

THE GAZETTE OF INDIA
EXTRAORDINARY
PART III – SECTION 4
PUBLISHED BY AUTHORITY
SECURITIES AND EXCHANGE BOARD OF INDIA
NOTIFICATION
Mumbai, the 10th June, 2021
SECURITIES AND EXCHANGE BOARD OF INDIA
(DELISTING OF EQUITY SHARES) REGULATIONS, 2021

No. SEBI/LAD-NRO/GN/2021-25 - In exercise of the powers conferred by section 31 read with section 21A of the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and 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: -

CHAPTER I

PRELIMINARY

Short title and commencement

1. (1) These regulations shall be called the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021.
(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, the terms defined herein shall bear the meaning assigned to them below and their cognate expressions and variations shall be construed accordingly,-
 - a) “Act” means the Securities and Exchange Board of India Act, 1992 (15 of 1992);
 - b) “acquirer” includes a person -
 - (i) who decides to make an offer for delisting of equity shares of the company along with the persons acting in concert in accordance with regulation 5A of the Takeover Regulations as amended from time to time ; or
 - (ii) who is the promoter or part of the promoter group along with the persons acting in concert.
 - c) “Board” means the Securities and Exchange Board of India established under section 3 of the Act;

- d) “bidding period” means the period within which shareholders may tender their shares in acceptance of the offer for delisting of equity shares of the company made under these regulations;
- e) “control” shall have the same meaning as assigned to it under the Takeover Regulations as amended from time to time;
- f) “company” means a company within the meaning of sub-section (20) of section 2 of the Companies Act, 2013 (18 of 2013) and includes a body corporate or corporation established under any enactment for the time being in force, whose equity shares are listed on a recognised stock exchange;
- g) “compulsory delisting” means delisting of equity shares of a company by a recognised stock exchange under Chapter V of these regulations;
- h) “Company Secretary in practice” means a Company Secretary as defined in section 2(c) of the Company Secretaries Act, 1980 (56 of 1980) who is deemed to be in practice under sub-section (2) of section 2 of the said Act;
- i) “detailed public announcement” means the announcement made by the acquirer in terms of regulation 15 read with Schedule I of these regulations;
- j) “delisting” means permanent removal of equity shares of the company from the trading platform of a recognised stock exchange, either by way of voluntary or compulsory method;
- k) “delisting period” means the period between the date of initial public announcement and the date of payment of consideration to the shareholders, whose shares have been accepted in the reverse book building process or the date on which shares have been returned upon failure of the delisting offer, as the case may be;
- l) “discovered price” means the price discovered through reverse book building process in terms of Schedule II of these Regulations;

¹[la) “fixed delisting price” means the fixed price offered by the acquirer for undertaking delisting of the equity shares of the company through fixed price process;]

- m) ²[“floor price” means the minimum price offered by the acquirer in terms of regulation 19A of these regulations, while making the proposal for voluntarily delisting of the equity shares of the company;]
- n) “frequently traded shares” shall have the same meaning as assigned to it under the Takeover Regulations as amended from time to time;

¹ Inserted by the Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2024 w.e.f. 25.09.2024. The provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2024 shall be applicable to such delisting offers whose initial public announcement is made on or after the date of coming into force of the said amendment regulations, i.e., 25.09.2024. An acquirer may make the delisting offer in terms of the provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 as they existed before the coming into force of Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2024 till the sixtieth day from 25.09.2024.

² Substituted by the Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2024 w.e.f. 25.09.2024. Before the substitution, the clause read as under-

“m) “floor price” means the minimum price offered by the acquirer, computed in accordance with regulation 8 of the Takeover Regulations as amended from time to time, while making the proposal for voluntarily delisting of the equity shares of the company;”

- o) "indicative price" means the price offered by the acquirer, which is higher than the floor price, while making the proposal to voluntarily delist the equity shares of the company;
- p) "innovators growth platform" shall have the same meaning as assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time;
- q) "initial public announcement" means the first announcement, including subsequent modifications thereto, if any, made by the acquirer to express its intention to voluntarily delist the equity shares of the company from all the recognised stock exchanges.
- r) "Insolvency Code" means the Insolvency and Bankruptcy Code, 2016 (31 of 2016);

³[ra) "Investment Holding Company" means a company which holds investments in listed or unlisted companies or holding assets other than such investments;]

- s) "Peer Review Company Secretary" means a Company Secretary in practice, who is either practicing individually or as a sole proprietor or as a partner of a Peer Reviewed Practice Unit , holding a valid certificate of peer review issued by the Institute of Company Secretaries of India;
- t) "public shareholding" shall have the same meaning as assigned to it under rule 2(e) of the Securities Contracts (Regulation) Rules, 1957 as amended from time to time and "public shareholders" shall be construed accordingly;
- u) "persons acting in concert" shall have the same meaning as assigned to it under the Takeover Regulations as amended from time to time;
- v) "promoter" shall have the same meaning as assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time;
- w) "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, 2018 as amended from time to time;
- x) "recognised stock exchange" means any stock exchange that has been granted recognition under section 4 of Securities Contracts (Regulation) Act, 1956 (42 of 1956) as amended from time to time;
- y) "Schedule" means a Schedule appended to these regulations;
- z) "securities laws" mean the Act, the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act,1996 (22 of 1996), the relevant provisions of any other law to the extent it is administered by the Board and the relevant rules and regulations made thereunder;
- aa) "Takeover Regulations" mean the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- bb) "voluntary delisting" means the delisting of equity shares of a company voluntarily on an application made by it under Chapter III of these regulations;
- cc) "valuer" shall have the same meaning as assigned to it under section 247 of the Companies Act, 2013 (18 of 2013) as amended from time to time;

³ Inserted by the Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2024 w.e.f. 25.09.2024.

dd) “volume weighted average price” shall have the same meaning as assigned to it under the Takeover Regulations as amended from time to time;
ee) “working days” means the working days of the Board.

(2) All other words and expressions used but not defined in these regulations, but defined in the Act or the Companies Act, 2013 (18 of 2013), the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996) and/or the rules and regulations made thereunder, shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

CHAPTER II

DELISTING OF EQUITY SHARES

Scope and applicability

3. (1) These regulations shall apply to delisting of equity shares of a company including equity shares having superior voting rights from all or any of the recognised stock exchanges where such shares are listed.

(2) Nothing contained in these regulations shall apply to the delisting of equity shares of a listed company—

- (a) that have been listed and traded on the innovators growth platform of a recognised stock exchange without making a public issue;
- (b) made pursuant to a resolution plan approved under section 31 of the Insolvency Code, if such plan provides for:
 - (i) delisting of such shares; or
 - (ii) an exit opportunity to the existing public shareholders at a specified price:

Provided that the existing public shareholders shall be provided the exit opportunity at a price which shall not be less than the price, by whatever name called, at which a promoter or any entity belonging to the promoter group or any other shareholder, directly or indirectly, is provided an exit opportunity:

Provided further that the details of delisting of such shares along with the justification for the exit price in respect of the proposed delisting shall be disclosed to the recognized stock exchange(s) where the shares are listed within one day of approval of the resolution plan under section 31 of the Insolvency Code.

Conditions for delisting

4. (1) Neither any company shall apply for nor any recognised stock exchange shall permit delisting of equity shares of a company:-

- (a) unless a period of three years has elapsed since the listing of that class of equity shares on any recognised stock exchange;
- (b) if any instrument issued by the company, which is convertible into the same class of equity share(s) that is sought to be delisted, is outstanding;
- (c) pursuant to a buyback of equity shares by the company, including a buyback pursuant to consolidation or division of all or part of the equity share capital of the

company, unless a period of six months has elapsed from the date of completion of such buyback;

(d) pursuant to a preferential allotment made by the company unless a period of six months has elapsed from the date of such allotment:

Provided that nothing contained under clause (d) of sub-regulation (1) shall be applicable to the delisting of equity shares made by a new acquirer(s) who has made an offer under regulation 5A of the Takeover Regulations or a new promoter(s) pursuant to re-classification in terms of the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.

(2) No acquirer shall propose delisting of equity shares of a company, if the acquirer had sold the equity shares of the company during the period of six months prior to the date of the initial public announcement made in terms of sub-regulation (1) of regulation 8 of these regulations.

(3) Nothing contained in clauses (a) and (b) of sub-regulation (1) shall apply to a delisting of equity shares falling under regulation 5 of these regulations.

(4) No acquirer shall, directly or indirectly, employ the funds of the company to finance an exit opportunity provided under Chapter IV of these regulations or an acquisition of shares made pursuant to sub-regulation (4) of regulation 33 of these regulations.

(5) No acquirer shall, directly or indirectly,–

(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 of equity shares sought or permitted or exit opportunity given or other acquisition of equity shares made under these regulations.

CHAPTER III

VOLUNTARY DELISTING

PART – A

Conditions and procedure for delisting where exit opportunity is not required

Delisting from some of the recognised stock exchanges

5. A company may delist its equity shares from one or more of the recognised stock exchanges on which it is listed without providing an exit opportunity to the public shareholders,

if after the proposed delisting, the equity shares remain listed on any recognised stock exchange that has nationwide trading terminals.

Procedure for delisting where no exit opportunity is required

6. (1) Any company desirous of delisting its equity shares under the provisions of regulation 5 of these regulations shall -

- (a) obtain the prior approval of its Board of Directors;
- (b) make an application to the relevant recognised stock exchange(s) for delisting its equity shares;
- (c) issue a public notice of the proposed delisting from the relevant stock exchange(s) in at least one English national newspaper with wide circulation, one Hindi national newspaper with wide circulation in their all India editions and one vernacular newspaper of the region where the relevant stock exchange(s) is located;
- (d) disclose the fact of delisting in its first annual report post delisting.

(2) The public notice issued under clause (c) of sub-regulation (1) shall mention the name(s) of the recognised stock exchange(s) 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 the recognised stock exchange(s) having nationwide trading terminals.

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

PART – B

Conditions and procedure for delisting where exit opportunity is required

Delisting from all the recognised stock exchanges

7. The equity shares of a company may be delisted from all the recognised stock exchanges having nationwide trading terminals on which they are listed, after an exit opportunity has been provided by the acquirer to all the public shareholders holding the equity shares sought to be delisted, in accordance with Chapter IV of these regulations and after following the procedure as mentioned in Part-B of this Chapter.

Initial public announcement

8. (1) On the date when the acquirer(s) decides to voluntarily delist the equity shares of the company, it shall make an initial public announcement to all the stock exchanges on which the shares of the company are listed and the stock exchanges shall forthwith disseminate the same to the public.

(2) A copy of the initial public announcement shall also be sent to the company at its registered office not later than one working day from the date of the initial public announcement.

(3) The initial public announcement shall contain such information as may be specified, including:—

(a) the reasons for delisting;

(b) an undertaking with respect to compliance with sub-regulations (2) and (5) of regulation 4 of these regulations.

(4) The initial public announcement shall not omit any relevant information or contain any misleading information.

Appointment of the Manager to the offer

9. (1) Prior to making an initial public announcement, the acquirer shall appoint a merchant banker registered with the Board as the Manager to the offer.

(2) The Manager to the offer appointed under sub-regulation (1) shall not be an associate of the acquirer.

(3) The initial public announcement and the subsequent activities as required under these regulations shall be undertaken by the acquirer through the Manager to the offer.

Approval by the Board of Directors

10. (1) The company shall obtain the approval of its Board of Directors in respect of the proposal of the acquirer to delist the equity shares of the company, not later than twenty one days from the date of the initial public announcement.

(2) The Board of Directors of the company, before considering the proposal of delisting, shall appoint a Peer Review Company Secretary and provide the following information to such Company Secretary for carrying out due-diligence: -

(a) the details of buying, selling and dealing in the equity shares of the company by the acquirer or its related entities during the period of two years prior to the date of board meeting held to consider the proposal for delisting, including the details of the top twenty five shareholders, for the said period;

(b) the details of off-market transactions of all the shareholders mentioned in clause (a) for a period of two years;

(c) any additional information, including the information mentioned in clauses (a) and (b) for a longer period of time, sought by the Company Secretary if the Company Secretary is of the opinion that the information provided under clauses (a) and (b) is not sufficient for providing the certification in terms of sub-regulation (3).

(3) After obtaining the information from the Board of Directors of the company under sub-regulation 2, the Company Secretary shall carry out the due-diligence and submit a report to the Board of Directors of the company certifying that the buying, selling and dealing in the equity shares of the company carried out by the acquirer or its related entities and the top twenty five shareholders is in compliance with the applicable provisions of securities laws including compliance with sub-regulation (5) of regulation 4 of these regulations.

(4) The Board of Directors of the company, while considering the proposal for delisting, shall certify that—

- (a) the company is in compliance with the applicable provisions of securities laws;
- (b) the acquirer and its related entities are in compliance with the applicable provisions of securities laws in terms of the report of the Company Secretary including compliance with sub-regulation (5) of regulation 4 of these regulations;
- (c) the delisting, in their opinion, is in the interest of the shareholders of the company.

(5) While communicating the decision of the Board of Directors on the proposal for delisting of equity shares, the company shall also submit to the recognized stock exchanges on which the equity shares of the company are listed, the due - diligence report of the Company Secretary in terms of sub-regulation (3) and the audit report in terms of sub-regulation (2) of regulation 12 of these regulations.

(6) Upon receipt of the communication from the company under sub-regulation (5), the stock exchanges shall forthwith disseminate the same to the public.

Approval by shareholders

11. (1) The company shall obtain the approval of the shareholders through a special resolution, not later than forty five days from the date of obtaining the approval of Board of Directors.

(2) The special resolution shall be passed through postal ballot and / or e-voting as per the applicable provisions of the Companies Act, 2013 (18 of 2013) and the rules made thereunder.

(3) The company shall disclose all material facts in the explanatory statement sent to the shareholders in relation to such a resolution.

(4) The special resolution shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are at least two times the number of votes cast by the public shareholders against it.

In-principle approval of the stock exchange

12. (1) The company shall make an application to the relevant recognised stock exchange for in-principle approval of the proposed delisting of its equity shares in the Form specified by the recognised stock exchange from time to time, not later than fifteen working days from the

date of passing of the special resolution or receipt of any other statutory or regulatory approval, whichever is later.

(2) The application seeking in-principle approval for the delisting of equity shares shall be accompanied by an audit report as required under regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 in respect of the equity shares sought to be delisted, covering a period of six months prior to the date of the application.

(3) Such application seeking in-principle approval for the delisting of the equity shares shall be disposed of by the recognised stock exchange within a period not exceeding fifteen working days from the date of receipt of such application that is complete in all respects.

(4) The recognised stock exchange shall not unfairly withhold such an application, but may require the company to satisfy or inform it as regards -

- (a) compliance with regulations 10 and 11 of these regulations;
- (b) resolution of investor grievances by the company;
- (c) payment of listing fees due to the recognised stock exchange;
- (d) compliance with any provision of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, that has 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;
- (f) any other relevant matter as it may deem fit.

CHAPTER IV

EXIT OPPORTUNITY

Applicability of Chapter IV

13. The provisions of this Chapter shall apply to the proposal for delisting of equity shares of a company from all the recognised stock exchanges.

Escrow account

14.⁴[(1) The acquirer shall open an interest bearing escrow account with a Scheduled Commercial Bank, not later than seven working days from the date of obtaining the

⁴ Substituted by the Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2024 w.e.f. 25.09.2024. Before the substitution, the sub-regulation read as under-

shareholders' approval, and deposit therein an amount equivalent to twenty-five percent of the total consideration, calculated as below –

- i. in case delisting is proposed through reverse book building process; the total consideration shall be calculated on the basis of the number of equity shares outstanding with the public shareholders multiplied with the floor price or the indicative price, if any given by the acquirer in terms of sub-regulation (4) of regulation 20 of these regulations; whichever is higher;
- ii. in case delisting is proposed through the fixed price process; the total consideration shall be calculated on the basis of the number of equity shares outstanding with the public shareholders multiplied with the fixed delisting price offered by the acquirer.]

(2) The acquirer shall enter into a tripartite agreement with the Manager to the offer and the Bank for the purpose of opening the escrow account and shall authorize the Manager to the offer to operate such account as per the provisions of these regulations.

⁵[(3) Before making the detailed public announcement under regulation 15 of these regulations, the acquirer shall deposit in the escrow account, the remaining consideration amount being seventy-five percent of the total consideration amount calculated in terms of sub-regulation (1).]

(4) On determination of the discovered price and making of the public announcement under sub-regulation (4) of regulation 17 of these regulations accepting the discovered price, the acquirer 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 the public shareholders.

(5) The escrow account shall consist of either the cash deposited with a Scheduled Commercial Bank or a bank guarantee in favour of the Manager to the offer or a combination of both.

(6) Where the escrow account consists of a deposit with a Scheduled Commercial Bank, the acquirer shall, while opening the account, authorize the Manager to the offer to make fund transfers through electronic mode or such other mode permitted by the Reserve Bank of India, and 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 purpose(s) mentioned in these regulations, and the amount

“(1) The acquirer shall open an interest bearing escrow account with a Scheduled Commercial Bank, not later than seven working days from the date of obtaining the shareholders' approval, and deposit therein an amount equivalent to twenty five percent of the total consideration, calculated on the basis of the number of equity shares outstanding with the public shareholders multiplied with the floor price or the indicative price, if any given by the acquirer in terms of sub-regulation (4) of regulation 20 of these regulations, whichever is higher.”

⁵ Substituted by the Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2024 w.e.f. 25.09.2024. Before the substitution, the sub-regulation read as under-

“(3) Before making the detailed public announcement under regulation 15 of these regulations, the acquirer shall deposit in the escrow account, the remaining consideration amount being seventy five percent calculated on the basis of the number of equity shares outstanding with the public shareholders multiplied with the floor price or the indicative price, if any given by the acquirer in terms of sub-regulation (4) of regulation 20 of these regulations, whichever is higher.”

in such account, if any, remaining after full payment of consideration for the equity shares tendered in the delisting offer and those tendered under sub-regulation (1) of regulation 26 of these regulations shall be released to the acquirer.

(7) 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 26 of these regulations.

(8) In case of failure of the delisting offer, ninety nine percent of the amount lying in the escrow account shall be released to the acquirer within one working day from the date of public announcement of such failure.

(9) The remaining one percent amount lying in the escrow account shall be released post return of the shares to the public shareholders or confirmation of revocation of lien marked on their shares by the Manager to the offer as per the timelines provided in these regulations.

Detailed public announcement

15. (1) The acquirer shall, within one working day from the date of receipt of in-principle approval for delisting of equity shares from the recognised stock exchange, make a detailed public announcement in at least one English national newspaper with wide circulation, one Hindi national newspaper with wide circulation in their all India editions and one vernacular newspaper of the region where the relevant recognised stock exchange is located.

(2) The detailed public announcement shall contain all material information including the information specified in Schedule I of these regulations and shall not contain any false or misleading statement.

(3) The detailed public announcement shall also specify a date, being a day not later than one working day from the date of the detailed public announcement, which shall be the 'specified date' for determining the names of the shareholders to whom the letter of offer shall be sent.

(4) The detailed public announcement shall be dated and signed by the acquirer.

Explanation,— If the acquirer is a company, the detailed 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 the managing director where there is one.

Letter of offer

16. (1) The acquirer shall dispatch the letter of offer to the public shareholders not later than two working days from the date of the detailed public announcement made under regulation 15 of these regulations.

(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 detailed public announcement.

(3) A copy of the letter of offer shall also be made available on the websites of the company and the Manager to the offer for the benefit of the public shareholders.

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

(5) The public shareholders shall have the right to inspect all the documents as referred in the letter of offer and the Manager to the offer shall facilitate the inspection.

(6) The letter of offer shall be accompanied with a Form for the use of public shareholders for the purpose of either creating a lien or tendering the physical shares, as the case may be.

(7) An eligible public shareholder may participate in the offer for the delisting of equity shares and make bids even without receiving the Form or letter of offer and such shareholder may tender shares in the manner specified by the Board in this regard.

Bidding ⁶[/ tendering] mechanism

17. (1) ⁷[In case delisting is proposed through the reverse book building process or through fixed price process, the bidding period or the tendering period, as the case may be, shall begin within] seven working days from the date of the detailed public announcement and shall remain open for five working days.

(2) The acquirer shall facilitate ⁸[the] tendering of shares by the shareholders and settlement of the same, through the stock exchange mechanism as specified by the Board.

(3) The Manager to the offer shall ensure that the outcome of the reverse book building process ⁹[or the fixed price process, as the case may be,] is announced within two hours of the closure of the bidding period ¹⁰[or the tendering period].

⁶ Inserted by the Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2024 w.e.f. 25.09.2024.

⁷ Substituted for the words “The bidding period shall start not later than” by the Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2024 w.e.f. 25.09.2024

⁸ Inserted by the Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2024 w.e.f. 25.09.2024.

⁹ Inserted by the Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2024 w.e.f. 25.09.2024.

¹⁰ Inserted by the Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2024 w.e.f. 25.09.2024.

¹¹[(4) The acquirer through the Manager to the offer shall, within two working days from the closure of the bidding period or the tendering period, make a public announcement in the same newspapers in which the detailed public announcement under sub-regulation (1) of regulation 15 of these regulations was made, of the success or failure of the fixed price delisting process or the reverse book building process and also disclose the discovered price accepted by acquirer, in the event of success of the reverse book building process.]

Manner of tendering shares

18. The equity shares shall be tendered/offered by the public shareholders, including by way of marking a lien through the stock exchange mechanism, in the manner specified by the Board.

Right of shareholders to participate in the ¹²[delisting process]

19. (1) ¹³[The public] shareholders holding the equity shares of the company, which are sought to be delisted, shall be entitled to participate in the ¹⁴[fixed price process or in the] reverse book building process in the manner specified in Schedule II of these regulations.

(2) The Manager to the issue shall take necessary steps to ensure compliance with sub-regulation (1).

(3) Any holder of depository receipts issued on the basis of ¹⁵[the] underlying equity shares and a custodian keeping custody of such equity shares shall not be entitled to participate in the ¹⁶[delisting] process:

Provided that any holder of depository receipts may participate in the ¹⁷[delisting] process under sub-regulation (1) after converting such depository receipts into equity shares of the company that are proposed to be delisted.

¹¹ Substituted by the Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2024 w.e.f. 25.09.2024. Before the substitution, the sub-regulation read as under-

“(4) Within two working days from the closure of the bidding period, the acquirer shall, through the Manager to the offer, make a public announcement in the same newspapers in which the detailed public announcement under sub-regulation (1) of regulation 15 of these regulations was made, disclosing the success or failure of the reverse book building process, along with the discovered price accepted by the acquirer in the event of success of the said process.”

¹² Substituted for the words “reverse book building process” by the Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2024 w.e.f. 25.09.2024

¹³ Substituted for the word “Public” by the Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2024 w.e.f. 25.09.2024

¹⁴ Inserted by the Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2024 w.e.f. 25.09.2024

¹⁵ Inserted by the Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2024 w.e.f. 25.09.2024

¹⁶ Substituted for the words “reverse book building” by the Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2024 w.e.f. 25.09.2024

¹⁷ Substituted for the words “reverse book building” by the Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2024 w.e.f. 25.09.2024

¹⁸**[Floor Price**

19A (1) The floor price of the equity shares proposed to be delisted through reverse book building process or through fixed price process, as the case may be, shall not be less than the highest of the following:

- (i) volume weighted average price paid or payable for acquisitions by the acquirer along with persons acting in concert, during the 52 weeks immediately preceding the reference date;
- (ii) the highest price paid or payable for any acquisition by the acquirer along with persons acting in concert during the 26 weeks immediately preceding the reference date;
- (iii) adjusted book value (considering consolidated financials) as determined by an independent registered valuer:

Provided that adjusted book value shall not be applicable in case of delisting of Public Sector Undertakings.

(iv) the volume weighted average market price for a period of 60 trading days immediately preceding the reference date on the stock exchange where the maximum trading volume of the equity shares is recorded, provided such shares are frequently traded;

(v) the price determined by an independent registered valuer taking into account valuation parameters such as the book value, comparable trading multiples and any other customary valuation metrics for valuation of shares of companies in the same industry where the shares are not frequently traded.

Explanation: The adjusted book-value of the company shall be calculated as below –

A+B+C+D – L, where,

‘A’ shall be the book value of all the assets (other than jewellery, artistic work, shares & securities and immovable property) in the balance sheet as reduced by any amount shown as asset including the unamortised amount of deferred expenditure which does not represent the value of any asset;

‘B’ shall be the price which jewellery and artistic work would fetch if sold in the open market on the basis of the valuation report obtained from a registered valuer;

‘C’ shall be the fair market value of unquoted/infrequently traded shares and securities as determined considering the internationally accepted valuation methods by the registered valuer. If the shares and securities are quoted and frequently traded on any recognized stock exchange, the fair market value of such shares and securities shall be the transaction value as recorded in such stock exchange as on the valuation date;

‘D’ shall be the value adopted or assessed or assessable by any authority of the Government for the purpose of payment of stamp duty in respect of the immovable property. In case

¹⁸ Inserted by the Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2024 w.e.f. 25.09.2024.

immovable property is located outside India, market value of the property shall be determined by the independent registered valuer;

‘L’ shall be the book value of liabilities shown in the balance sheet, but not including the following amounts, namely:—

- the paid-up capital in respect of equity shares;
- the amount set apart for payment of dividends on preference shares and equity shares where such dividends have not been declared before the date of transfer at a general body meeting of the company;
- reserves and surplus, by whatever name called, even if the resulting figure is negative, other than those set apart towards depreciation;
- any amount representing provisions made for meeting liabilities, other than ascertained liabilities;
- any amount representing contingent liabilities other than arrears of dividends payable in respect of cumulative preference shares.

(2) The reference date for computing the floor price shall be –

- (i) the date of initial public announcement made by the acquirer, if such an announcement was made before the close of market hours; or
- (ii) the trading day next to the date of the initial public announcement, if such an announcement was made after the close of market hours or on a non-trading day.]

Discovered price

20. (1) After fixation of the floor price under ¹⁹[in terms of regulation 19A of these regulations], the discovered price shall be determined through the reverse book building process in the manner specified in Schedule II of these regulations ²⁰[and shall be disclosed] in the detailed public announcement and the letter of offer ²¹[by the Manager of the offer].

(2) ²²[***]

(3) ²³[***]

¹⁹ Substituted for the words and symbols “sub-regulation (2)” by the Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2024 w.e.f. 25.09.2024

²⁰ Substituted for the words and symbols “, and the Manager to the offer shall disclose the same” by the Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2024 w.e.f. 25.09.2024

²¹ Inserted by the Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2024 w.e.f. 25.09.2024.

²² Omitted by the Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2024 w.e.f. 25.09.2024. Before the omission, the sub-regulation read as under-

“(2) The floor price shall be determined in terms of regulation 8 of Takeover Regulations as may be applicable.”

²³ Omitted by the Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2024 w.e.f. 25.09.2024. Before the omission, the sub-regulation read as under-

(4) The acquirer shall have the option to provide an indicative price in respect of the delisting offer, which shall be higher than the floor price calculated in terms of ²⁴[regulation 19A of these regulations].

(5) The acquirer shall also have the option to revise the indicative price upwards before the start of the bidding period and the same shall be duly disclosed to the shareholders.

(6) The acquirer may, if it deems fit, pay a price higher than the discovered price determined in terms of sub-regulation (1).

²⁵[Fixed Delisting Price

20A (1) In case the acquirer has proposed delisting through fixed price process; the acquirer shall provide a fixed delisting price which shall be at least 15 percent more than the floor price calculated in terms of regulation 19A.

(2) The acquirer shall be eligible to undertake delisting through fixed price process only if the shares of the company are frequently traded.

(3) The acquirer shall be bound to accept the equity shares tendered or offered in the delisting offer, if the post-offer shareholding of the acquirer along with the shares tendered by the public shareholders reaches 90 percent at the fixed delisting price, offered by the acquirer.]

Minimum number of equity shares to be acquired

21. An offer made under Chapter III of these regulations or a counter offer made by the acquirer in terms of sub-regulation(4) of regulation 22 of these regulations, as the case may be, shall be deemed to be successful if,-

(a) the post offer shareholding of the acquirer, along with the shares tendered / offered by public shareholders accepted as eligible bids at the discovered price ²⁶[or the fixed price] or the counter offer price, as the case may be, reaches ninety percent of the total issued shares of that class excluding the following:

(i) shares held by custodian(s) against which depository receipts have been issued overseas;

²³(3)The reference date for computing the floor price would be the date on which the recognized stock exchange(s) was required to be notified of the board meeting in which the delisting proposal was considered and approved.”

²⁴ Substituted for the words and symbols “sub-regulation (2)” by the Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2024 w.e.f. 25.09.2024

²⁵ Inserted by the Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2024 w.e.f. 25.09.2024.

²⁶ Inserted by the Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2024 w.e.f. 25.09.2024.

(ii) shares held by a Trust set up for implementing an Employee Benefit scheme under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(iii) shares held by inactive shareholders such as vanishing companies and struck off companies, shares transferred to the Investor Education and Protection Fund's account and shares held in terms of sub-regulation (4) of regulation 39 read with Schedule VI of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015:

Provided that such shareholders shall be certified by the Peer Review Company Secretary appointed by the Board of Directors of the company for due-diligence.

Explanation,— The cut-off date for determination of inactive shareholders shall be the date on which the in-principle approval of the Stock Exchange is received, which shall be adequately disclosed in the public announcement.

Option to accept or reject the discovered price or counter offer

22. (1) The acquirer shall be bound to accept the equity shares tendered or offered in the delisting offer, if the discovered price determined through the reverse book building process is equal to the floor price or the indicative price, if any, offered by the acquirer.

(2) The acquirer shall be bound to accept the equity shares, at the indicative price, if any offered by the acquirer, even if the price determined through the reverse book building process is higher than the floor price but less than the indicative price.

(3) Nothing contained in sub-regulation (1) and (2) shall apply, if the discovered price²⁷ [pursuant to reverse book building process] is higher than the indicative price.

²⁸[(4) In case of delisting through reverse book building process; a counter-offer may be made by the acquirer to the public shareholders, provided –

²⁷ Inserted by the Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2024 w.e.f. 25.09.2024.

²⁸ Substituted by the Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2024 w.e.f. 25.09.2024. Before the substitution, the sub-regulations (4) and (5) read as under-

“(4) In case the discovered price is not acceptable to the acquirer, a counter offer may be made by the acquirer to the public shareholders within two working days of the closure of bidding period and thereafter, the acquirer shall ensure compliance with the provisions of these regulations in accordance with the timelines provided in Schedule IV of these regulations.

(5) The counter offer price shall not be less than the book value of the company as certified by the Manager to the offer.

Explanation,— For the purpose of sub-regulation (5), the book value shall be computed on the basis of both consolidated and standalone financial statements of the company as per the latest quarterly financial results filed by the company on the recognized stock exchange(s) as on the date of public announcement for counter offer, and the higher of the values so computed shall be treated as the book value.”

- i. the post-offer shareholding of the acquirer, along with the shares tendered by public shareholders, is not less than seventy-five percent; and
- ii. not less than fifty percent of the public shareholding has been tendered.

(4A) The counter-offer in terms of sub-regulation (4) may be made within two working days of the closure of the bidding period and thereafter the acquirer shall ensure compliance with the provisions of these regulations in accordance with the timelines provided in Schedule IV of these regulations.

(5) The counter offer price shall not be less than the higher of-

- i. volume weighted average price of the shares tendered/offered in the reverse book building process; and
- ii. the indicative price, if any, offered by the acquirer.

Explanation- If the cumulative shareholding of the acquirer, along with the shares tendered or offered by the public shareholders is less than ninety percent; the volume weighted average price shall be calculated taking into account all the shares tendered or offered and if the cumulative shareholding is equal to or higher than ninety percent, the volume weighted average price shall be calculated taking into account the shares tendered or offered up to ninety percent.]

Failure of the offer

23. (1) The delisting offer shall be considered to have failed under the following circumstances:-

- (a) the minimum number of shares are not tendered / offered as provided under clause (a) of regulation 21 of these regulations.

Explanation,— If a counter offer has been made by the acquirer in terms of sub-regulation (4) of regulation 22 of these regulations, the failure of the said counter offer shall be considered in accordance with clause (a); or

- (b) the price discovered through the reverse book building process is rejected by the acquirer.

(2) In case of failure of the delisting offer,

(a) the equity shares ²⁹[tendered or offered under the reverse book building process or the fixed price process or the counter-offer, as the case may be,] in terms of ³⁰[***] these regulations ³¹[***], shall be released-

(i) on the date of disclosure of the outcome of the reverse book building process ³²[or the fixed price process] under sub-regulation (3) of regulation 17 of these regulations if the minimum number of shares as provided under clause (a) of regulation 21 of these regulations are not tendered ³³[or] offered;

(ii) on the date of making public announcement for the failure of the delisting offer under sub-regulation (4) of regulation 17 of these regulations if the price discovered through the reverse book building process is rejected by the acquirer;

(iii) in accordance with Schedule IV of these regulations if a counter offer has been made by the acquirer:

Provided that the acquirer shall not be required to return the shares if the offer is made pursuant to regulation 5A of Takeover Regulations.

(b) the expenses relating to the offer for delisting shall be borne by the acquirer.

(c) the acquirer, whose delisting offer has failed, shall not make another delisting offer until the expiry of six months-

(i) from the date of disclosure of the outcome of the reverse book building process ³⁴[or the fixed price process, as the case may be,] under sub-regulation (3) of regulation 17 of these regulations if the minimum number of shares as provided under clause (a) of regulation 21 of these regulations are not tendered / offered;

(ii) from the date of making public announcement for the failure of the delisting offer under sub-regulation (4) of regulation 17 of these regulations if the price discovered through the reverse book building process is rejected by the acquirer;

(iii) from the date of making public announcement for the failure of counter offer as provided under Schedule IV of these regulations.

²⁹ Substituted for the words and symbol “tendered / offered” by the Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2024 w.e.f. 25.09.2024

³⁰ The words “Schedule II or Schedule IV of” omitted by the Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2024 w.e.f. 25.09.2024

³¹ The words “as the case may be” omitted by the Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2024 w.e.f. 25.09.2024

³² Inserted by the Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2024 w.e.f. 25.09.2024

³³ Substituted for the symbol “/” by the Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2024 w.e.f. 25.09.2024

³⁴ Inserted by the Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2024 w.e.f. 25.09.2024

(3) Nothing contained in clause (c) of sub-regulation (2) shall be applicable to the delisting of equity shares made by a new promoter(s) pursuant to the re-classification in terms of the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 or a new acquirer(s) who has made an offer under regulation 5A of Takeover Regulations.

Payment upon success of the offer

24. (1) All the public shareholders, whose bids are accepted, shall be paid the discovered price or a higher price, if any, offered by the acquirer in terms of sub-regulation (6) of regulation 20 of these regulations ³⁵[or fixed price offered by the acquirer in terms of sub-regulation (1) of regulation 20A of these regulations], as stated in the public announcement in the following manner -

(i) In case the discovered price is equal to the floor price or the indicative price as provided under regulation 20, or in case the acquirer is bound to accept the equity shares in the delisting offer in terms of sub-regulation (2) of regulation 22 ³⁶[or in terms of fixed price as provided under regulation 20A] of these regulations, the payment shall be made through the secondary market settlement mechanism;

(ii) In case the discovered price or the price, if any, offered by the acquirer in terms of sub-regulation (6) of regulation 20 of these regulations, is higher than the floor price or the indicative price, as the case may be, the payment shall be made within five working days from the date of the public announcement under sub-regulation (4) of regulation 17 of these regulations.

(2) The acquirer shall be liable to pay interest at the rate of ten percent per annum to all the shareholders, whose bids have been accepted in the delisting offer, if the price payable in terms of sub-regulation (1) is not paid to all the shareholders within the time specified thereunder:

Provided that in case the delay was not attributable to any act or omission of the acquirer or was caused due to the circumstances beyond the control of the acquirer, the Board may grant waiver from the payment of such interest.

Final application to the stock exchange after successful delisting

25. (1) Within five working days from the date of making the payment to the public shareholders in terms of regulation 24 of these regulations, the acquirer shall make the final application for delisting to the relevant recognised stock exchange(s) in the Form specified by such stock exchange(s) from time to time.

³⁵ Inserted by the Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2024 w.e.f. 25.09.2024

³⁶ Inserted by the Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2024 w.e.f. 25.09.2024

(2) The final application for delisting shall be accompanied with necessary details / information, as the recognised stock exchange(s) may require, of having provided the exit opportunity in accordance with the provisions of this Chapter.

(3) The final application for delisting shall be disposed of by the recognised stock exchange(s) within fifteen working days from the date of receipt of such application that is complete in all respects.

(4) Upon disposal of the final application for delisting by the stock exchange(s) in terms of sub-regulation (3), the equity shares of the company shall be permanently delisted from the stock exchange(s).

Right of the remaining public shareholders to tender equity shares

26. (1) The remaining public shareholders, whose shares were either not accepted or were not tendered at all during the bidding period, shall have a right to tender their equity shares for a minimum period of one year from the date of delisting.

(2) The acquirer shall be under an obligation during such period to accept the shares of the remaining public shareholders under sub-regulation (1), at the same price at which the equity shares had been delisted.

(3) The payment of consideration for equity shares accepted under sub-regulation (2) shall be made out of the balance amount lying in the escrow account.

(4) The Manager to the offer shall ensure that the amount lying in the escrow account or the bank guarantee shall not be released to the acquirer for a minimum period of one year or till the time payment has been made to the remaining public shareholders, whichever is earlier.

Measures to protect the rights of remaining public shareholders

27. (1) The Manager to the offer, in coordination with the acquirer shall ensure that the rights of the remaining public shareholders are protected and in furtherance of the same shall:

(a) publish, on a quarterly basis, an advertisement in the same newspapers in which the detailed public announcement of the offer for delisting of equity shares was published, inviting the remaining public shareholders to avail the exit opportunity during the one year exit window after delisting of shares;

(b) send follow up communications to the remaining public shareholders on a quarterly basis; and

(c) file a quarterly progress report to the stock exchange(s), which shall be disseminated to the public thereafter by the stock exchange(s), disclosing the following:

(i) number of remaining public shareholders at the beginning and end of the quarter; and

- (ii) details of public shareholders who availed the exit opportunity during the quarter.

(2) The stock exchange(s) shall monitor the compliance of sub-regulation (1).

Obligations of the company

28. (1) Upon receipt of the detailed public announcement, the Board of Directors of the company shall constitute a Committee of independent directors to provide reasoned recommendations on the delisting offer.

(2) The Committee of independent directors shall provide its written reasoned recommendations on the proposal for delisting of equity shares to the Board of Directors of the company and in relation thereto, the Committee may also seek external professional advice at the expense of the company.

(3) The Committee of independent directors, while providing reasoned recommendations on the delisting proposal, shall disclose the voting pattern of the meeting in which the said proposal was discussed.

(4) The company shall publish such recommendations of the Committee of independent directors, along with the details of the voting pattern, at least two working days before the commencement of the bidding period, in the same newspapers in which the detailed public announcement of the offer for delisting of equity shares was published, and simultaneously, a copy of the same shall be sent to the stock exchange(s) and the Manager to the offer.

Obligations of the Manager to the offer

29. (1) Before making the detailed public announcement, the Manager to the offer for delisting of equity shares shall ensure that,—

- (a) the acquirer is able to implement the delisting offer; and
- (b) firm arrangements for funds through verifiable means have been made by the acquirer to meet the payment obligations under the delisting offer.

(2) The Manager to the offer shall ensure that the contents of the initial public announcement, the detailed public announcement, the letter of offer and the post-bidding advertisement(s) are complete, true, fair and adequate in all material aspects, based on reliable sources and are in compliance with the requirements under these regulations and other applicable securities laws.

(3) The Manager to the offer shall ensure that market intermediaries engaged for the purpose of the delisting of equity shares are registered with the Board.

(4) The Manager to the offer shall exercise due diligence, care and professional judgment to ensure compliance with these regulations.

(5) The Manager to the offer shall not, either directly or indirectly through its associates, deal in its own account in the shares of the company after its appointment as Manager to the offer till the conclusion of the delisting offer.

(6) It shall be the responsibility of the Manager to the offer to ensure that the acquirer complies with the provisions of these regulations.

Obligations of the acquirer

30. (1) Prior to making the initial public announcement of the offer for the delisting of equity shares under these regulations, the acquirer shall ensure that firm financial arrangements have been made for fulfilling the payment obligations under the delisting offer and that the acquirer is able to implement the delisting offer, subject to any statutory approvals for the delisting offer that may be necessary.

(2) The acquirer shall ensure that the contents of the initial public announcement, the detailed public announcement, the letter of offer and announcement about success or failure of the offer for delisting are true, fair and adequate in all material aspects, not misleading and based on reliable sources that shall be mentioned wherever necessary.

(3) The acquirer and the persons acting in concert with it shall be jointly and severally responsible for the fulfilment of the applicable obligations under these regulations.

(4) The acquirer shall ensure to acquire the shares offered by the remaining public shareholders at the same price at which the equity shares had been delisted for a minimum period of one year.

(5) No acquirer or persons acting in concert with it shall sell shares of the company during the delisting period.

Cancellation of outstanding depository receipts

31. After delisting of equity shares from all the recognized stock exchanges having nationwide trading terminals, the company shall be required to compulsorily cancel all the outstanding depository receipts issued overseas and change them into the underlying equity shares in the home jurisdiction after termination of the depository receipts program(s), within one year of such delisting.

CHAPTER V

COMPULSORY DELISTING

Compulsory delisting by a stock exchange

32. (1) A recognised stock exchange may, by a reasoned order, delist equity shares of a company on any ground prescribed in the rules made under the Securities Contracts (Regulation) Act, 1956 (42 of 1956):

Provided that no order shall be issued under this sub-regulation unless the company has been given a reasonable opportunity of being heard.

(2) The decision regarding the 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 an investor association recognised by the Board;
- (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 passing an order under sub-regulation (1), the recognised stock exchange shall give a notice in at least one English national newspaper with wide circulation, one Hindi national newspaper with wide circulation in their all India editions and one vernacular newspaper of the region where the relevant recognised stock exchange is located, of the proposed delisting, giving a time period of not less than fifteen working days from the date of such notice, within which representations, if any, may be made to the recognised stock exchange by any person 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 representation, if any, made by the company and also any representation received in response to the notice given under sub-regulation (3), and shall comply with the guidelines provided in Schedule III of these regulations.

(5) Where the recognised stock exchange passes an order under sub-regulation (1), it shall, -

- (a) forthwith publish a notice in one English national newspaper with wide circulation, one Hindi national newspaper with wide circulation in their all India editions and one vernacular newspaper of the region where the relevant 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 33 of these regulations and the names and addresses of the promoters of the company who would be liable under sub-regulation (4) of regulation 33 of these regulations;

(b) inform all other stock exchanges where the equity shares of the company are listed, about such delisting; and

(c) upload a copy of the said order on its website.

(6) The provisions of Chapter IV of these regulations shall not be applicable to a compulsory delisting made by a recognised stock exchange under this Chapter.

Rights of public shareholders in case of compulsory delisting

33. (1) Where the equity shares of a company are delisted by a recognised stock exchange under this Chapter, the recognised stock exchange shall appoint an independent valuer(s) who shall determine the fair value of the delisted equity shares.

(2) The recognised stock exchange shall form a Panel of expert valuers and from the said Panel, the valuer(s) for the purposes of sub-regulation (1) shall be appointed.

(3) The value of the delisted equity shares shall be determined by the valuer(s) having regard to the factors mentioned in sub-regulation (2) of regulation 20 of these regulations.

(4) The promoter(s) of the company shall acquire the delisted equity shares from the public shareholders by paying them the value determined by the valuer, within three months of the date of delisting from the recognised stock exchange, subject to the option of the public shareholders to retain their shares.

(5) The promoter shall be liable to pay interest at the rate of ten percent per annum to all the shareholders, who offer their shares under the compulsory delisting offer, if the price payable in terms of sub-regulation (3) is not paid to all the shareholders within the time specified under sub-regulation (4):

Provided that in case the delay was not attributable to any act or omission of the acquirer or was caused due to the circumstances beyond the control of the acquirer, the Board may grant waiver from the payment of such interest.

Consequences of compulsory delisting

34. (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.

(3) The stock exchange(s) shall monitor the compliance of the provisions of this Chapter and take appropriate action for non-compliance thereof in accordance with the provisions of these regulations.

CHAPTER VI

Part - A

SPECIAL PROVISIONS FOR SMALL COMPANIES

Delisting of equity shares of small companies

35. (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 of these regulations, 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) 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 held for consideration of the proposal referred to in sub-regulation (4) of regulation 10 of these regulations is less than ten per cent of the total number of shares of the company:

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

(c) the company has not been suspended by any of the recognised stock exchanges having nationwide trading terminals for any non-compliance in the preceding one year.

(2) Delisting of equity shares may be made under sub-regulation (1) only if, in addition to fulfilment of the requirements of regulations 10 and 11 of these regulations, the following conditions are fulfilled:-

(a) acquirer(s) appoints a Manager to the offer and decides an exit price after consultation;

(b) the exit price offered to the public shareholders shall not be less than the floor price determined in terms of clause (e) of sub-regulation (2) of regulation 8 of the Takeover Regulations;

(c) the acquirer writes individually to all the public shareholders of the company informing them of its intention to get the equity shares delisted, the exit price together with the justification therefor and seeking their consent for the proposal for delisting;

(d) 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 consent either to sell their equity shares at the price offered by the acquirer or to continue to hold the equity shares even if they are delisted;

(e) the acquirer 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 acquirer makes payment of consideration in cash within fifteen working days from the date of expiry of seventy five working days mentioned in clause (e).

(3) The communication made to the public shareholders under clause (c) of sub-regulation (2) shall contain justification for the offer price with particular reference to the applicable parameters mentioned in sub-regulation (2) of regulation 20 of these regulations and specifically mention that consent for the proposal would include consent for dispensing with the exit price discovery through reverse book building method.

(4) The acquirer shall be liable to pay interest at the rate of ten percent per annum to all the shareholders, whose bids have been accepted in the delisting offer, if the price payable in terms of sub-regulation (2) is not paid to all the shareholders within the time specified thereunder:

Provided that in case the delay was not attributable to any act or omission of the acquirer or was caused due to the circumstances beyond the control of the acquirer, the Board may grant waiver from the payment of such interest.

(5) The relevant recognised stock exchange may delist such equity shares upon satisfying itself of compliance with this regulation.

Part - B

SPECIAL PROVISIONS FOR COMPANIES LISTED ON INNOVATORS GROWTH PLATFORM

Delisting of equity shares of companies listed on innovators growth platform after making an initial public offer

36. (1) The provisions of these regulations, shall mutatis mutandis apply to delisting of equity shares of a company listed on innovators growth platform after making a public issue, subject to the provisions of sub-regulation (2).

(2) A company whose equity shares are listed and traded on the innovators growth platform pursuant to an initial public offer may be delisted from the innovators growth platform, if -

- (a) such delisting is approved by the Board of Directors of the company;
- (b) such delisting is approved by the shareholders of the company by a special resolution passed through postal ballot or e-voting, 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 only if the votes cast by the majority of public shareholders are in favour of such exit proposal;

- (c) delisting price is based on a floor price determined in terms of regulation 8 of Takeover Regulations, as may be applicable, and an additional delisting premium justified by the acquirer;
- (d) the post offer shareholding of the acquirer along with the persons acting in concert with it, taken together with the shares tendered reaches seventy five per cent of the total issued shares of that class and at least fifty per cent shares of the public shareholders as on date of the board meeting referred to in clause (a) of sub-regulation (2) are tendered and accepted; and
- (e) the recognised stock exchange(s), on which its shares are listed, approves of such delisting.

Part - C

SPECIAL PROVISIONS FOR A SUBSIDIARY COMPANY GETTING DELISTED THROUGH A SCHEME OF ARRANGEMENT WHEREIN THE LISTED HOLDING COMPANY AND THE SUBSIDIARY COMPANY ARE IN THE SAME LINE OF BUSINESS

Delisting of equity shares of a subsidiary company pursuant to a scheme of arrangement

37. (1) Nothing contained in these regulations shall apply to the delisting of equity shares of a subsidiary company, pursuant to a scheme of arrangement by an order of a Court or Tribunal with its listed holding company, whose equity shares are frequently traded, and where the listed holding company and the subsidiary company are in the same line of business.

(2) The delisting of the equity shares of a subsidiary company in terms of sub-regulation (1) shall be permitted subject to the following:-

- a) the listed holding company shall provide for the issue of its equity shares in lieu of cancellation of any equity shares in the delisting subsidiary company;
- b) upon such delisting becoming effective, the subsidiary company shall become a wholly owned subsidiary of the listed holding company;
- c) compliance with regulations 11, 37 and 94 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Circulars issued thereunder;
- d) e-voting from shareholders of both listed companies wherein votes cast by public shareholders of the listed subsidiary in favour of the proposal are at least two times the number of votes cast against it and the votes cast by the public shareholders of the listed holding company in favour of the proposal are more than the number of votes cast by the public shareholders against it;

- e) the shares of the listed holding company and the subsidiary company are listed for at least 3 years and shall not be suspended at the time of taking this route;
- f) the subsidiary company has been a listed subsidiary of the listed holding company for the past three years;
- g) no adverse orders have been passed by the Board in the past 3 years against the listed holding company and the listed subsidiary company;
- h) no further restructuring shall be undertaken by the listed holding company for a period of 3 years from the date of the Order of the Court or Tribunal approving the scheme of arrangement;
- i) the equity shares of the listed subsidiary so delisted, shall not be allowed to seek relisting for a period of three years from the date of delisting and such relisting shall be in terms of sub-regulation (3) and (4) of regulation 40 of these regulations; and,
- j) the valuation of shares of the listed subsidiary per share shall not be less than sixty days volume weighted average price.

³⁷[Explanation —The reference date for computing the volume weighted average price would be the date on which the prior intimation is required to be given to the stock exchanges under regulation 29 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.]

Part – D

SPECIAL PROVISIONS FOR DELISTING BY OPERATION OF LAW

Delisting in case of winding up of a company and de-recognition of a stock exchange

38. (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(s) in respect of the status of equity shares of the companies listed on that stock exchange.

³⁷ Substituted by the Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2024 w.e.f. 25.09.2024. Before the substitution, the Explanation read as under-

“Explanation,— The reference date for computing the volume weighted average price would be the date on which the recognized stock exchange(s) was required to be notified of the board meeting in which the delisting proposal of the subsidiary was considered and approved..”

SPECIAL PROVISIONS FOR DELISTING OF INVESTMENT HOLDING COMPANY

Delisting of equity shares of a listed investment holding company pursuant to a scheme of arrangement

38A (1) Nothing contained in these regulations shall apply to the delisting of equity shares of an investment holding company, pursuant to a scheme of arrangement by an order of a Court or Tribunal.

(2) Delisting of equity shares made under sub-regulation (1) shall be undertaken, in the following manner-

- i. the listed investment holding company shall transfer the equity shares (value as calculated on a net of pro-rata liabilities) held by it in other listed companies, to its public shareholders in proportion to their shareholding;
- ii. the listed investment holding company shall make payment in cash (value as calculated on a net of pro-rata liabilities) in exchange for the underlying shares or investments made by such investment holding company in unlisted companies and other assets, if any, to its public shareholders in proportion to their shareholding;
- iii. public shareholding of the listed investment holding company shall be extinguished upon transfer of the underlying shares mentioned at (i) and payment in cash mentioned at (ii), pursuant to a scheme for selective reduction of capital under Section 66 of the Companies Act, 2013, as amended from time to time; and
- iv. the listed investment holding company shall apply to the stock exchanges for delisting.

(3) The delisting of the equity shares of an investment holding company in terms of sub-regulation (1) shall be permitted, subject to the fulfilment of the following conditions –

- i. the listed investment holding company shall have not less than seventy-five percent of its fair value comprising direct investments in equity shares of other listed companies;

Explanation: The fair value (net of liabilities) of the listed investment holding company shall be determined pursuant to a joint report by two independent registered valuers, which, inter-alia, shall include-

³⁸ Inserted by the Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2024 w.e.f. 25.09.2024.

- a) value of investments of frequently traded shares of listed companies based on sixty trading days volume weighted average market price;
- b) fair value of investments of infrequently traded shares of listed companies and unlisted companies; and
- c) fair value of other assets of the listed investment holding company.

- ii. the listed investment holding company shall comply with regulations 11, 37 and 94 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Circulars issued thereunder;
- iii. there shall be e-voting by shareholders of such listed investment holding company wherein votes cast by public shareholders of the listed investment holding company in favour of the proposal are not less than two times the number of votes cast against it;
- iv. the material disclosures in relation to calculation of the entitlement ratio and per share consideration is included in the explanatory statement of the notice for the shareholders meeting;
- v. the joint valuation report obtained by two independent registered valuers shall be submitted to the stock exchanges along with draft scheme for disclosure to public;
- vi. the report from a chartered accountant or merchant banker confirming the entitlement ratio is obtained;
- vii. the shares of the listed investment holding company shall have been listed for not less than 3 years and shall not be suspended at the time of taking this route;
- viii. no adverse orders have been passed by the Board against the listed investment holding company and their promoters or promoter group in the last three years; and
- ix. the equity shares of the listed investment holding company so delisted, shall not be permitted to seek relisting for a period of three years from the date of delisting:

Provided that such relisting shall be in terms of sub-regulation (3) and (4) of regulation 40 of these regulations.

(4) The delisting of the equity shares of an investment holding company shall also be subject to the compliance with any requirement specified by any financial sector regulator with whom such investment holding company is regulated.]

SPECIAL PROVISIONS FOR DELISTING OF PUBLIC SECTOR UNDERTAKING

Delisting of Equity Shares of Public Sector Undertakings

38B. (1) The provisions of these regulations, shall mutatis mutandis apply to delisting of equity shares of public sector undertakings, other than Banks, Non-Banking Financial Companies and Insurance Companies, subject to the provisions of sub-regulations (2) and (3).

(2) The equity shares of public sector undertaking referred to in sub-regulation (1) may be delisted from all the recognised stock exchanges where they are listed, subject to the following:

- (a) the aggregate shareholding of the acquirer along with other public sector undertaking(s) equal or exceed ninety per cent of the total issued shares of that class;
- (b) the delisting is approved by the shareholders of the public sector undertaking referred to in sub-regulation (1), by way of a special resolution passed through postal ballot or e-voting, and the explanatory statement to the notice of such resolution contains all material facts in relation to such delisting;
- (c) the delisting is undertaken through the fixed price process;
- (d) the floor price of the equity shares proposed to be delisted shall not be less than the highest of the following:
 - (i) volume weighted average price paid or payable for acquisitions by the acquirer along with persons acting in concert, during the 52 weeks immediately preceding the reference date;
 - (ii) the highest price paid or payable for any acquisition by the acquirer along with persons acting in concert during the 26 weeks immediately preceding the reference date;
 - (iii) the price determined under a joint valuation report obtained from two independent registered valuers, taking into account valuation parameters such as book value, adjusted book value, comparable trading multiples, income approach and any other customary valuation metrics as applicable for valuation of shares of companies in the same industry; and

³⁹ Inserted by the Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2025 w.e.f. 03.09.2025.

(e) the delisting price shall be at least fifteen percent higher than the price determined under sub-clause (d).

(3) Where a public sector undertaking whose shares have been delisted in accordance with the provisions of this Part undertakes voluntary strike-off under the applicable laws, and if such strike-off is effected after one year from the date of delisting but not later than thirty days from the expiry of such one-year period, then such strike-off shall be subject to fulfilment of the following conditions-

- (a) the amount which is due to the remaining public shareholders who have not tendered their shares in the delisting process shall be transferred to specified account of the designated stock exchange, which shall hold such amount for a period of seven years during which period the investors may claim the amount payable to them from the designated Stock Exchange;
- (b) after completion of the period specified under clause (a), such amount shall be transferred as per applicable laws to the Investor Education and Protection Fund established under the Companies Act, 2013;
- (c) if, for any reason, the amount specified in clause (b) cannot be transferred to the Investor Education and Protection Fund established under the Companies Act, 2013, such amount shall be transferred to the Investor Protection and Education Fund of the Board; and
- (d) after the transfer of amount to the Investor Education and Protection Fund or Investor Protection and Education Fund, as the case may be, the investor may claim the payable amount from the designated Stock Exchange, which in turn may claim reimbursement from the aforesaid fund in accordance with the procedures as may be specified by the Board from time to time.]

CHAPTER VII

MISCELLANEOUS

Recognised stock exchanges to monitor compliance

39. The respective recognised stock exchange(s) shall adhere to the provisions of these regulations, monitor compliance with the provisions of these regulations and shall report to the Board any non-compliance which comes to their notice.

Listing of delisted equity shares

40. (1) No application for listing shall be made in respect of equity shares of a company,-

- (a) which have been delisted under Chapter III or under Chapter VI of these regulations, for a period of three years from the delisting;
- (b) which have been delisted under Chapter V of these regulations, 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 in respect of a company:

- (a) whose equity shares have been delisted pursuant to a resolution plan under section 31 of the Insolvency Code;
- (b) whose equity shares are listed and traded on the innovators growth platform pursuant to an initial public offer and which is delisted from the said platform;
- (c) whose equity shares have been delisted in terms of regulation 35 of these regulations.

(3) While considering an application for listing of equity shares of a company which had been delisted earlier, the recognised stock exchange shall give due regard to the facts and circumstances under which such equity shares were delisted.

(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:

Provided that the company shall make appropriate disclosures in the offer document about the reasons for seeking listing after delisting.

CHAPTER VIII

Power of the Board to issue clarifications

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

Power to relax strict enforcement of the regulations.

42. (1) The Board may, in the interest of investors or for the development of the securities market, relax the strict enforcement of any requirement of these regulations, if the Board is satisfied that-

- a) the requirement is procedural in nature; or
- b) any disclosure requirement is not relevant for a particular class of industry or company; or
- c) the non-compliance was caused due to factors beyond the control of the acquirer.

(2) For seeking relaxation under sub-regulation (1), the acquirer or the company shall file an application with the Board,⁴⁰[which shall be self-attested] providing details of such relaxation of the regulations and the grounds on which the relaxation has been sought.

(3) The acquirer or the company, as the case may be, shall along with the application referred to under sub-regulation (2) pay a non-refundable fee of rupees one lakh, by way of direct credit in the bank account through electronic modes including payment gateways or such other mode allowed by the Reserve Bank of India.

(4) The Board may also exempt any person or class of persons from the operation of all or any of the provisions of these regulations for a period as may be specified but not exceeding twelve months, for furthering innovation⁴¹[***] relating to testing new products, processes, services, business models, etc. in live environment of regulatory sandbox in the securities markets.

(5) Any exemption granted by the Board under sub-regulation (5) shall be subject to the applicant satisfying such conditions as may be specified by the Board including conditions to be complied with on a continuous basis.

Explanation,— For the purposes of these regulations, "regulatory sandbox" means a live testing environment where new products, processes, services, business models, etc. may be deployed on a limited set of eligible customers for a specified period of time, for furthering innovation in the securities market, subject to such conditions as may be specified by the Board.

Directions by the Board

43. 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 issue such directions as it deems fit.

Repeal and Savings

44. (1) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, stand repealed from the date on which these regulations come into force.

(2) Notwithstanding such repeal,—

(a) anything done or any action taken or purported to have been done or taken including in-principle approval given by the recognised stock exchanges, relaxation or exemption granted by the Board, fee collected, any adjudication, enquiry or investigation commenced or show cause notice issued under the repealed regulations,

⁴⁰ Substituted for the words "attested as true by a notary public" by the Securities and Exchange Board of India (Attestation of Documents) (Amendment) Regulations, 2024, w.e.f. 28-11-2024.

⁴¹ The words "in technological aspects" omitted by the Securities and Exchange Board of India (Regulatory Sandbox) (Amendment) Regulations, 2021, w.e.f. 3.8.2021.

prior to such repeal, shall be deemed to have been done or taken under the corresponding provisions of these regulations;

(b) the previous operation of the repealed regulations or anything duly done or suffered thereunder, any right, privilege, obligation or liability acquired, accrued or incurred under the repealed regulations, any penalty, forfeiture or punishment incurred in respect of any contravention or offence committed against the repealed regulations, or any investigation, proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid, shall remain unaffected as if the repealed regulations had never been repealed;

(c) nothing contained in clause (a) shall apply to any delisting offer in respect of which a public announcement has been made under the repealed regulations, and such delisting offer shall be required to be continued and completed under the repealed regulations.

(3) subsequent to the repeal of Securities and Exchange Board of India (Delisting of equity shares) Regulations, 2009, any reference thereto in any other regulations, guidelines or circulars issued by the Board shall be deemed to be a reference to the corresponding provisions of these regulations.

SCHEDULE I

See regulation 15(2)

CONTENTS OF THE DETAILED PUBLIC ANNOUNCEMENT

1. The floor price and the offer price and how they were arrived at.
2. The indicative price, if any, given by the acquirer.
3. The dates of opening and closing of the bidding period.
4. The name of the stock exchange from which the equity shares are sought to be delisted.
5. The manner in which the delisting offer can be accepted by the shareholders.
6. Disclosure regarding the minimum acceptance condition for success of the offer.
7. The name(s) of the Manager to the offer and other intermediaries together with the helpline number for the shareholders.
8. The specified date fixed as per sub-regulation (3) of regulation 15 of these regulations.
9. The object of the proposed delisting.
10. The proposed time table from opening of the delisting offer till the payment of consideration or return of equity shares.
11. Details of the escrow account and the amount deposited therein.
12. Listing details and stock market data including:
 - (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 detailed public announcement; and,
 - (c) the volume of equity shares traded in each month during the six months preceding the date of detailed public announcement.
13. Present capital structure and shareholding pattern of the company.
14. The expected post-delisting shareholding pattern of the company.
15. The aggregate shareholding of the acquirer with persons acting in concert and of the directors of the acquirer where the acquirer is a company and of persons who are in control of the company.

16. 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 detailed public announcement, from the stated objects of the issues.

17. 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.

18. List of documents copies of which shall be available for inspection by the public shareholders at the registered office of the Manager to the offer during the working days.

19. 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;
- (b) the acquirer or its 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 of these regulations;
- (c) the delisting, in their opinion, is in the interest of the shareholders.

20. Name of compliance officer of the company.

SCHEDULE II

See regulation 20(1)

THE REVERSE BOOK BUILDING PROCESS

1. The reverse book building process shall be made through an electronically linked transparent facility and the acquirer shall enter into an agreement with a stock exchange for this purpose.
2. The detailed public announcement and letter of offer shall be filed without delay with the stock exchange mentioned in clause 1 and such stock exchange shall forthwith post the same on 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 clause 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 acquirer 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 dematerialized shares, desirous of availing the exit opportunity may enter their bid by way of marking a lien in favour of the special depositories account opened by the Manager to the offer.
8. The Manager to the offer shall ensure that the equity shares in the said special depositories account are not transferred to the account of the acquirer unless the bids in respect thereof are accepted and payments in respect thereof are made.
9. The holders of physical equity shares shall ensure that the bidding form, together with the share certificate and transfer deed, is received by the share transfer agent appointed for the purpose before the last date of bidding period. The share transfer agent shall deliver the certificates, which are found to be genuine, to the Manager to the offer, who shall not hand it over to the acquirer unless the bids in respect thereof are accepted and payment in respect thereof is made. The bids in respect of the certificates which are found to be non-genuine shall be deleted from the system.
10. The verification of physical certificates for making the public announcement under regulation 17 of these regulations shall be completed on the day on which they are received by the share transfer agent.

11. The bids placed in the system shall have an audit trail which includes stock broker identification details, time stamp and unique order number.

12. Clauses 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 (2) of regulation 17 of these regulations.

13. The discovered price shall be determined as the price at which shares are accepted through eligible bids, that takes the shareholding of 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 following:

- (i) a custodian(s) holding shares against which depository receipts have been issued overseas;
- (ii) a trust set up for implementing an Employee Benefit scheme under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (iii) inactive shareholders such as vanishing companies, struck off companies, shares transferred to Investor Education and Protection Fund account and shares held in terms of sub-regulation (4) of regulation 39 read with Schedule VI of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

14. An illustration for arriving at the discovered price is given in the table below:

<i>Bid price (₹)</i>	<i>Number of investors</i>	<i>Demand (Number of shares)</i>	<i>Cumulative demand (Number of shares)</i>
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	
Total	48	25,00,000	Not applicable	

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

SCHEDULE III

See regulation 32 (4)

GUIDELINES FOR COMPULSORY DELISTING

1. The recognised stock exchange shall take into account the grounds prescribed in the rules made under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) while compulsorily delisting the equity shares of the company.
2. 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 (4) of regulation 33.
3. The recognised stock exchange shall consider the nature and extent of the alleged non-compliance by the company and the number and percentage of public shareholders who may be affected by such non-compliance.
4. The recognised stock exchange shall take reasonable efforts to verify the status of compliance with the provisions of the Companies Act, 2013 (18 of 2013) and the rules and regulations made thereunder, by the company with the office of the concerned Registrar of Companies.
5. 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. If delisted, the names shall be shifted to another separate section on the website.
6. The recognised stock exchange shall in appropriate cases file prosecutions under relevant provisions of the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any other law for the time being in force against identifiable promoters and directors of the company for the alleged non-compliances.
7. The recognised stock exchange shall, in appropriate cases, under the applicable provisions of the Companies Act, 2013 (18 of 2013), file a petition for winding up the company or make a request to the Registrar of Companies to strike off the name of the company from the register.

SCHEDULE IV

See regulation 22(4)

Timelines for counter offer

Sr. No.	Activity	Timelines
1.	Public announcement of counter offer by the acquirer through stock exchange mechanism	Within two working days from the date of closure of reverse book building bidding process
2.	Publication of counter offer public announcement in the same newspapers where the detailed public announcement was made	Within four working days from the closure of the reverse book building bidding process
3.	Option to withdraw the shares tendered during the reverse book building process	Within ten working days from the counter offer public announcement
4.	Dispatch of “Letter of offer for counter offer”	Within four working days from the closure of the reverse book building bidding process
5.	Opening of counter offer bidding process	Not later than seven working days from the date of public announcement
6.	Closing of counter offer bidding process	Not later than five working days from the opening of counter offer bidding process
7.	Public announcement of success/failure of counter offer in the same newspaper in which detailed public announcement under sub-regulation (1) of regulation 15 was made	Not later than five working days of the closing of the counter offer bidding process
8.	Payment of consideration	Not later than ten working days from the closing of counter offer or through the secondary market settlement mechanism, as the case may be
9	Release of equity shares	On the date of making public announcement of the success or failure of the counter offer

Sd/-

**AJAY TYAGI
CHAIRMAN
SECURITIES AND EXCHANGE BOARD OF INDIA**