



भारतीय प्रतिभूति और विनियम बोर्ड
Securities and Exchange Board of India

Deputy General Manager

Corporation Finance Department

Division of Policy and Development – 2

Email: rajkd@sebi.gov.in

SEBI/HO/CFD/PoD-2/OW/P/2024/36924/1

November 29 , 2024

OneSource Specialty Pharma Limited

Star 1, Opp IIM Bangalore, Bilekahalli

Bannerghatta Road, Bengaluru

Karnataka– 560076, India

Madam,

Kind attention: Ms. Trisha A (Company Secretary)

Sub: Request for Informal Guidance by way of an Interpretive Letter with respect to Regulation 172(1)(b) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations").

1. This is with reference to your letter dated September 30, 2024 ("application") seeking guidance by way of an interpretive letter under the Securities and Exchange Board of India (Informal Guidance) Scheme, 2003 ("Informal Guidance Scheme") and the subsequent clarification provided vide email dated October 22, 2024.
2. In your application under reference you have, *inter alia*, represented as under:
 - 2.1. The board of directors of OneSource, a public limited company, at its meeting held on September 25, 2023, approved a scheme of arrangement amongst (i) OneSource; (ii) Strides Pharma Science Limited ("**Strides or transferor company 1**") , whose shares are listed on the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") w.e.f June 8, 2004 and



February 2, 2000 respectively; (iii) Steriscience Specialties Private Limited ("**SteriScience or transferor company 2**"), which is a private limited company; and (iv) their respective shareholders ("Scheme"), in accordance with the provisions of Sections 230 to 232 of the Companies Act, 2013.

2.2. Under the Scheme, the demerger involves the transfer of specific business segments from Strides and Steriscience into OneSource. Additionally, OneSource issued redeemable non-convertible debentures (NCDs) through private placement, which were listed on the BSE debt segment on May 8, 2024.

2.3. Pursuant to board approval, OneSource filed a petition for approval of the Scheme with the National Company Law Tribunal (NCLT) on June 21, 2024. The NCLT directed the convening of meetings of shareholders and creditors, and the Scheme was subsequently approved on September 10, 2024. The parties are now seeking final approval from the NCLT.

2.4. In accordance with SEBI's Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, on "Scheme of Arrangement by Listed Entities" and under Sub-rule (7) of Rule 19 of the Securities Contracts (Regulation) Rules, 1957, OneSource plans to list its equity shares on the BSE and NSE, subject to final NCLT approval.

2.5. Post-listing, OneSource plans to raise funds through a Qualified Institutions Placement ("QIP") of its equity shares, as permitted under Regulation 172(1)(b) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations"). The equity shares to be issued in the QIP will be of the same class as those of Strides, which has been listed on BSE and NSE since June 8, 2004, and February 2, 2000, respectively.

2.6. While referring to the provisions of Regulation 172(1)(b) of the ICDR Regulations, you have sought clarifications as under:

2.6.1. *Whether OneSource can avail the exemption set out as a proviso to Regulation 172(1)(b) of the ICDR Regulations and undertake a QIP within one year of listing its shares on account of Strides, being one of the transferor companies, having its equity shares listed on BSE and NSE for a period of more than one year prior to the listing of OneSource; and*

2.6.2. *Whether Steriscience, being an unlisted company and also a transferor company under the Scheme, will have any impact on OneSource's ability to claim the exemption pursuant to the proviso to Regulation 172(1)(b) of the ICDR Regulations.*

Thereafter, vide your email dated October 22, 2024, you have provided clarification with respect to the second query as follows:

"Can OneSource avail the exemption provided under Regulation 172(1)(b) of ICDR, if out of two transferor companies, one is a previously listed company (i.e. Strides) and the other is a private company (i.e. SteriScience). In other words, is it required for both the transferor companies to be listed for more than one year to avail the exemption under regulation 172(1)(b) of ICDR."

3. With respect to your queries, we have considered the submissions made by you in your application and without necessarily agreeing with your analysis, our views on the queries are given below:

3.1. The relevant legal provisions are reproduced below:

Regulation 172 of the ICDR Regulations:

"Eligibility Conditions"

172.(1) A listed issuer may make a qualified institutions placement of eligible securities if it satisfies the conditions:

a) a special resolution approving the qualified institutions placement has been passed by its shareholders, and the special resolution shall, among other relevant matters, specify that the allotment is proposed to be made through qualified institutions placement and the relevant date referred to in clause (b) of regulation 171;

Provided that no shareholders' resolution will be required in case the qualified institutions placement is through an offer for sale by promoters or promoter group for compliance with minimum public shareholding requirements specified in the Securities Contracts (Regulation) Rules, 1957;

Provided further that allotment pursuant to the special resolution referred to in this clause (a) of regulation 172 shall be completed within a period of 365 days from the date of passing of the resolution.





b) the equity shares of the same class, which are proposed to be allotted through qualified institutions placement or pursuant to conversion or exchange of eligible securities offered through qualified institutions placement, have been listed on a stock exchange for a period of at least one year prior to the date of issuance of notice to its shareholders for convening the meeting to pass the special resolution:

Provided that where an issuer, being a transferee company in a scheme of compromise, arrangement and amalgamation sanctioned by a High Court or approved by a tribunal or the Central Government under sections 230 to 234 of the Companies Act, 2013, whichever is applicable makes qualified institutions placement, the period for which the equity shares of the same class of the transferor company were listed on a stock exchange having nation-wide trading terminals shall also be considered for the purpose of computation of the period of one year.

Provided further that this clause shall not be applicable to an issuer proposing to undertake qualified institutional placement for complying with the minimum public shareholding requirements specified in the Securities Contracts (Regulation) Rules, 1957.

Explanation: For the purpose of clause (b), "equity shares of the same class" shall mean equity shares which rank pari-passu in relation to rights as to dividend, voting or otherwise."

3.2. Response to the queries at para 2.6. above: In respect of the queries raised by you, the following may be noted,

3.2.1. A listed issuer is eligible to conduct a QIP of securities only if it fulfils the conditions laid down under Regulation 172 of the ICDR Regulations. In terms of Clause (b) of sub-regulation (1) of Regulation 172, one of the conditions for a QIP by a listed company is that the class of equity shares being offered through the QIP must have been listed on a recognized stock exchange for a minimum period of one year prior to the issuance of the notice convening the shareholders' meeting to pass the special resolution permitting the QIP. The thrust in the aforesaid provision is on the listing status of the equity share of a particular class that are proposed to be issued in a QIP.



3.2.2. Further, the proviso to Regulation 172(1)(b) of the ICDR Regulations specifies that where the issuer is the transferee company in a scheme of compromise, arrangement, or amalgamation that has been sanctioned by a High Court, tribunal, or the Central Government under Sections 230-234 of the Companies Act, 2013, the period during which the equity shares of the transferor company were listed on a stock exchange with nationwide trading terminals shall also be considered for the purpose of calculating the one-year listing requirement. Here too, the focus is on the listing status of the transferor company for the purposes of availing the benefit.

3.2.3. Though the reference in clause (b) is to a 'transferor company' (i.e. one company), Section 13(2) of The General Clauses Act, 1897 provides that in all Central Acts and Regulations, unless there is anything repugnant in the subject or context, the words in the singular shall include the plural, and vice versa. Reference is also made to SEBI's Circular No. SEBI/CFD/DIL/DIP/32/2008/28/08 dated August 28, 2008 (which had amended the erstwhile Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 by inserting the proviso to afford the benefit to a transferee company proposing QIP) which in Paragraph 2(iii)(b) inter alia provides that a transferee company may take into account the listing history of the listed companies with which they have entered into the scheme of arrangement. Thus, to avail the benefit under the proviso to Regulation 172 (1)(b) of the ICDR Regulations, all the transferor companies involved in a Scheme ought to be listed entities.

3.2.4. In the present matter, two transferor companies are involved in the scheme of arrangement. Although, the equity shares of transferor company 1 have been listed for more than one year prior to the listing of the transferee company, the transferor company 2 is an unlisted private limited company. Since, all the transferor companies involved in the scheme are not listed entities, the transferee company (OneSource) may not be able to avail the benefit under the proviso to Regulation 171(1)(b) of the ICDR Regulations.



4. The above position is based on the information furnished in your letter under reference. Different facts or conditions might lead to a different result. Further, this letter does not express a decision of the Board on the questions referred.
5. You may also note that the above position is expressed only with respect to the guidance sought in your letter under reference in respect of the provisions as referred above and does not affect the applicability of any other law or requirement of any other SEBI Regulation, Guidelines and Circulars administered by SEBI or the laws administered by any other authority.

Yours faithfully,

Raj Kumar Das