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SECURITIES AND EXCHANGE BOARD OF INDIA

NOTIFICATION

Mumbai, the 10th June, 2009

SECURITIES AND EXCHANGE BOARD OF INDIA (DELISTING OF EQUITY SHARES) REGULATIONS, 2009

No. LAD-NRO/GN/2009-2010/09/165992. - In exercise of the powers conferred by section 31 read with section 21A of the Securities Contracts (Regulation) Act, 1956 (42 of 1956), section 30, sub-section (1) of section 11 and sub-section (2) of section 11A of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Board hereby makes the following regulations, namely: -

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CHAPTER I
PRELIMINARY

Short title and commencement.

1. (1) These regulations may be called the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.

(2) They shall come into force on the date of their publication in the Official Gazette.

Definitions

2. (1) In these regulations, unless the context otherwise requires,

(i) 'Act' means the Securities and Exchange Board of India Act, 1992 (15 of 1992);

[1][(ia) 'acquirer' shall have the same meaning as assigned to it in the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and who has chosen to make an offer for delisting the company in accordance with regulation 5A of the said Regulations.

[1] Inserted by the SEBI (Delisting of Equity Shares) (Second Amendment) Regulations, 2018, w.e.f. 14.11.2018.

Explanation. - Any reference made to the promoter in relation to a delisting offer under these regulations shall apply mutatis mutandis to an acquirer making a delisting offer.]

(ii) 'Board' means the Securities and Exchange Board of India established under section 3 of the Act;

[2][(iii) 'company' means a company within the meaning of section 2 of the Companies Act, 2013 and includes a body corporate or corporation established under a Central Act, State Act or Provincial Act for the time being in force, whose equity shares are listed on a recognised stock exchange;]

(iv)'compulsory delisting' means delisting of equity shares of a company by a recognised stock exchange under Chapter V of these regulations;

[3][***]

[4][(v) 'public shareholders' mean the holders of equity shares, other than the following:

(a) promoters, promoter group and persons acting in concert with them;

(b) acquirer(s) and persons acting in concert with such acquirer(s); and

(c) holders of depository receipts issued overseas against equity shares held with a custodian and such custodian holding the equity shares.]

(vi)'recognised stock exchange' means any stock exchange which has been granted recognition under section 4 of the Securities Contracts (Regulation) Act, 1956;

(vii) 'Schedule' means a Schedule appended to these regulations;

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[2] Substituted by the SEBI (Delisting of Equity Shares) (Second Amendment) Regulations, 2018, w.e.f. 14.11.2018. Prior to the substitution, the clause read as follows:

"(iii)'company' means a company within the meaning of section 3 of the Companies Act, 1956 (1 of 1956) and includes a body corporate or corporation established under a central Act, state Act or provincial Act for the time being in force, whose equity shares are listed on a recognised stock exchange;"

[3] Omitted ibid. Prior to the omissions, the said clause, Inserted by the SEBI (Delisting of Equity shares) (Amendment) Regulations 2015, w.e.f. 24-03-2015, read as follows:

"(iva) "promoter group" shall have the same meaning as assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;"

[4] Inserted by the SEBI (Delisting of Equity Shares) (Second Amendment) Regulations, 2018, w.e.f. 14.11.2018. Prior to the substitution, the clause read as follows:

"(v) 'public shareholders' means the holders of equity shares, other than the following:

(a) promoters;

(b) holders of depository receipts issued overseas against equity shares held with a custodian and such custodian;"

(viii) 'voluntary delisting' means delisting of equity shares of a company voluntarily on application of the company under Chapter III of these regulations;
(ix)'working days' means the working days of the Board.
(2) The words 'control', 'person acting in concert', 'promoter', [5]['promoter group'], [6][***] shall have the meanings respectively assigned to them under the [7][Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011] as amended from time to time.
(3) Words and expressions not defined in these regulations, but defined in or under the Act or the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or the Companies Act, [8][2013 (18 of 2013)], or any statutory modification or re-enactment thereof, shall have the same meanings as in or under those enactments.

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CHAPTER II
DELISTING OF EQUITY SHARES

Applicability
3. (1) These regulations shall apply to delisting of equity shares of a company from all or any of the recognised stock exchanges where such shares are listed [9][:]

> [10]**[Provided** that these regulations shall not apply to securities listed without making a public issue, on the institutional trading platform of a recognised stock exchange.]

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[5] Inserted by the SEBI (Delisting of Equity Shares) (Second Amendment) Regulations, 2018, w.e.f. 14.11.2018.
[6] Words "acquirer and public shareholding" omitted ibid.
[7] Substituted for words "Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997" by the SEBI (Delisting of Equity shares) (Amendment) Regulations 2015, w.e.f. 24-03-2015.

[8] Substituted for "1956 (1 of 1956)" by the SEBI (Delisting of Equity Shares) (Second Amendment) Regulations, 2018, w.e.f. 14.11.2018.
[9] Substituted for the full stop by the SEBI (Listing of Specified Securities on Institutional Trading Platform) Regulations, 2013, w.e.f. 08-10-2013
[10] Substituted by SEBI (Delisting of Equity shares) (Second Amendment) Regulations 2015, w.e.f. 14-08-2015. Prior to its substitution, the proviso to sub-regulation (1) read as under:
"**Provided** that these regulations shall not apply to securities listed on the institutional trading platform of a recognised stock exchange."

(2) Nothing in these regulations shall apply to any delisting made pursuant to a scheme sanctioned by the Board for Industrial and Financial Reconstruction under the Sick Industrial Companies (Special Provisions) Act, 1985 or by the National Company Law Tribunal under section 424D of the Companies Act, 1956, if such scheme –
(a) lays down any specific procedure to complete the delisting; or
(b) provides an exit option to the existing public shareholders at a specified rate.

Delisting not permissible in certain circumstances and conditions for delisting

4. (1) No company shall apply for and no recognised stock exchange shall permit delisting of equity shares of a company,-
(a) pursuant to a buyback of equity shares by the company; or
(b) pursuant to a preferential allotment made by the company; or
(c) unless a period of three years has elapsed since the listing of that class of equity shares on any recognised stock exchange; or
(d) if any instruments issued by the company, which are convertible into the same class of equity shares that are sought to be delisted, are outstanding.
[11][(1A) No promoter or promoter group shall propose delisting of equity shares of a company, if any entity belonging to the promoter or promoter group has sold equity shares of the company during a period of six months prior to the date of the board meeting in which the delisting proposal was approved in terms of sub-regulation (1B) of regulation 8.]
(2) For the removal of doubts, it is clarified that no company shall apply for and no recognised stock exchange shall permit delisting of convertible securities.
(3) Nothing contained in clauses (c) and (d) of sub-regulation (1) shall apply to a delisting of equity shares falling under clause (a) of regulation 6.
(4) No promoter shall directly or indirectly employ the funds of the company to finance an exit opportunity provided under Chapter IV or

[11] Inserted by SEBI (Delisting of Equity shares) (Amendment) Regulations 2015, w.e.f. 24-03-2015.

an acquisition of shares made pursuant to sub regulation (3) of regulation 23.

(5) No [12][acquirer or promoter or promoter group [13][or persons acting in concert] or their related entities] shall –

(a) employ any device, scheme or artifice to defraud any shareholder or other person; or

(b) engage in any transaction or practice that operates as a fraud or deceit upon any shareholder or other person; or

(c) engage in any act or practice that is fraudulent, deceptive or manipulative –

in connection with any delisting sought or permitted or exit opportunity given or other acquisition of shares made under these regulations.

CHAPTER III
VOLUNTARY DELISTING

Delisting from all recognised stock exchanges

5. Subject to the provisions of these regulations, a company may delist its equity shares from all the recognised stock exchanges where they are listed or from the only recognised stock exchange where they are listed: Provided that all public shareholders holding equity shares of the class which are sought to be delisted are given an exit opportunity in accordance with Chapter IV.

Delisting from only some of the recognised stock exchanges

6. A company may delist its equity shares from one or more recognised stock exchanges where they are listed and continue their listing on one or more other recognised stock exchanges, subject to the provisions of these regulations and subject to the following –

(a) if after the proposed delisting from any one or more recognised stock exchanges, the equity shares would remain listed on any recognised stock exchange which has nationwide trading terminals, no exit opportunity needs to be given to the public shareholders; and,

(b) if after the proposed delisting, the equity shares [14][do] not remain listed on any recognised stock exchange having nationwide trading

[12] Substituted for words "promoter or other person" by the SEBI (Delisting of Equity shares) (Amendment) Regulations 2015, w.e.f. 24-03-2015.

[13] Inserted by the SEBI (Delisting of Equity Shares) (Second Amendment) Regulations, 2018, w.e.f. 14.11.2018.

terminals, exit opportunity shall be given to all the public shareholders holding the equity shares sought to be delisted in accordance with Chapter IV.

Explanation: For the purposes of this regulation, 'recognised stock exchange having nationwide trading terminals' means the Bombay Stock Exchange Limited, the National Stock Exchange of India Limited or any other recognised stock exchange which may be specified by the Board in this regard.

Procedure for delisting where no exit opportunity is required

7. (1) In a case falling under clause (a) of regulation 6 –

(a) the proposed delisting shall be approved by a resolution of the board of directors of the company in its meeting;

(b) the company shall give a public notice of the proposed delisting in at least one English national daily with wide circulation, one Hindi national daily with wide circulation and one regional language newspaper of the region where the concerned recognised stock exchanges are located;

(c) the company shall make an application to the concerned recognised stock exchange for delisting its equity shares; and

(d) the fact of delisting shall be disclosed in the first annual report of the company prepared after the delisting.

(2) The public notice made under clause (b) of sub-regulation (1) shall mention the names of the recognised stock exchanges from which the equity shares of the company are intended to be delisted, the reasons for such delisting and the fact of continuation of listing of equity shares on recognised stock exchange having nationwide trading terminals.

(3) An application for delisting made under clause (c) of sub regulation (1) shall be disposed of by the recognised stock exchange within a period not exceeding thirty working days from the date of receipt of such application complete in all respects.

Conditions and procedure for delisting where exit opportunity is required

[14] Substituted for the word "would" by the SEBI (Delisting of Equity Shares) (Second Amendment) Regulations, 2018, w.e.f. 14.11.2018.

8. (1) Any company desirous of delisting its equity shares under the provisions of Chapter III shall, except in a case falling under clause (a) of regulation 6, -

(a) obtain the prior approval of the board of directors of the company in its meeting;

(b) obtain the prior approval of shareholders of the company by special resolution passed through postal ballot, after disclosure of all material facts in the explanatory statement sent to the shareholders in relation to such resolution:

Provided that the special resolution shall be acted upon [15][***] only if the votes cast by public shareholders in favour of the proposal amount to at least two times the number of votes cast by public shareholders against it.

(c) make an application to the concerned recognised stock exchange for in-principle approval of the proposed delisting in the form specified by the recognised stock exchange; and

(d) within one year of passing the special resolution, make the final application to the concerned recognised stock exchange in the form specified by the recognised stock exchange: Provided that in pursuance of special resolution as referred to in clause (b), passed before the commencement of these regulations, final application shall be made within a period of one year from the date of passing of special resolution or six months from the commencement of these regulations, whichever is later. [16]

[(1A) Prior to granting approval under clause (a) of sub-regulation (1), the board of directors of the company shall,-

(i) make a disclosure to the recognized stock exchanges on which the equity shares of the company are listed that the promoters/acquirers have proposed to delist the company;

(ii) appoint a merchant banker to carry out due-diligence and make a disclosure to this effect to the recognized stock exchanges on which the equity shares of the company are listed;

(iii) obtain details of trading in shares of the company for a period of two years prior to the date of board meeting by top twenty five shareholders as on the date of the board meeting convened to consider

[15] Words "if and" omitted by the SEBI (Delisting of Equity Shares) (Second Amendment) Regulations, 2018, w.e.f. 14.11.2018.

[16] Inserted by SEBI (Delisting of Equity shares) (Amendment) Regulations 2015, w.e.f. 24-03-2015.

the proposal for delisting, from the stock exchanges and details of off-market transactions of such shareholders for a period of two years and furnish the information to the merchant banker for carrying out due-diligence;
(iv) obtain further details in terms of sub-regulation (1D) of regulation 8 and furnish the information to the merchant banker.
(1B) The board of directors of the company while approving the proposal for delisting shall certify that :
(i) the company is in compliance with the applicable provisions of securities laws;
(ii) the acquirer or promoter or promoter group or their related entities, are in compliance with sub-regulation (5) of regulation 4;
(iii) the delisting is in the interest of the shareholders.
(1C) For certification in respect of matters referred to in sub-regulation (1B), the board of directors of the company shall take into account the report of the merchant banker as specified in sub-regulation (1E) of regulation 8.
(1D) The merchant banker appointed by the board of directors of the company under clause (ii) of sub-regulation (1A) shall carry out due-diligence upon obtaining details from the board of directors of the company in terms of clause (iii) of sub-regulation (1A) of regulation 8
Provided that if the merchant banker is of the opinion that details referred to in clause (iii) of sub-regulation (1A) of regulation 8 are not sufficient for certification in terms of sub-regulation (1E) of regulation 8, he shall obtain additional details from the board of directors of the company for such longer period as he may deem fit.
(1E) Upon carrying out due-diligence as specified in terms of sub-regulation (1D) of regulation 8, the merchant banker shall submit a report to the board of directors of the company certifying the following:
(a) the trading carried out by [17][any of the acquirer or promoter or promoter group entity] or their related entities was in compliance or not, with the applicable provisions of the securities laws; and

[17] Substituted for the words "the entities belonging to acquirer or promoter or promoter group" by the SEBI (Delisting of Equity Shares) (Second Amendment) Regulations, 2018, w.e.f. 14.11.2018.

[18][(b) any of the acquirer or promoter or promoter group entity or persons acting in concert or their related entities have carried out or not any transaction to facilitate the success of the delisting offer which is in contravention of the provisions of sub-regulation (5) of regulation 4.]]

(2) An application seeking in-principle approval for delisting under clause (c) of sub-regulation (1) shall be accompanied by an audit report as required under regulation 55A of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 in respect of the equity shares sought to be delisted, covering a period of six months prior to the date of the application.

(3) An application seeking in-principle approval for delisting shall be disposed of by the recognised stock exchange within a period not exceeding [19][five] working days from the date of receipt of such application complete in all respects.

(4) While considering an application seeking in-principle approval for delisting, the recognised stock exchange shall not unfairly withhold such application, but may require the company to satisfy it as to -

(a) compliance with clause (b) of sub-regulation (1);

(b) the resolution of investor grievances by the company;

(c) payment of listing fees to that recognised stock exchange;

(d) the compliance with any condition of the [20][Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015] with that recognised stock exchange having a material bearing on the interests of its equity shareholders;

(e) any litigation or action pending against the company pertaining to its activities in the securities market or any other matter having a material bearing on the interests of its equity shareholders;

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[18] Substituted by the SEBI (Delisting of Equity Shares) (Second Amendment) Regulations, 2018, w.e.f. 14.11.2018. Prior to the same, the clause read as follows:

"(b) entities belonging to acquirer or promoter or promoter group or their related entities have carried out or not, any transaction to facilitate the success of the delisting offer which is not in compliance with the provisions of sub-regulation (5) of regulation 4."

[19] Substituted for word "thirty" by the SEBI (Delisting of Equity shares) (Amendment) Regulations 2015, w.e.f. 24-03-2015.

[20] Substituted for the words "listing agreement" by the SEBI (Delisting of Equity Shares) (Second Amendment) Regulations, 2018, w.e.f. 14.11.2018

(f) any other relevant matter as the recognised stock exchange may deem fit to verify.
(5) A final application for delisting made under clause (d) of sub regulation (1) shall be accompanied with such proof of having given the exit opportunity in accordance with the provisions of Chapter IV, as the recognised stock exchange may require.

CHAPTER IV
EXIT OPPORTUNITY

Applicability of Chapter IV
9. The provisions of this Chapter shall apply to any delisting sought to be made under regulation 5 or under clause (b) of regulation 6.

Public announcement
10. (1) The [21][acquirers or] promoters of the company shall [22][within one working day from the date of] receipt of in principle approval for delisting from the recognised stock exchange, make a public announcement in at least one English national daily with wide circulation, one Hindi national daily with wide circulation and one regional language newspaper of the region where the concerned recognised stock exchange is located.
(2) The public announcement shall contain all material information including the information specified in Schedule I and shall not contain any false or misleading statement.
(3) The public announcement shall also specify a date, being a day not later than [23][one working day] from the date of the public announcement, which shall be the 'specified date' for determining the names of shareholders to whom the letter of offer shall be sent.
(4) Before making the public announcement, the [24][acquirer or] promoter shall appoint a merchant banker registered with the Board and such other intermediaries as are considered necessary.

[21] Inserted by SEBI (Delisting of Equity shares) (Amendment) Regulations 2015, w.e.f. 24-03-2015.
[22] Substituted for word "upon" by the SEBI (Delisting of Equity shares) (Amendment) Regulations 2015, w.e.f. 24-03-2015.
[23] Substituted for the words "thirty working days" by the SEBI (Delisting of Equity Shares) (Second Amendment) Regulations, 2018, w.e.f. 14.11.2018
[24] Inserted by the SEBI (Delisting of Equity shares) (Amendment) Regulations 2015, w.e.f. 24-03-2015.

[25][Explanation. - The merchant banker conducting due diligence on behalf of the company may also act as the manager to the delisting offer.]

(5) It shall be the responsibility of the [26][acquirer/promoter] and the merchant banker to ensure compliance with the provisions of this Chapter.

(6) No [27][acquirer/promoter] shall appoint any person as a merchant banker under sub-regulation (4) if such a person is an associate of the [28][acquirer/promoter].

[29][(7) No entity belonging to the acquirer, promoter and promoter group of the company shall sell shares of the company during the period from the date of the board meeting in which the delisting proposal was approved till the completion of the delisting process.]

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Escrow account

11. (1) Before making the public announcement under regulation 10, the [30][acquirer or] promoter shall open an escrow account and deposit therein the total estimated amount of consideration calculated on the basis of floor price and number of equity shares outstanding with public shareholders.

(2) On determination of final price and making of public announcement under regulation 18 accepting the final price, the [31][acquirer or] promoter shall forthwith deposit in the escrow account such additional sum as may be sufficient to make up the entire sum due and payable as consideration in respect of equity shares outstanding with public shareholders.

(3) The escrow account shall consist of either cash deposited with a scheduled commercial bank, or a bank guarantee in favour of the merchant banker, or a combination of both.

[32][Explanation. - The cash component of the escrow account may be maintained in an interest bearing account, provided that the merchant

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[25] Inserted by the SEBI (Delisting of Equity Shares) (Second Amendment) Regulations, 2018, w.e.f. 14.11.2018.

[26] Substituted for word "promoter" by the SEBI (Delisting of Equity shares) (Amendment) Regulations 2015, w.e.f. 24-03-2015.

[27] *Ibid*

[28] *Ibid*

[29] Inserted by the SEBI (Delisting of Equity shares) (Amendment) Regulations 2015, w.e.f. 24-03-2015.

[30] *Ibid*

[31] *Ibid*

[32] Inserted by the SEBI (Delisting of Equity Shares) (Second Amendment) Regulations, 2018, w.e.f. 14.11.2018.

banker ensures that the funds are available at the time of making payment to shareholders.]

(4) Where the escrow account consists of deposit with a scheduled commercial bank, the promoter shall, while opening the account, empower the merchant banker to instruct the bank to issue banker's cheques or demand drafts for the amount lying to the credit of the escrow account, for the purposes mentioned in these regulations, and the amount in such deposit, if any, remaining after full payment of consideration for equity shares tendered in the offer and
those tendered under sub-regulation (1) of regulation 21 shall be released to the promoter.

(5) Where the escrow account consists of a bank guarantee, such bank guarantee shall be valid till payments are made in respect of all shares tendered under sub-regulation (1) of regulation 21.

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Letter of offer

12. (1) The [33][acquirer or] promoter shall despatch the letter of offer to the public shareholders of equity shares, not later than [34][two] working days from the date of the public announcement [35][***].

(2) The letter of offer shall be sent to all public shareholders holding equity shares of the class sought to be delisted whose names appear on the register of the company or depository as on the date specified in the public announcement under sub-regulation (3) of regulation 10.

(3) The letter of offer shall contain all the disclosures made in the public announcement and such other disclosures as may be necessary for the shareholders to take an informed decision.

(4) The letter of offer shall be accompanied with a bidding form for use of public shareholders and a form to be used by them for tendering shares under sub-regulation (1) of regulation 21.

[36][Explanation. - An eligible public shareholder may participate in the delisting offer and make bids even if he does not receive the bidding

[33] *Ibid*

[34] Substituted for the words "forty five" by the SEBI (Delisting of Equity shares) (Amendment) Regulations 2015, w.e.f. 24-03-2015.

[35] Omitted by the SEBI (Delisting of Equity shares) (Amendment) Regulations 2015, w.e.f. 24-03-2015. Prior to omission it read as "so as to reach them at least five working days before the opening of the bidding period"

[36] Inserted by the SEBI (Delisting of Equity Shares) (Second Amendment) Regulations, 2018, w.e.f. 14.11.2018.

form or the tender offer /offer form and such shareholder may tender shares in the manner specified by the Board in this regard.]

Bidding period

13. (1) The date of opening of the offer shall not be later than [37][seven] working days from the date of the public announcement.

[38][(1A) The acquirer or promoter shall facilitate tendering of shares by the shareholders and settlement of the same, through the stock exchange mechanism as specified by the Board.]

(2) The offer shall remain open for a [39][***] period of five working days, during which the public shareholders may tender their bids.

Right of shareholders to participate in the book building process

14. (1) All public shareholders of the equity shares which are sought to be delisted shall be entitled to participate in the book building process in the manner specified in Schedule II.

(2) [40][An acquirer or promoter] or a person acting in concert with any of the promoters shall not make a bid in the offer and the merchant banker shall take necessary steps to ensure compliance with this sub-regulation.

(3) Any holder of depository receipts issued on the basis of underlying shares held by a custodian and any such custodian shall not be entitled to participate in the offer:

[41][Provided that any holder of depository receipts shall be allowed to participate in the book building process under sub-regulation (1) after exchanging such depository receipts with the shares of the class that are proposed to be delisted.]

[42][***]

[37] Substituted for the words "fifty five" by the SEBI (Delisting of Equity shares) (Amendment) Regulations 2015, w.e.f. 24-03-2015

[38] Inserted by the SEBI (Delisting of Equity shares) (Amendment) Regulations 2015, w.e.f. 24-03-2015.

[39] Omitted by the SEBI (Delisting of Equity shares) (Amendment) Regulations 2015, w.e.f. 24-03-2015.Prior to omission it read as "minimum period of three working days and a maximum"

[40] Substituted for the words "A promoter" by the SEBI (Delisting of Equity shares) (Amendment) Regulations 2015, w.e.f. 24-03-2015

[41] Inserted by the SEBI (Delisting of Equity Shares) (Second Amendment) Regulations, 2018, w.e.f. 14.11.2018.

[42] Omitted ibid. Prior to the omission, the sub-regulation read as follows:

Offer price

15. (1) The offer price shall be determined through book building in the manner specified in Schedule II, after fixation of floor price under sub-regulation (2) and disclosure of the same in the public announcement and the letter of offer.

[43][(2) The floor price shall be determined in terms of regulation 8 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as may be applicable.]

[44][Explanation: The reference date for computing the floor price would be the date on which the recognized stock exchange/s were required to be notified of the board meeting in which the delisting proposal would be considered.]

(3) [45][***]

[46][Right of the promoter to either make a counter offer or reject the offer]

16. (1) The [47][acquirer or] promoter shall not be bound to accept the equity shares at the offer price determined by the book building process.

[48][(1A) If the price discovered in terms of regulation 15 is not acceptable to the acquirer or the promoter, the acquirer or the promoter may make a counter offer to the public shareholders within two working days of the price discovered under regulation 15, in the manner specified by the Board from time to time:

Provided that the counter offer price shall not be less than the book value of the company as certified by the merchant banker.]

(2) Where the [49][acquirer or] promoter decides not to accept the offer price so determined,-

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"(4) Nothing contained in sub-regulation (3) shall affect the right of any holder of depository receipts to participate in the book building process under sub-regulation (1) if the holder of depository receipts exchanges such depository receipts with shares of the class that are proposed to be delisted."

[43] Substituted by the SEBI (Delisting of Equity shares) (Amendment) Regulations 2015, w.e.f. 24-03-2015.

[44] Inserted by the SEBI (Delisting of Equity Shares) (Second Amendment) Regulations, 2018, w.e.f. 14.11.2018.

[45] Omitted by the SEBI (Delisting of Equity shares) (Amendment) Regulations 2015, w.e.f. 24-03-2015.

[46] Substituted for the words "**Right of the promoter not to accept the offer price**" by the SEBI (Delisting of Equity Shares) (Second Amendment) Regulations, 2018, w.e.f. 14.11.2018.

[47] Inserted by the SEBI (Delisting of Equity shares) (Amendment) Regulations 2015, w.e.f. 24-03-2015.

[48] Inserted by the SEBI (Delisting of Equity Shares) (Second Amendment) Regulations, 2018, w.e.f. 14.11.2018.

[49] *Ibid.*

(a) the [50][acquirer or] promoter shall not acquire any equity shares tendered pursuant to the offer and the equity shares deposited or pledged by a shareholder pursuant to [51][clauses] 7 or 9 of Schedule II shall be returned or released to him within ten working days of closure of the bidding period;
(b) the company shall not make the final application to the exchange for delisting of the equity shares;
(c) the [52][acquirer or] promoter may close the escrow account opened under regulation 11; and,
(d)[53][***]
(3) [54][***]

Minimum number of equity shares to be acquired
[55][17.[56][(1)][57][**][58][If a counter offer has not been made by the acquirer or promoter in accordance with regulation 16(1A), an] offer made under chapter III shall be deemed to be successful only if,-
(a) the post offer promoter shareholding (along with the persons acting in concert with the promoter) taken together with the shares accepted through eligible bids at the final price determined as per Schedule II, reaches ninety per cent. of the total issued shares of that class excluding the shares which are held by a custodian and against which depository receipts have been issued overseas; and
(b) at least twenty five per cent of the public shareholders holding shares in the demat mode as on date of the board meeting referred to in sub-regulation (1B) of regulation 8 had participated in the Book Building Process:

Provided that [59][the requirement under clause (b) of sub-regulation (1)] shall not be applicable to cases where the acquirer and the

[50] *Ibid.*
[51] Substituted for the word "paragraphs" by the SEBI (Delisting of Equity Shares) (Second Amendment) Regulations, 2018, w.e.f. 14.11.2018.
[52] *Ibid.*
[53] Omitted by the SEBI (Delisting of Equity shares) (Amendment) Regulations 2015, w.e.f. 24-03-201.5
[54] *Ibid.*
[55]Substituted by the SEBI (Delisting of Equity shares) (Amendment) Regulations 2015, w.e.f. 24-03-2015.
[56] Sub-regulation number inserted by the SEBI (Delisting of Equity Shares) (Second Amendment) Regulations, 2018, w.e.f. 14.11.2018.
[57] Word "An" omitted by the SEBI (Delisting of Equity Shares) (Second Amendment) Regulations, 2018, w.e.f. 14.11.2018.
[58] Inserted ibid.

merchant banker demonstrate to the stock exchanges that they have delivered the letter of offer to all the public shareholders either through registered post or speed post or courier or hand delivery with proof of delivery or through email as a text or as an attachment to email or as a notification providing electronic link or Uniform Resource Locator including a read receipt.

[60][Explanation I. -

a. If the acquirer or the merchant banker send the letters of offer to all the shareholders by registered post or speed post through India Post and is able to provide a detailed account regarding the status of delivery of the letters of offer (whether delivered or not) sent through India Post, the same would be considered as a deemed compliance with the proviso.

b. If the acquirer or the merchant banker is unable to deliver the letter of offer to certain shareholders by modes other than speed post or registered post of India Post, efforts should be made to deliver the letters of offer to them by speed post or registered post through India Post. In that case, a detailed account regarding the status of delivery of letter of offer (whether delivered or not) provided from India Post would also be considered as deemed compliance with the proviso.]

Explanation [61][II].- In case the delisting offer has been made in terms of regulation 5A of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the threshold limit of ninety per cent. for successful delisting offer shall be calculated taking into account the post offer shareholding of the acquirer taken together with the existing shareholding, shares to be acquired which attracted the obligation to make an open offer and shares accepted through eligible bids at the final price determined as per Schedule II.]

[59] Substituted for the words "this requirement" by the SEBI (Delisting of Equity Shares) (Second Amendment) Regulations, 2018, w.e.f. 14.11.2018.

[60] Inserted by the SEBI (Delisting of Equity Shares) (Second Amendment) Regulations, 2018, w.e.f. 14.11.2018.

[61] Numbered ibid.

[62][(2) If a counter offer has been made by the acquirer or promoter in accordance with regulation 16(1A), an offer made under chapter III shall be deemed to be successful only if the post offer promoter shareholding (along with the persons acting in concert with the promoter) taken together with the shares accepted at the counter offer price reaches ninety per cent. of the total issued shares of that class excluding the shares which are held by a custodian and against which depository receipts have been issued overseas.]

Procedure after closure of offer

18. Within [63][five] working days of [64][the] closure of the offer, the [65][promoter/acquirer] and the merchant banker shall make a public announcement in the same newspapers in which the public announcement under sub - regulation (1) of regulation 10 was made regarding:-

(i) the success of the offer in terms of regulation 17 Along with the final price accepted by the acquirer; or

(ii) the failure of the offer in terms of regulation 19; or

[66][***]

Failure of offer

19. (1) Where the offer is rejected under regulation 16 or is not successful as per regulation 17, the offer shall be deemed to have failed and no equity shares shall be acquired pursuant to such offer.

(2) Where the offer fails –

(a) the equity shares deposited or pledged by a shareholder under paragraphs 7 or 9 of Schedule II shall be returned or released to him within ten working days from the end of the bidding period;

[67][Provided that the acquirer shall not be required to return the shares if the offer is made pursuant to regulation 5A of Securities and

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[62] Inserted by the SEBI (Delisting of Equity Shares) (Second Amendment) Regulations, 2018, w.e.f. 14.11.2018.

[63] Substituted for the word "eight" by the SEBI (Delisting of Equity shares) (Amendment) Regulations 2015, w.e.f. 24-03-2015

[64] Inserted by the SEBI (Delisting of Equity Shares) (Second Amendment) Regulations, 2018, w.e.f. 14.11.2018.

[65] Substituted for the word "promoter" by the SEBI (Delisting of Equity shares) (Amendment) Regulations 2015, w.e.f. 24-03-2015

[66] Omitted by the SEBI (Delisting of Equity Shares) (Second Amendment) Regulations, 2018, w.e.f. 14.11.2018. Prior to the omission, the clause read as follows:

"(iii) rejection under regulation 16 of the final price discovered under Schedule II, by the promoters."

[67] Inserted by the SEBI (Delisting of Equity shares) (Amendment) Regulations 2015, w.e.f. 24-03-2015.

Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.]
(b) no final application shall be made to the exchange for delisting of the equity shares; and
(c) the escrow account opened under regulation 11 shall be closed.

Payment of consideration and return of equity shares
20. (1) The promoter shall immediately [68][upon] success of the offer, open a special account with a banker to an issue registered with the Board and transfer thereto, the entire amount due and payable as consideration in respect of equity shares tendered in the offer, from the escrow account.
(2) All the shareholders whose equity shares are verified to be genuine shall be paid the final price stated in the public announcement within ten working days from the closure of the offer.
(3) The equity shares deposited or pledged by a shareholder pursuant to paragraphs 7 or 9 of Schedule II shall be returned or released to him, within ten working days from the closure of the offer, in cases where the bids pertaining thereto have not been accepted.

Right of remaining shareholders to tender equity shares
21. (1) Where, pursuant to acceptance of equity shares tendered in terms of these regulations, the equity shares are delisted, any remaining public shareholder holding such equity shares may tender his shares to the promoter upto a period of [69][minimum] one year from the date of delisting and, in such a case, the promoter shall accept the shares tendered at the same final price at which the earlier acceptance of shares was made.
(2) The payment of consideration for shares accepted under sub-regulation (1) shall be made out of the balance amount lying in the escrow account.
(3) The amount in the escrow account or the bank guarantee shall not be released to the promoter unless all payments are made in respect of shares tendered under sub-regulation (1).

[68] Substituted for the words "on ascertaining" by the SEBI (Delisting of Equity Shares) (Second Amendment) Regulations, 2018, w.e.f. 14.11.2018.
[69] Substituted ibid for the words "atleast".

CHAPTER V
COMPULSORY DELISTING

Compulsory delisting by a stock exchange

22. (1) A recognised stock exchange may, by order, delist any equity shares of a company on any ground prescribed in the rules made under section 21A of the Securities Contracts (Regulation) Act, 1956 (42 of 1956): Provided that no order shall be made under this sub regulation unless the company concerned has been given a reasonable opportunity of being heard.

(2) The decision regarding compulsory delisting shall be taken by a panel to be constituted by the recognised stock exchange consisting of – (a) two directors of the recognised stock exchange (one of whom shall be a public representative);

(b) one representative of the investors;

(c) one representative of the Ministry of Corporate Affairs or Registrar of Companies; and

(d) the Executive Director or Secretary of the recognised stock exchange.

(3) Before [70][passing] an order under sub-regulation (1), the recognised stock exchange shall give a notice in one English national daily with wide circulation and one regional language newspaper of the region where the concerned recognised stock exchange is located, of the proposed delisting, giving a time period of not less than fifteen working days from the notice, within which representations may be made to the recognised stock exchange by any person who may be aggrieved by the proposed delisting and shall also display such notice on its trading systems and website.

(4) The recognised stock exchange shall while passing any order under sub-regulation (1), consider the representations, if any, made by the company as also any representations received in response to the notice given under sub regulation (3) and shall comply with the criteria specified in Schedule III.

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[70] Substituted for the word "making" by the SEBI (Delisting of Equity Shares) (Second Amendment) Regulations, 2018, w.e.f. 14.11.2018.

(5) The provisions of Chapter IV shall not be applicable to a compulsory delisting made by a recognised stock exchange under this Chapter.
(6) Where the recognised stock exchange passes an order under sub-regulation (1), it shall, -
(a) forthwith publish a notice in one English national daily with wide circulation and one regional language newspaper of the region where the concerned recognised stock exchange is located, of the fact of such delisting, disclosing therein the name and address of the company, the fair value of the delisted equity shares determined under sub-regulation (1) of regulation 23 and the names and addresses of the promoters of the company who would be liable under sub-regulation (3) of regulation 23; and
(b) inform all other stock exchanges where the equity shares of the company are listed, about such delisting [71][***].

Rights of public shareholders in case of a compulsory delisting
23. **[72]**[(1)] The recognised stock exchange shall form a panel of expert valuers from whom the valuer or valuers shall be appointed for purposes of [73][sub-regulation (2)].
[74][2] Where equity shares of a company are delisted by a recognised stock exchange under this Chapter, the recognised stock exchange shall appoint an independent valuer or valuers who shall determine the fair value of the delisted equity shares.
(3)The promoter of the company shall acquire delisted equity shares from the public shareholders by paying them the value determined by the valuer [75][within three months of the date of delisting from the recognised stock exchange], subject to their option of retaining their shares. Explanation: For the purposes of sub-regulation (1), -
(a) 'valuer' means a chartered accountant within the meaning of clause (b) of section 2 of the Chartered Accountants Act, 1949 (38 of 1949), who has undergone peer review as specified by the Institute of

[71] Words "and the surrounding circumstances" omitted by the SEBI (Delisting of Equity Shares) (Second Amendment) Regulations, 2018, w.e.f. 14.11.2018.
[72] Renumbered ibid.
[73] Substituted for the words and figure "sub-regulation (1)" by the SEBI (Delisting of Equity Shares) (Second Amendment) Regulations, 2018, w.e.f. 14.11.2018.
[74] Renumbered ibid.
[75] Inserted by the SEBI (Delisting of Equity Shares) (Second Amendment) Regulations, 2018, w.e.f. 14.11.2018.

Chartered Accountants of India constituted under that Act, or a merchant banker appointed to determine the value of the delisted equity shares;
(b) value of the delisted equity shares shall be determined by the valuer having regard to the factors mentioned in regulation 15.

Consequences of compulsory delisting

24. [76][(1)]Where a company has been compulsorily delisted under this Chapter, 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.

[77][(2) In case of such companies 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 (3) of regulation 23, as certified by the concerned recognized stock exchange;

(b) 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 as stated in clause (a) above is provided.]

CHAPTER VI
POWERS OF THE BOARD

Power of the Board to issue clarifications

25. In order to remove any difficulties in the application or interpretation of these regulations, the Board may issue clarifications and guidelines [78][from time to time].

[76] Numbered by the SEBI (Delisting of Equity Shares) (Second Amendment) Regulations, 2018, w.e.f. 14.11.2018.

[77] Inserted ibid.

[79]**[Power to relax strict enforcement of the regulations.**

25A. (1) The Board may for reasons recorded in writing, grant relaxation from strict enforcement of any of the requirements of these regulations, if the Board is satisfied that the relaxation is in the interests of investors in securities and the securities market.

(2) For seeking exemption under sub-regulation (1), the promoter or the acquirer or the company shall file an application with the Board, supported by a duly sworn affidavit, giving details for seeking such exemption and the grounds on which the exemption has been sought.

(3) The promoter or the acquirer or the company, as the case may be, shall along with the application referred to under [80][sub-regulation (2)] pay a non- refundable fee of rupees fifty thousand, [81][by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or] by way of a banker's cheque or demand draft payable in Mumbai in favour of the Board.

(4) The Board may after affording reasonable opportunity of being heard to the applicant and after considering all the relevant facts and circumstances, pass a reasoned order either granting or rejecting the exemption or relaxation sought as expeditiously as possible.]

Directions by the Board

26. Without prejudice to provisions of the Act and those of the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Board may in case of any violation of these regulations and in the interests of the investors and the securities market give such directions as it deems fit.

[82][***]

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[78] Substituted for the words "in the form of circulars" by the SEBI (Delisting of Equity Shares) (Second Amendment) Regulations, 2018, w.e.f. 14.11.2018.

[79] Inserted by the SEBI (Delisting of Equity shares) (Amendment) Regulations 2015, w.e.f. 24-03-2015.

[80] Substituted for "sub-regulation (3)" by the SEBI (Delisting of Equity Shares) (Second Amendment) Regulations, 2018, w.e.f. 14.11.2018.

[81] Inserted by the SEBI (Payment of Fees and Mode of Payment) (Amendment) Regulations, 2017, w.e.f. 6-3-2017.

[82] The following proviso omitted by the SEBI (Delisting of Equity Shares) (Second Amendment) Regulations, 2018, w.e.f. 14.11.2018:

CHAPTER VII
SPECIAL PROVISIONS FOR SMALL COMPANIES AND DELISTING BY OPERATION OF LAW

Special provisions in case of small companies

27. [83]**[**(1) Equity shares of a company may be delisted from all the recognised stock exchanges where they are listed, without following the procedure in Chapter IV, if,-

a) the company has a paid up capital not exceeding ten crore rupees and net worth not exceeding twenty five crore rupees as on the last date of preceding financial year;

b) [84][the number of equity shares of the company traded on each such recognised stock exchange during the twelve calendar months immediately preceding the date of board meeting referred to in sub-regulation (1B) of regulation 8 is less than ten per cent of the total number of shares of such company:

Provided that where the share capital of a particular class of shares of the company is not identical throughout such period, the weighted average of the shares of such class shall represent the total number of shares of such class of shares of the company; and]

c) the company has not been suspended by any of the recognised stock exchanges having nation-wide trading terminals for any non-compliance in the preceding one year;]

(2) [85][***]

(3) A delisting of equity shares may be made under sub regulation (1) [86][***] only if, in addition to fulfilment of the requirements of regulation 8, the following conditions are fulfilled:-

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"Provided that the Board shall, either before or after passing such orders, give an opportunity of hearing to the concerned person."

[83] Substituted by the SEBI (Delisting of Equity shares) (Amendment) Regulations 2015, w.e.f. 24-03-2015.

[84] SEBI (Delisting of Equity Shares) (Amendment) Regulations, 2016, w.e.f 12-1-2016. Prior to the substitution, clause b) read as follows:

"the equity shares of the company were not traded in any recognised stock exchange for a period of one year immediately preceding the date of board meeting referred to in sub-regulation (1B) of regulation 8; and"

[85]. Omitted by the SEBI (Delisting of Equity shares) (Amendment) Regulations, 2015, w.e.f. 24-03-2015.

[86] Omitted the words "or sub-regulation (2)" by the SEBI (Delisting of Equity shares) (Amendment) Regulations, 2015, w.e.f. 24-03-2015.

(a) the promoter appoints a merchant banker and decides an exit price in consultation with him;
(b) [87][the exit price offered to the public shareholders shall not be less than the floor price determined in terms of sub-regulation (2) of regulation 15 of these regulations read with clause (e) of sub-regulation (2) of regulation 8 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;[
(c) the promoter writes individually to all public shareholders in the company informing them of his intention to get the equity shares delisted, indicating the exit price together with then justification therefore and seeking their consent for the proposal for delisting;
(d) [88][the public shareholders, irrespective of their numbers, holding ninety percent or more of the public shareholding give their consent] in writing to the proposal for delisting, and have consented either to sell their equity shares at the price offered by the promoter or to remain holders of the equity shares even if they are delisted;
(e) the promoter completes the process of inviting the positive consent and finalisation of the proposal for delisting of equity shares within seventy five working days of the first communication made under clause (c);
(f) the promoter makes payment of consideration in cash within fifteen working days from the date of expiry of seventy five working days stipulated in clause (e).
(4) The communication made to the public shareholders under clause (c) of sub-regulation (3) shall contain justification for the offer price with particular reference to the applicable parameters mentioned in regulation 15 and specifically mention that consent for the proposal would include consent for dispensing with the exit price discovery through book building method.
(5) The concerned recognised stock exchange may delist such equity shares upon satisfying itself of compliance with this regulation.

[87] Substituted by the SEBI (Delisting of Equity Shares) (Amendment) Regulations, 2016, w.e.f 12-1-2016. Prior to such substitution, clause b) read as follows:
"the exit price offered to the public shareholders shall not be less than the price arrived at in consultation with the merchant banker;"
[88] Substituted for the words "at least ninety per cent of such public shareholders give their positive consent" by the SEBI (Delisting of Equity Shares) (Second Amendment) Regulations, 2018, w.e.f. 14.11.2018.

Delisting in case of winding up, derecognition, etc

28. (1) In case of winding up proceedings of a company whose equity shares are listed on a recognised stock exchange, the rights, if any, of the shareholders of such company shall be in accordance with the laws applicable to those proceedings.

(2) Where the Board withdraws recognition granted to a stock exchange or refuses renewal of recognition to it, the Board may, in the interest of investors pass appropriate order in respect of the status of equity shares of the companies listed on that exchange.

CHAPTER VIII
MISCELLANEOUS

Recognised stock exchanges to monitor compliance

29. The respective recognised stock exchanges shall comply with and monitor compliance with the provisions of these regulations and shall report to the Board any instance of non-compliance which comes to their notice.

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Listing of delisted equity shares

30. (1) No application for listing shall be made in respect of any equity shares,

(a) which have been delisted under Chapter III or under Chapter VII (except regulation 27), for a period of five years from the delisting;

(b) which have been delisted under Chapter V, for a period of ten years from the delisting.

(2) Notwithstanding anything contained in sub-regulation (1), an application for listing of delisted equity shares may be made where a recommendation in this regard has been made by the Board for Industrial and Financial Reconstruction under the Sick Industrial Companies (Special Provisions) Act, 1985.

(3) While considering an application for listing of any equity shares which had been delisted the recognised stock exchange shall have due regard to facts and circumstances under which delisting was made.

(4) An application for listing made in respect of delisted equity shares shall be deemed to be an application for fresh listing of such equity

shares and shall be subject to provisions of law relating to listing of equity shares of unlisted companies.

[89][Repeal and Savings]

31. (1) Anything done or omitted to be done or any right, privilege, obligation or liability acquired or accrued or incurred under Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 prior to the commencement of these regulations shall be governed by said guidelines.

[90][(2) Any proposal for delisting made by company or any promoter or acquirer who wanted to delist securities of the company, prior to commencement of these regulations and where the offer price has not been determined in terms of sub- regulation (1) of regulation 15 as on the date of such commencement, shall be proceeded with under the [91][Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, as amended from time to time].

(3) The remaining procedures in respect of an exit opportunity already completed or an exit opportunity initiated but not completed under the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 prior to commencement of these regulations, shall be completed and the application for delisting made pursuant thereto shall be dealt under the said guidelines.

SCHEDULE I

[See regulation 10(2)]

CONTENTS OF THE PUBLIC ANNOUNCEMENT

1. The floor price and the offer price and how they were arrived at.
2. The dates of opening and closing of the offer.
3. The name of the exchange from which the equity shares are sought to be delisted.
4. The manner in which the offer can be accepted by the shareholders.

[89] Substituted for the title "Transitional provisions" by the SEBI (Delisting of Equity Shares) (Second Amendment) Regulations, 2018, w.e.f. 14.11.2018.

[90] Substituted by the SEBI (Delisting of Equity shares) (Amendment) Regulations 2015, w.e.f. 24-03-2015.

[91] Substituted for "Securities and Exchange Board of India (Delisting of Equity) Regulations, 2009 as amended by the Securities and Exchange Board of India (Delisting of Equity Shares) Amendment) Regulations, 2015" by the SEBI (Delisting of Equity Shares) (Second Amendment) Regulations, 2018, w.e.f. 14.11.2018.

5. Disclosure regarding the minimum acceptance condition for success of the offer.
6. The names of the merchant banker and other intermediaries together with the helpline number for the shareholders.
7. The specified date fixed as per sub-regulation (3) of regulation 10.
8. The object of the proposed delisting.
9. The proposed time table from opening of the offer till the payment of consideration or return of equity shares.
10. Details of the escrow account and the amount deposited therein.
11. Listing details and stock market data:
(a) high, low and average market prices of the equity shares of the company during the preceding three years;
(b) monthly high and low prices for the six months preceding the date of the public announcement; and,
(c) the volume of equity shares traded in each month during the six months preceding the date of public announcement.
12. Present capital structure and shareholding pattern.
13. The likely post-delisting shareholding pattern.
14. The aggregate shareholding of the promoter together with persons acting in concert and of the directors of the promoter where the promoter is a company and of persons who are in control of the company.
15. A statement, certified to be true by the board of directors of the company, disclosing material deviation, if any, in utilisation of proceeds of issues of securities made during the five years immediately preceding the date of public announcement, from the stated object of the issue.
16. A statement by the board of directors of the company confirming that all material information which is required to be disclosed under the provisions of continuous listing requirement have been disclosed to the stock exchanges.
[92][16A: A statement by the board of directors of the company certifying that:-
(a) the company is in compliance with the applicable provisions of securities laws;

[92] Inserted by the SEBI (Delisting of Equity shares) (Amendment) Regulations 2015, w.e.f. 24-03-2015.

(b) the acquirer or promoter or promoter group or their related entities have not carried out any transaction during the aforesaid period to facilitate the success of the delisting offer which is not in compliance with the provisions of sub-regulation (5) of regulation 4;
(c) the delisting is in the interest of the shareholders.]
17. Name of compliance officer of the company.
18. It should be signed and dated by the promoter. Where the promoter is a company, the public announcement shall be dated and signed on behalf of the board of directors of the company by its manager or secretary, if any, and by not less than two directors of the company, one of whom shall be a managing director where there is one.

SCHEDULE II
[See regulation 15(1)]
THE BOOK BUILDING PROCESS

1. The book building process shall be made through an electronically linked transparent facility and the promoter shall enter into an agreement with a stock exchange for the purpose.
2. The public announcement and letter of offer shall be filed without delay with the stock exchange mentioned in paragraph 1 and such stock exchange shall forthwith post the same in its website.
3. The minimum number of bidding centres shall be:
(a) the four metropolitan centres situated at Mumbai, Delhi, Kolkata and Chennai;
(b) such cities in the region in which the registered office of the company is situated, as are specified by the stock exchange mentioned in paragraph 1.
4. There shall be at least one electronically linked computer terminal at all bidding centres.
5. The shareholders may withdraw or revise their bids upwards not later than one day before the closure of the bidding period. Downward revision of bids shall not be permitted.
6. The promoter shall appoint 'trading members' at the bidding centres, whom the public shareholders may approach for placing bids on the on-line electronic system.

7. The shareholders holding dematerialised shares desirous of availing the exit opportunity may deposit the equity shares in respect of which bids are made, with the special depositories account opened by the merchant banker for the purpose prior to placement of orders or, alternately, may mark a pledge for the same to the merchant banker in favour of the said account.
8. The merchant banker shall ensure that the equity shares in the said special depositories account are not transferred to the account of the promoter unless the bids in respect thereof are accepted and payments made.
9. The holders of physical equity shares may send their bidding form together with the share certificate and transfer deed to the trading member appointed for the purpose, who shall immediately after entering their bids on the system send them to the company or the share transfer agent for confirming their genuineness. The company or the share transfer agent shall deliver the certificates which are found to be genuine to the merchant banker, who shall not make it over to promoter unless the bids in respect thereof are accepted and payment made. The bids in respect of the certificates which are found to be not genuine shall be deleted from the system.
10. The verification of physical certificates shall be completed in time for making the public announcement under regulation 18.
11. The bids placed in the system shall have an audit trail which includes stock broker identification details, time stamp and unique order number.
[93][11A. Para 1 to 11 shall not be applicable in respect of the book building process where settlement is carried out through stock exchange mechanism as specified in sub-regulation (1A) of regulation 13 of these regulations.]
[94][12. The final offer price shall be determined as the price at which shares accepted through eligible bids, that takes the shareholding of the promoter or the acquirer (along with the persons acting in concert) to ninety per cent. of the total issued shares of that class excluding the shares which are held by a custodian and against which depository receipts have been issued. If the final price is accepted, then, the

[93] Inserted by the SEBI (Delisting of Equity shares) (Amendment) Regulations 2015, w.e.f. 24-03-2015.
[94] ibid.

promoter shall accept all shares tendered where the corresponding bids placed are at the final price or at a price which is lesser than the final price. The promoter may, if he deems fit, fix a higher final price.

An illustration for arriving at the final offer price is given in the table below:

Bid price (Rs.)	*Number of investors*	*Demand (Number of shares)*	*Cumulative demand (Number of shares)*	
550	*5*	*2,50,000*	*2,50,000*	
565	*8*	*4,00,000*	*6,50,000*	
575	*10*	*2,00,000*	*8,50,000*	
585	*4*	*4,00,000*	*12,50,000*	
595	*6*	*1,20,000*	*13,70,000*	
600	*5*	*1,30,000*	*15,00,000*	→ Final Offer Price
605	*3*	*2,10,000*	*17,10,000*	
610	*3*	*1,40,000*	*18,50,000*	
615	*3*	*1,50,000*	*20,00,000*	
620	*1*	*5,00,000*	*25,00,000*	
	48	*25,00,000*		

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Assuming floor price of Rs.550/- per share, promoter/ acquirer shareholding at 75% and number of shares required for successful delisting as 15,00,000, the final price would be the price at which the promoter reaches the threshold of 90%, i.e., it would be Rs.600/- per share.]

SCHEDULE III
[See regulation 22(4)]
CRITERIA FOR COMPULSORY DELISTING

1. The recognised stock exchange shall take all reasonable steps to trace the promoters of a company whose equity shares are proposed to be delisted, with a view to ensuring compliance with sub-regulation (3) of regulation 23.
2. The recognised stock exchange shall consider the nature and extent of the alleged non-compliance of the company and the number and

percentage of shareholders who may be affected by such non-compliance.

3. The recognised stock exchange shall take reasonable efforts to verify the status of compliance of the company with the office of the concerned Registrar of Companies.

4. The names of the companies whose equity shares are proposed to be delisted and their promoters shall be displayed in a separate section on the website of the recognised stock exchange for a brief period of time. If delisted, the names shall be shifted to another separate section on the website.

5. The recognised stock exchange shall in appropriate cases file prosecutions under relevant provisions of the Securities Contracts (Regulation) Act, 1956 or any other law for the time being in force against identifiable promoters and directors of the company for the alleged non-compliances.

6. The recognised stock exchange shall in appropriate cases file a petition for winding up the company under section 433 of the Companies Act, 1956 (1 of 1956) or make a request to the Registrar of Companies to strike off the name of the company from the register under section 560 of the said Act.

K. M. ABRAHAM
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA

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