunity of personal hearing before the Delisting Committee of the Exchange (“**Committee**”), it should include such request in its response to the SCN.
- j. An email attaching the said SCN was also sent to the Company and to the promoters on March 18, 2024.
- k. Pursuant to the above and in terms of the Delisting Regulations, Initial Public Notices (“IPN”) were published in one English national newspaper viz., The

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Financial Express (all editions) dated May 04, 2024 one Hindi national newspaper viz. Business Standard (all editions) dated May 04, 2024 and one vernacular newspaper viz. Navshakti (in Marathi) dated May 04, 2024 inter alia, informing about the proposal for compulsory delisting of the equity shares of the Company and inviting representations from any concerned person desirous of making any representation to the Exchange, within 15 working days of the notice, at the specified email id bse.delistscn@bseindia.com. The IPNs were also disseminated on the Exchange's website. Link of the IPN was sent to the Company and its promoters through email on May 06, 2024.

- I. In response to the IPN issued by the Exchange, the Exchange neither received any representation nor did the Company initiate any steps for revocation of suspension in the trading of equity shares of the Company.
- m. A letter dated June 05, 2024 was sent by the Exchange to the Company granting an opportunity of personal hearing to the Company, to make the submission/representation before Delisting Committee of the Exchange (meeting through video conferencing). An email was also sent by the Exchange to the Company and its promoters on June 05, 2024 on the email ids:
'cs@kushallimited.com'; 'cmd@kushallimited.com';
'krishna@kushallimited.com'; 'manoj@kushaltradelink.com';
'KAJALARIES.96@GMAIL.COM'; 'karan.a15@bkmiba.edu.in';
'karan@kushallimited.com'; 'komal.agrwal94@gmail.com';

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'kushal@kushallimited.com'; 'sundeep.ktpl@gmail.com';

'karan@kushallimited.com'; 'sandeep.ktpl@gmail.com';

'CMD@KUSHALLIMITED.COM'; 'KUSHAL@KUSHALTRADELINK.COM'. Further, the Exchange had inter-alia provided the details of pending compliances and outstanding dues to the Company.

- n. The notices were published in one English national newspaper viz., The Financial Express (all editions) dated June 08, 2024 one vernacular newspaper viz. Navshakti (in Marathi) dated June 08, 2024 and one Hindi national newspaper viz., Business Standard (all editions) dated June 08, 2024, inter alia, granting the Company a last and final opportunity to inform the Exchange whether it wanted to avail a personal hearing before the Delisting Committee of the Exchange. Further it was also stated that if no response was received from the Company within the stipulated timelines and in the prescribed mode, it would be presumed that the Company had waived the opportunity of being heard and the Delisting Committee would be constrained to decide the matter, on an ex-parte basis and the Exchange would proceed with the process for compulsory delisting. Further, it was specified that the Company may address a communication at the specified email id: bse.delistscn@bseindia.com by June 11, 2024. The said notices were also disseminated on the Exchange's website.
- o. Despite the aforesaid, no response was received by the Exchange on or before June 11, 2024 from the Company on the email id specified by the Exchange.

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4. As stated above, the matter of compulsory delisting of the Company was placed before the Delisting Committee in its meeting held on June 24, 2024.
5. 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.
6. The SCN, inter alia, states that the Company has failed to take steps to enable revocation of suspension in the trading of its equity shares and that the trading in equity shares had been suspended for more than 6 months.
7. These facts have not been controverted.
8. Based on the aforesaid facts, the Committee observed that:
 - a. It is an admitted position that the trading in equity shares of the Company has remained suspended for a period of more than six months in terms of Rule 21 of SCRR. It is established that the Company has not complied with the requirements for revocation of suspension. Hence, the suspension in the trading of securities of the Company continues as on date thereby depriving the shareholders of the Company the facility of dealing in its securities. The public shareholding of the Company as per the last filing with the Exchange is 34.31%.
 - b. The Company is non-compliant with the following critical regulations of SEBI LODR, Regulations.
 - i. Regulation 27(2):- Corporate Governance Report
 - ii. Regulation 31:- Shareholding Pattern

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- iii. Regulation 33:- Quarterly Results
 - iv. Regulation 34:- Annual report
 - v. Information on the Reconciliation of Share Capital Audit Report.
- c. The aforesaid facts indicate negligent conduct and lack of interest on the part of the Company in complying with its obligations.
- d. In terms of the requirements of Delisting Regulations, IPN was published in one English national daily viz., The Financial Express (all editions) dated May 04, 2024 one Hindi national newspaper viz. Business Standard (all editions) dated May 04, 2024 and one vernacular newspaper viz. Navshakti (in Marathi) dated May 04, 2024, inter alia, informing about the proposal for compulsory delisting of the equity shares of the Company. However, no representation was received by the Exchange.
- e. Moreover, there is no response from the Company, or any persons concerned for availing the opportunity of personal hearing before the Committee.
- f. The aforesaid findings establish the grounds for compulsory delisting of the securities of the company in terms of Rule 21 of SCRR read with Regulation 32 (4) of Delisting Regulations. Thus, the ground for compulsory delisting under Section 21A of SCRA read with Rule 21 of SCRR is established.

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9. In exercise of powers vested with the Committee under Regulation 32 (2) of the Delisting Regulations, all listed equity shares of the Company are hereby compulsorily delisted from the platform of the Exchange.
10. The securities of the Company will stand compulsorily delisted with effect from the date mentioned in the notice issued by the Exchange on its website informing the market participants about the compulsory delisting of the securities of the Company.

Date: August 22, 2024

Sd/-
Chairman

Sd/-
Member

Sd/-
Member

Sd/-
Member

Sd/-
Member

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