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CS EXECUTIVE

MODULE-2

SECURITIES LAW

BY:- CS NITESH KR. JAISWAL
(Company Secretary (FCS), LL.B.)

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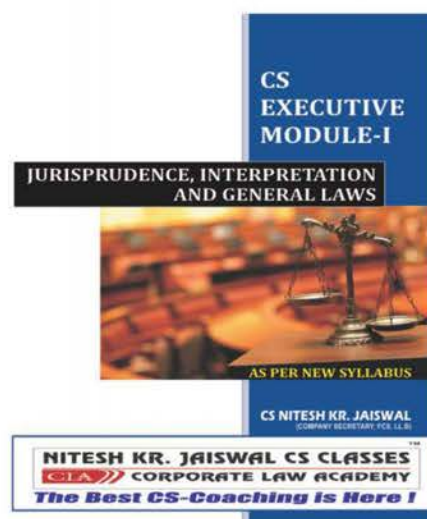
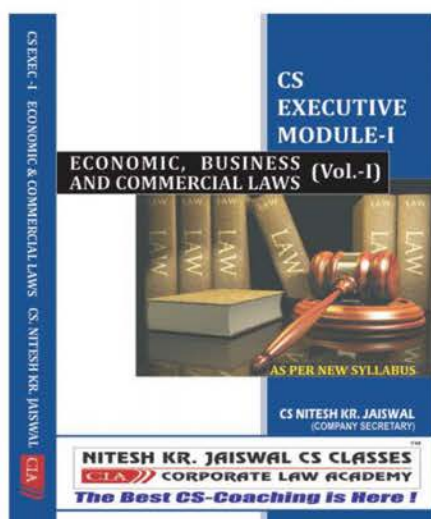
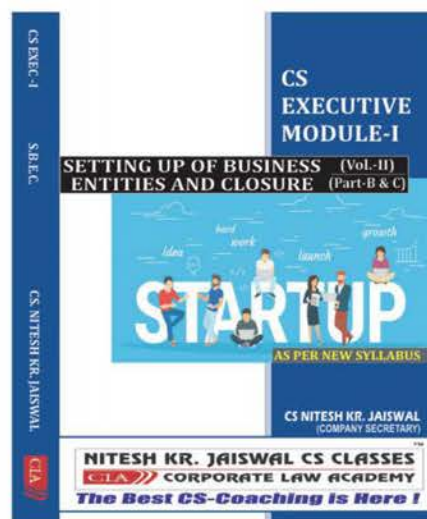
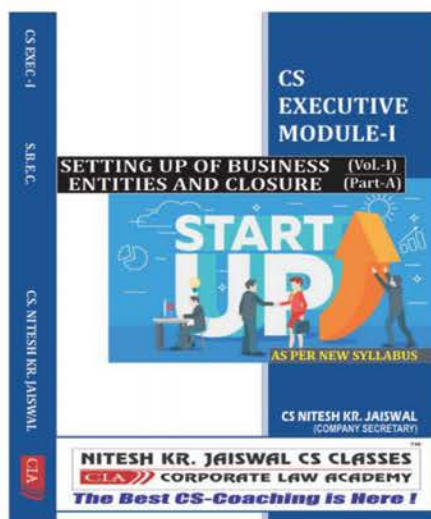
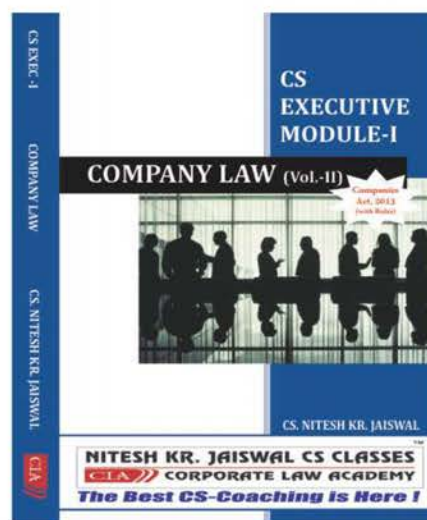
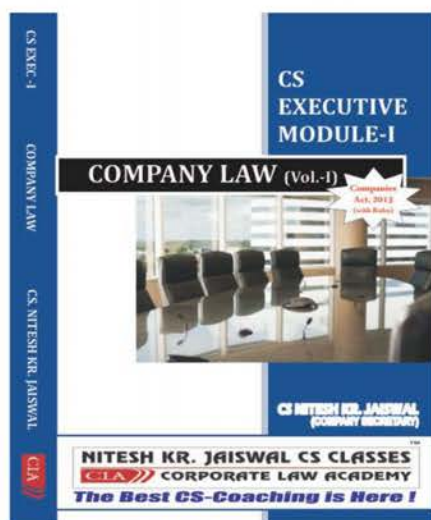
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Dedicated to
My mother **Late SUNITA JAISWAL**
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Preface

We have great pleasure in placing the book on Securities Laws and Capital Markets in the hands of students. This book gives a complete and overall prospect about Securities Laws and Capital Markets from examination point of view and meets the requirements of all levels of students preparing for Company Secretaryship examination. The focus continues on equipping the students with theories, concepts and techniques that can be applied to various spheres of Company Secretary professional.

The important features of this book are as follows:

- ❖ It is user friendly and provides information in well structured manner.
- ❖ It incorporates latest changes relating to the subject, Securities Laws and Capital Markets.
- ❖ It elaborates the concept through practical problems.
- ❖ Tables and diagrams are used for explaining the key concepts.
- ❖ Lucid and comprehensive presentation of the complex and advanced subjects matter will help the students in easy understanding.
- ❖ **The book is comprehensive and even a student who has not studied the subject earlier can easily understand the concept and system of Securities Laws and Capital Markets.**

There is no denying the fact that improvement is an unending process.

We look forward to the comments, suggestions and criticisms from the readers for improvement of this book and will be gratefully acknowledged.

However, it becomes necessary for every student to constantly update with legislative changes made as well as judicial pronouncements rendered from time to time by referring to the ICSI's monthly journal 'Chartered Secretary' and e-bulletin 'Student Company Secretary' as well as other law/professional journals and reference books.

Besides, as per the Company Secretaries Regulations, 1982, students are expected to be conversant with the amendments to the laws made upto six months preceding the date of examination.

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SECURITIES LAWS AND

CAPITAL MARKETS (VOL-2)

*{Strictly as per new syllabus (2017) prescribed by
The Institute of Company Secretaries of India (ICSI)}*

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This book should be read along with “Securities Laws & Capital Markets Vol-1” containing additional 15 Chapter

**This book is updated
With all amendments
Till 30th December, 2019**

***(Afterwards amendments will be included / discussed
in live lectures at classroom)***

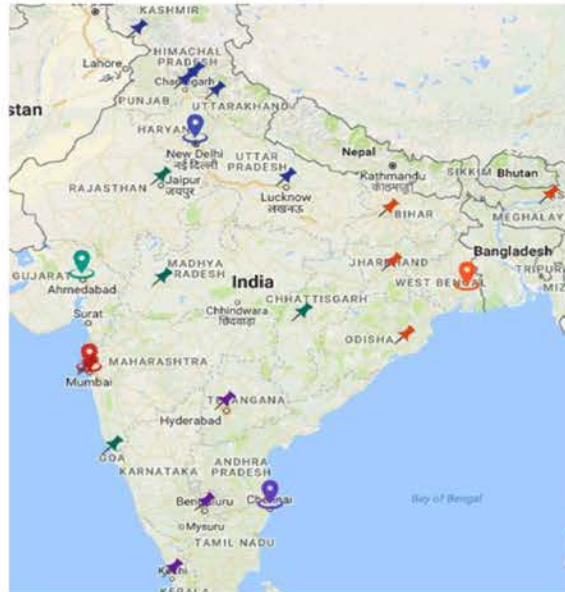
General Legal Knowledge

SPECIFIC SECTORAL REGULATORS

SECTORS	REGULATORS
BANKS	RESERVE BANK OF INDIA (RBI)
CHIT FUNDS	RBI
CHARTERED ACCOUNTANTS / AUDITORS	The Institute of Chartered Accountants of India (ICAI) / CAG
COMPANIES – ALL	Ministry of Corporate Affairs (MCA)/ Registrar of Companies (ROC)
COMPANY SECRETARIES	The Institute of Company Secretaries of India (ICSI)
DEPOSITORIES &D.P	SEBI
FII	SEBI
INSURANCE COMPANIES	IRDA
MUTUAL FUNDS	SEBI
REAL ESTATE	Real Estate Regulatory Authority (RERA)
SOLICITORS & LEGAL ADVISORS	Bar Council of India (BCI)
TELECOM INDUSTRY	Telecom Regulatory Authority of India (TRAI)
FOOD SAFETY	Food Safety and Standards Authority of India (FSSAI)

General Legal Knowledge

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NEW SYLLABUS

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Roll No.

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 6

Total number of printed pages : 8

NOTE : Answer ALL Questions.

PART-I

1. (a) A Mutual Fund having 300 units has shown Net Asset Value (NAV) of ₹ 8.75 and ₹ 9.45 at the beginning and at the end of the year respectively. The Mutual Fund has given two options :
- (i) Pay ₹ 0.75 per unit as dividend and ₹ 0.60 per unit as capital appreciation; or
- (ii) These distributions are to be reinvested at an average NAV of ₹ 8.65 per unit.
- What difference it would make in terms of return available and which option is preferable ?
- (b) 'A stock exchange on its own can delist any security thereon'. Explain how Recognized Stock Exchange delists any securities listed thereon under Securities Contracts (Regulations) Rules, 1957.
- (c) Your Board of directors is contemplating to take-up the agenda to issue ESOS in next meeting. Being a Company Secretary, advise your Board of directors about brief procedure for issuing of securities under SEBI Employees Stock Option Scheme (ESOS) by a listed Company.
- (d) Can a Company buy-back its own shares or any specified securities through negotiated deals or through any private arrangements ? Comment with methods allowed for buy-back.

(5 marks each)

Attempt all parts of either Q. No. 2 or Q. No. 2A

2. (a) A listed company can apply to stock exchange for re-classification of the Promoter's holdings as public shareholders under SEBI regulations. Whether following promoters can apply for re-classification with reference to SEBI regulations ?
- (a) Promoter is declared as willful defaulter as per RBI guidelines.
 - (b) Promoter is holding 12% of total voting rights in the listed entity.
 - (c) Promoter is acting as CEO of the listed entity.
 - (d) The promoter company has outstanding listing fees only for one year.
- (b) Explain the Modes of Payment to the shareholders of the Target Company on acquisition of shares by the acquirer under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- (c) An acquirer, holding 25% or more but less than maximum permissible non-public shareholding of the Target Company can acquire such additional shares as would entitle him to exercise more than 5% of the voting rights in any financial year. Explain the statement indicating the creeping acquisition limit for making an open offer by an acquirer.
- (d) SEBI has been given necessary autonomy and authority to regulate and develop an orderly market. Elucidate the statement in the light of statutory powers vested with SEBI.
- (e) Life-Changing Assets Management Ltd., a mutual funds company desires to engage a bollywood celebrity to popularize its schemes. Explain the SEBI provisions with regard to celebrity endorsements of Mutual Funds at industry level.

(4 marks each)

: 3 :

OR (Alternate question to Q. No. 2)

- 2A.** (i) M/s Highspeed Ltd. manufacturing a car components for leading car manufacturer. Its public issue of ₹ 500 crore was fully subscribed. The public issue money ought to be utilized for setup an assembly-line for the existing business. Out of ₹ 500 crore, the company spent ₹ 400 crore for assembly-line. The management consultant, hired for Business Process re-engineering has suggested to invest balance amount to setup bike components manufacturing unit. You, being company secretary of the company, advise on the opinion of management consultant by referring provisions of SEBI Guidelines.

(4 marks)

- (ii) From the following information, calculate the Enterprise Value of E Ltd. :

Balance Sheet of E Ltd. as on 31st March, 2018

Liabilities	Amount (₹ Lakh)	Assets	Amount (₹ Lakh)
Share Capital (Face Value ₹ 2)	952	Non-Current Assets	2,550
Reserves & Surplus	48	Current Assets :	
Minority Interest	115	Cash & Cash Equivalent	102
Short-term Borrowings	2,860	Other Current Assets	1,323
	3,975		3,975

Current Market Price Per Share is ₹ 96.

(4 marks)

: 4 :

- (iii) The Board of directors of a listed company desires to delist its equity shares from all the recognised stock exchanges. The voting details through postal ballot are as under :

— Total nos. of voters : 7,000 (Public : 5,000 & Promoters : 2,000)

— Voting at shareholders meeting :

- (a) Public shareholders :

In favour : 3,300 votes

In against : 1,700 votes

- (b) All promoters shareholders have voted in favour of resolution.

By referring SEBI delisting regulation, decide upon the resolution passed by the shareholders.

(4 marks)

- (iv) The financial data of a listed company as on 31st March, 2018 are as follows :

Authorized equity share capital ₹ 10 crore

(1 crore shares of ₹ 10 each)

Paid-up equity share capital ₹ 5 crore

General reserve ₹ 3 crore

Debenture redemption reserve ₹ 2 crore

The Board of directors of your company passed resolution by circulation for buy-back of shares to the extent of 9% of the company's paid-up share capital and free reserves. You are required to examine the validity of the proposal with reference to the provisions of the SEBI Regulations.

(4 marks)

- (v) Z Ltd. has issued Sweat Equity Shares for a non-cash consideration. What are the possible accounting treatments in the books of Z Ltd. ?

(4 marks)

: 5 :

3. (a) A listed NBFC has been granted licence to run as small finance bank by the Reserve Bank of India under recently announced policy to improve the financial inclusion of the country. During the last three years, the attrition rate for top level management employees was not too high As, RBI has granted licences to many small banks, therefore, the promoters of the Bank feels that attrition rate will be high in coming period. The Board of directors wishes to allot Sweat Equity shares to employees. You, being compliance officer of the Bank, advise the Board about pricing of the Sweat Equity shares.
- (b) An unlisted public company (“Acquirer”) doing business of exporting steel and it is a part of the Promoter Group of Maurya Hotels (India) Ltd. (MHIL), a company listed on stock exchange. In view of improving its efficiency, MHIL is planning to restructure its group. The Acquirer has agreed to enter into a scheme of arrangement where the shares held by the promoter group companies (eight companies) will be transferred to it. Post-merger, the shareholding of the Acquirer in the Company will increase from 2% to 24%. However, the overall promoter shareholding will remain unchanged. You, being practicing company secretary, appointed as consultant by the Acquirer, answer the following :
- (i) Will the transfer of shares trigger an obligation to make an open offer under the SEBI (SAST) Regulations on the Acquirer ?
- (ii) What are the disclosure requirements under the SAST Regulations, if any, that the parties to the scheme will have to comply with ?
- (c) Explain what is Informal Guidance under SEBI (Informal Guidance) Scheme, 2013 and who can seek guidance from SEBI ?

(5 marks each)

: 6 :

4. (a) The price of equity share of a listed company viz. NextDial Ltd. (NDL) increased from ₹ 10 to high of ₹ 50 i.e. a rise of 500% during the period 1st April, 2018 to 30th Sept., 2018. NDL had entered into a Share Purchase Agreement (SPA) with the proposed acquirer(s) to acquire 40% of the subscribed equity share capital as of 31st Aug., 2018 which would result in change of management. This initial discussion on the deal was made on 1st April, 2018 but SPA was signed on 25th April, 2018. During 1st April, 2018 to 30th Sept., 2018, the promoter and his wife dealt in the script of NextDial Ltd. Referring to the provisions of SEBI (PIT) Regulations, answer the following :

- (i) Define Unpublished Price Sensitive Information.
- (ii) Whether there was any Unpublished Price Sensitive Information (UPSI) ?
- (iii) What will be the date of UPSI ?
- (iv) What are the factors to be taken into account by the adjudicating officer while imposing penalty for the act ?

(8 marks)

- (b) The financial data of Natural Energy Limited as on 31st March, 2018 are as under :

- (i) Authorised Share Capital : ₹ 700 crore
- (ii) Paid-up Capital : ₹ 300 crore
- (iii) Free Reserves : ₹ 800 crore

The company has pending convertible debenture of ₹ 150 crore, due for conversion in financial year 2018-19. The company proposes to issue bonus shares in the ratio of 1 : 1 after conversion of debenture. You being a company secretary, advise on the procedure to be followed by referring SEBI regulations.

(7 marks)

: 7 :

PART-II

5. (a) What are the Option contracts ? You are required to compute the profit/loss for each investors in below option contracts :
- (i) Mr. X writes a call option to purchase share at an exercise price of ₹ 60 for a premium of ₹ 12 per share. The share price rises to ₹ 62 by the time the option expires.
 - (ii) Mr. Y buys a put option at an exercise price of ₹ 80 for a premium of ₹ 8.50 per share. The share price falls to ₹ 60 by the time the option expires.
 - (iii) Mr. Z writes a put option at an exercise price of ₹ 80 for a premium of ₹ 11 per share. The price of the share rises to ₹ 96 by the time the option expires.
 - (iv) Mr. XY writes a put option with an exercise price of ₹ 70 for a premium of ₹ 8 per share. The price falls to ₹ 48 by the time the option expires.
- (b) What do you mean by 'Research Analysts' ? Elucidate the net worth requirements, and role and responsibilities of Research Analyst as per SEBI (Research Analyst) Regulations, 2014.
- (c) "Prior information of open position of any share during market hours can easily fluctuate the price of the share". How Preventive Surveillance helps to reduce the fraudulent price variation in the shares in a day ?

(5 marks each)

Attempt all parts of either Q. No. 6 or Q. No. 6A

6. Write short notes on the following :
- (a) Custodian of Securities
 - (b) Key difference between WPI & CPI
 - (c) Basis of SENSEX
 - (d) High Net Worth Individuals
 - (e) Bulk Deal.

(3 marks each)

OR (Alternate question to Q. No. 6)

- 6A.** (i) “An Alternative Investment Fund which has been granted registration under a particular category cannot change its category subsequent to registration, except with the approval of the SEBI”. Enumerate the conditions for approval of SEBI.
- (ii) Dhruv has purchased 1000 shares @ ₹ 80 per share of a company. He wanted to pay ₹ 5,000 in cash and balance through bank transfer to stock broker. As a Company Secretary advise Dhruv by referring SEBI regulation/circular.
- (iii) “SEBI has amended the provisions related to registration of Sub-Broker to act as a market intermediary”. Elucidate the statement and discuss the migration path for existing registered Sub-Brokers.

(5 marks each)

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NEW SYLLABUS

426

Roll No.

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 6

Total number of printed pages : 8

NOTE : *Answer ALL Questions.*

PART-I

1. (a) A mutual fund has a NAV of ₹ 11.50 at the beginning of the year. At the end of the year NAV increases to ₹ 12.10. Meanwhile the fund distributes ₹ 0.80 as dividend and ₹ 0.70 as capital gains.
- (i) What is the fund's return during the year ?
- (ii) Had these distributions been re-invested at an average NAV of ₹ 11.80, what is the return for 200 units ?
- (5 marks)
- (b) "Expense Ratio for a mutual fund should be as low as possible." Explain how increase or decrease in Total Expense Ratio (TER) shall be disclosed by Asset Management Company under SEBI (Mutual Funds) Regulations, 1996?
- (5 marks)
- (c) Explain the Stock Appreciation Rights Scheme (SARS).
- (5 marks)
- (d) Answer the following with reference to the Companies (Share Capital and Debentures) Rules, 2014, as to whether these are the eligible employees under Employee Stock Option ? (Yes/No with reasons)
- (i) Ankit is a permanent employee deputed in USA for a specific project.

: 2 :

- (ii) Smart Ltd. is an independent company.
- (iii) Anil is a promoter and employee.
- (iv) Aneesh is a director holding 11% of outstanding equity shares of the company.
- (v) If it is a startup company, will the situation be the same in (iii) & (iv) above ?

(5 marks)

Attempt all parts of either Q. No. 2 or Q. No. 2A

2. (a) What are the provisions for continuous listing requirement under Securities Contracts (Regulation) Rules, 1957 ? List any *six* methods for achieving minimum public shareholding by a listed company.

(4 marks)

- (b) Girdhar (Retail Individual Investor) had applied for Initial Public Offer of Six Sigma Ltd. through Applications Supported By Block Amount (ASBA) process. The Self Certified Syndicate Banks (SCSBs) failed to make bids in the Stock Exchange system even after the amount has been blocked. The issue was oversubscribed. Based on the SEBI guidelines/circulars, answer the following :

- (i) What are the factors that have been taken into account by SEBI for finalization of uniform policy for calculation of the minimum fair compensation ?
- (ii) Calculate the minimum fair compensation payable to Girdhar based on the following information : Listing Price : ₹ 350, Issue Price : ₹ 300, Minimum Bid lot-20 shares, probability of allotment of shares on the basis of allotment (ratio 7 : 8).

(4 marks)

: 3 :

- (c) For ensuring independence in the spirit of Independent Directors and their active participation in functioning of the company, SEBI has accepted many recommendations of Committee setup under the Chairmanship of Shri Uday Kotak and made amendments in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Explain any four amended provisions related to Independent Directors.
- (4 marks)
- (d) Bombay Stock Exchange Ltd. had suspended trading in shares of XYZ Ltd. for violating conditions of listing agreement. The company has now complied with the listing regulations requirements. By referring to SEBI circular/regulations, discuss the criteria for suspension of the trading in the shares of the listed entities.
- (4 marks)
- (e) Explain the following :
- (i) Dematerialization
 - (ii) Fungibility.
- (4 marks)

OR (Alternative question to Q. No. 2)

- 2A. (i) Hon'ble Justice A, a retired Chief Justice of a High Court, attained the age 62 years on December 31, 2017. The Central Government had appointed him as the Presiding Officer of the Securities Appellate Tribunal (SAT) with effect from January 1, 2018. You are required to state with reference to SEBI Act, 1992, (a) the term for which he may be appointed as Presiding Officer of the SAT (b) Whether he can be re-appointed as such and remains as Presiding Officer of the Securities Appellate Tribunal ?

(4 marks)

- (ii) The equity share of Ashina Buildcon Ltd., was listed on National Stock Exchange Ltd. (NSE). NSE delisted its shares by complying SEBI guidelines on delisting. The order of delisting was passed on March 05, 2017. Kunj, one of the shareholder has not participated in the bidding process due to ill health, He wanted to tender shares on January 01, 2018. Analyze the problem in the light of the SEBI (Delisting of Equity Shares) Regulations, 2009.

(4 marks)

- (iii) Define “Dissenting shareholders”. What are the conditions for applicability of Exit offers by dissenting shareholders according to SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ?

(4 marks)

- (iv) You are the Company Secretary of Sunglow Ltd., which being listed on the Stock Exchange after an IPO is made by the company. The Managing Director desires to know about quarterly compliance requirements under listing agreement. Prepare a list of quarterly compliances as per the listing regulations.

(4 marks)

- (v) What is Trading Plan under SEBI (Prohibition of Insider Trading) Regulations, 2015 ? State the requirements to be complied with in this regard.

(4 marks)

3. (a) Technopoly Ltd., an unlisted public company, having a paid up equity share capital of ₹ 3.00 crore consisting of 30,00,000 equity shares of ₹ 10 each fully paid up,

: 5 :

proposes to reduce the denomination of equity shares to less than ₹ 10 per share and make the initial public offer of equity shares at a premium. Whether it is possible for the company to issue shares at a denomination of less than ₹ 10 ? Based on the above facts, you are required to state the minimum issue price, with reference to the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

(5 marks)

- (b) MCS Ltd. is a listed company with Bombay Stock Exchange Ltd. The Company enters into related party transactions frequently with MAP Ltd. in which one of director of MCS Ltd. holds 3% paid up capital of MAP Ltd. MCS Ltd. feels that getting the approval of Audit Committee for each transaction is time-consuming and delaying the operational plan. You, being a Company Secretary of MCS Ltd., advise the management with reference to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for approval of the related party transactions from the Audit Committee for next one year. Will your answer be different if MAP Ltd. is wholly owned subsidiary of MCS Ltd. ?

(5 marks)

- (c) Startups companies have now come up with an Initial Public offer with relaxation of many conditions applicable for Initial Public Offer. In this context, briefly, explain about the “Institutional Trading Platform (ITP)” and eligibility for listing.

(5 marks)

4. (a) Prateek applied in the IPO of Maxgrow Ltd. for 100 Equity Shares. He was not eligible to get any shares according to the allotment schedule and also has not received the refund amount within the time stipulated under the Companies Act, 2013. Prateek approached the Company through written representation on January 10, 2018. The company neither replied nor processed the refund claim. In the light of the SEBI Regulations, answer the following :

- (i) How much time should elapse before approaching Ombudsman from the date of written representation ?
- (ii) State the grounds and the procedure for filing a complaint before Ombudsman.
- (iii) Whether Prateek can hire services of a legal practitioner to plead his case before Ombudsman ?

(8 marks)

- (b) You are working as the Company Secretary of a listed company viz. Mindspare Ltd. The company is in advance stage of negotiation with a buyer, who will drastically improve the profitability and financial position of the company. You have got some information that one of the employees of the company, who is involved in the negotiation may indulge in trading of shares of the company. Being a compliance officer, you are required to formulate a code of conduct to regulate, monitor and report trading by employees and other connected persons towards achieving compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015.

(7 marks)

: 7 :

PART-II

5. (a) Naman had executed following trades on Gama Ltd. stock :
- (i) Purchased one 3-month call option with a premium of ₹ 25 at an exercise price of ₹ 530.
 - (ii) Purchased one 3-month put option with a premium of ₹ 5 at an exercise price of ₹ 430.
- The lot size is 100 share per lot and the current price of Gama Ltd. stock is ₹ 500. Determine Naman's profit or loss, if the price of Gama Ltd. stock after 3 months is :
- (a) ₹ 500
 - (b) ₹ 350.
- (b) What is meant by Anchor Investor ? What are the limitations of allocation to anchor investors in the Book building process ?
- (c) A listed company, Nishan Hitech Ltd. issued 10 lakh equity shares at a price of ₹ 150 per share. The company provided Green shoe option for stabilizing the post listing price of the shares. On the day of listing of shares, the news of trade war between the two developed countries flashes and the price of shares of company fall to ₹ 110. Decide how many shares can be purchased by the stabilizing agent to control the price ? State the provisions for balance money lying in the special account for green shoe option.

(5 marks each)

Attempt all parts of either Q. No. 6 or Q. No. 6A

6. Write short notes on the following :

- (a) Private Equity
- (b) Book Closure and Record Date
- (c) Bankers to an issue
- (d) Venture capital
- (e) Pension Fund.

(3 marks each)

OR (Alternative question to Q. No. 6)

- 6A. (i) What is meant by Block deal ? How is it being executed in the Stock Exchange ?
- (ii) Credit Rating Agencies may not be taking cognizance of information for delays in servicing debt obligations while reviewing of its ratings. What are the material events requiring a review by the Credit Rating Agencies as per SEBI's circular ?
- (iii) Explain the provisions for compulsory internal audit of Registrars to an Issue/Share Transfer Agents (RTAs).

(5 marks each)

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Important Abbreviations

S. No.	Acronym	Expansion
1.	ADR	American Depository Receipt
2.	ALBM	Automated Lending and Borrowing Mechanism
3.	ASBA	Applications Supported by Blocked Amount
4.	CAG	Comptroller and Auditor General of India
5.	CARE	Credit Analysis and Research Limited
6.	CBCA	Canada Business Corporation Act
7.	CDS(I)L	Central Depository Services (India) Limited
8.	CFC	Certified Filing Centre
9.	CFDS	Corporate Filing and Dissemination System
10.	CFTC	Commodity Futures Trading Commission
11.	CIN	Corporate Identity Number
12.	CIS	Collective Investment Schemes
13.	CLA	Central Listing Authority
14.	CoBoSAC	Corporate Bonds and Securitisation Advisory Committee
15.	CRA	Credit Rating Agencies
16.	DFHI	Discount and Finance House of India Limited
17.	DFI	Development Financial Institution
18.	DIN	Director Identification Number
19.	DMA	Direct Market Access
20.	DVP	Delivery versus Payment
21.	DP	Depository Participants
22.	DSC	Digital Signature Certificate
23.	ECB	External Commercial Borrowings
24.	ECN	Electronic Contract Note
25.	ECS	Electronic Clearing Services
26.	EDIFAR	Electronic Data Information Filing and Retrieval
27.	ESOS	Employee Stock Option Scheme
28.	FCCB	Foreign Currency Convertible Bond
29.	FCEB	Foreign Currency Exchangeable Bond
30.	FII	Foreign Institutional Investors
31.	FIMMDA	Fixed Income Money Market and Derivatives Association of India
32.	FTI	Fast Track Issues
33.	GDR	Global Depository Receipts
34.	GETF	Gold Exchange Traded Fund
35.	GLN	Global Location Number
36.	HPAC	High Powered Advisory Committee

37.	HLCC	High Level Committee on Capital Markets
38.	IBP	Inter- Bank Participation
39.	IPA	Issuing and Paying Agent
40.	IRDA	Insurance Regulatory and Development Authority
41.	JRE	Java Runtime Environment
42.	KYC	Know Your Client
43.	MCFS	Modified Carry- Forward System
44.	MoU	Memoranda of Understanding
45.	MTM	Market Trade Mechanism
46.	NAV	Net Asset Value
47.	NCDS	Non- Convertible Debt Securities
48.	NDTL	Net Demand and Time Liabilities
49.	NDS	Negotiated Dealing System
50.	NPA	Non- Performing Assets
51.	ODI	Overseas Derivative Instrument
52.	OTCEI	Over the Counter Exchange of India
53.	PDO	Public Debt Office
54.	QIB	Qualified Institutional Buyers
55.	SEFT	Special Electronic Fund Transfer
56.	SIP	Systematic Investment Plan
57.	SGL	Subsidiary General Ledger
58.	SMART	Simple, Moral, Accountable, Responsive and Transparent
59.	SMC	Small and Medium Sized Companies
60.	SMILE	Securities Markets Infrastructure Leveraging Expert
61.	SPDR	Standard and Poor Depository Receipt
62.	SPN	Secured Premium Notes
63.	SRN	Service Request Number
64.	SRO	Self Regulatory Organizations
65.	STP	Straight Through Processing/ Systematic Transfer Plan
66.	SWP	Systematic Withdrawal Plan
67.	UGC	Unique Client Code
68.	VaR	Value at Risk

Practical Questions with Answers

Q.1. Jai Ltd. announced issue of bonus shares in the ratio of 1:3 (i.e., one share for every three shares held). At present the face value of share is ₹10, current market price is 621. In addition, it announced split of shares by reducing the face value from ₹10 to ₹2. Calculate the share price if all other things remain constant. What would have been the situation if split would have been done before the issue of bonus shares? **(Dec. 15, 5 marks)**

Ans. (i)	Stock split post bonus issue	₹
	Market value of 3 shares required to be held by shareholder [3x621]	1,863
	Add: issue price of bonus share [1x0]	0
	Total price of 4 shares	1863
	Stock split from 10/- to ₹ 2/-	
	No of shares post stock split [4x5]	20
	Average price [1863/20]	93.15
(ii)	Stock split before bonus issue	
	Market value of 3 shares required to be held by	1863
	Shareholder [3x621]	
	No. of shares post stock split [3x5]	15
	No. of bonus shares to be received [15/3]	5
	Total price of 20 shares	1863
	Average price [1863/20]	93:15

Thus, there would be no change in the situation if the stock split taken place before issue of bonus shares.

Q. 2. Somnath Ltd. has a share capital of 50,000 equity shares of ₹100 each. Market value is ₹250 per share. The company decides to make a rights issue to the existing shareholders in proportion of one new rights share of ₹100 at a premium of ₹30 per share for every 5 shares held. Calculate the value of rights. **(Dec. 15, 5 marks)**

Ans.	Computation of value of rights:	₹
	Market value of 5 shares required to be held by shareholder [5x250]	1250
	Add: issue price of rights shares [1x30]	130
	Total price of 6 shares	1380
	Average price of per share [1380/6]	230
	Value of rights = Market value of the shares – Average price of the shares	
	= ₹250-230 = ₹20	

Q. 3. As on 1st April, 2016, Russel Ltd. has surplus cash for six months. It has following two options under consideration for investing the surplus cash:

- (i) To invest in fixed deposit at an interest rate of 8% per annum payable quarterly; or
- (ii) To buy treasury bills of the face value of ₹100 at ₹98.019 maturing after six months.

Presuming that the risk involved in both the options is identical, state with reasons as to which option should be selected by the company for investing its surplus funds. **(Dec. 16, 5 marks)**

Ans. (i) Computation of effective rate of interest

Rate of interest = 8% per annum

Quarterly rate of interest = 2%

Effective rate of interest = $[(1.02)^2 - 1] \times 100 = 4.04\%$ (considering 6 months)

(ii) Computation of yield of a treasury bill $Y = \frac{(100-P) \times 365 \times 100}{P \times D}$

Wherein Y= Discounted yield

P= Price

D= Days to maturity. The days to maturity of treasury bill are (April -30 days, May-31 days, June-30 days, July-31 days, August -31 days, September-30 days)

$$= \frac{(100-98.019) \times 365 \times 100}{98.019 \times 183}$$

$$= 4.03\%$$

Since the effective rate of interest on fixed deposit is more than the yield from T bill, it shall be advantageous to invest the money in fixed deposit.

Q. 4. Compute NAV and rate of return for a unit holder who bought a unit at ₹17.60 and received a dividend of ₹2 per unit during the period. Face value of the unit is ₹10.

Other details are as under:

	(in crore)
Market value of funds portfolio	4,200
Size of the scheme	2,000
Accrued income	100
Receivables	100
Accrued expenses	275
Liabilities	150
Number of outstanding units: 200 crores.	(Dec, 16, 4 Marks)

Ans. Compute of net asset value (NAV) and rate of return

NAV = (Market value + current liabilities) / No. of units outstanding

$$= (4200 + 100 + 150 - 275) / 200 \text{ units}$$

$$= 3975 / 200$$

$$= ₹19.875$$

Rate of return = income earned – amount expended / initial investment x 100

$$= (19.875 + 2 - 17.60) / 17.60 \times 100$$

$$= 40275 / 17.60$$

$$= 24.29\%$$

Q. 5. Following information has been collected regarding Share-X trading at NSE on 2nd September, 2016:

Date	Time	Price (₹)	No. of shares traded
2 nd September, 2016	14:42:10	265.60	550
2 nd September, 2016	14:53:35	262.78	1,575
2 nd September, 2016	15:00:20	260.99	1,514
2 nd September, 2016	15:03:30	261.79	1,625
2 nd September, 2016	15:05:40	260.38	1,025
2 nd September, 2016	15:12:20	261.51	1,390
2 nd September, 2016	15:21:25	261.42	800
2 nd September, 2016	15:22:20	264.07	600
2 nd September, 2016	15:26:55	263.74	1,200

You are required to determine the closing price and last traded price for Share-X for 2nd September, 2016.

[Dec. 2016, 3 Marks]

Ans. Closing price is calculated by taking the weighted – average of prices of a stock during the last half an hour i.e. from 3:00pm to 3:30 pm for every trading session. However, if there is no trade recorded during last 30 minutes then the last traded price of a stock is taken as the closing price. last trading price is the price at which the last transaction of a stock is recorded on a trading day. Accordingly, the prices are calculated as thus:

Share A				
Date	Time	Price	No.of shares traded	price x shares traded
2-sep-16	15:00:20	₹260.99	1,514	₹3,95,138.88
2-sep-16	15:03:30	₹261.07	1,625	₹4,25,408.75
2-sep-16	15:05:40	₹260.38	1,025	₹2,66,889.50
2-sep-16	15:12:20	₹261.51	1,390	₹3,63,498.90
2-sep-16	15:21:25	₹261.51	800	₹2,09,136.00
2-sep-16	15:22:20	₹264.07	600	₹1,58,442.00
2-sep-16	15:26:55	₹263.74	1,200	₹3,16,488.00
Total			8,154	₹21,35,002.01

Closing price = ₹21,35,002.01/8154 = ₹25183

Last trading price for share X = ₹263074

Q. 6. Super mutual fund has launched a scheme named 'Super Bonanza'. The net asset value (NAV) of the scheme is ₹12.00 per unit. The redemption price is ₹11.65 per unit and offer price is ₹12.50 per unit. You are required to calculate —

(i) Front-end load; and

(ii) Back-end load.

(June, 2015, 6 marks)

Ans. Net asset value of the scheme “Super Bonanza” is ₹12.00 per unit. Redemption price is ₹11.65 per unit and offer price is ₹ 12.50 per unit

(i) Front-end load charges

Public Offer Price = NAV / (1 - front end load)

Let us assume that front end load = x

$$12.50 = 12 / (1 - x)$$

$$12.50 - 12.50x = 12$$

$$X = 0.50 / 12.50 = 0.04$$

Front end load = 4%

Front end load charges = ₹0.48/- per unit

(ii) Back end load charges:

Redemption Price = NAV / (1 + back end load)

Let us assume that back- end load = x

$$11.65 = 12 / (1 + x)$$

$$X = 0.35 / 11.65 = 0.03$$

Back-end load = 3%

Back-end load charges = ₹0.36/- per unit

Q. 7. Calculate value of 'rights' from the following information —

Number of rights shares offered	2,500
Number of shares held	1,000
Ex-rights price	₹18
Rights offer price	₹15
Face value of a share	₹10

(June 2015, 4 marks)

Ans. Value of right, $Vr = \frac{n}{m}(P_{ex} - P_{of})$

where, n= No. of rights shares offered

m = No. of shares held

P_{ex} = Ex-rights price

P_{of} = Right Offer Price

$$= \frac{2500}{1000}(18 - 15)$$

$$= 2.5 \times 3 = ₹7.5$$

Q. 8. Prime Ltd. issued some warrants which allowed the holders to purchase, with one warrant, one equity share at ₹18.275 per share. The equity share was quoted at ₹25 per share and the warrant was selling at ₹9.50. In this case, you are required to compute —

- The minimum price of warrant; and
- The warrant premium.

(June 2016, 4 marks)

Ans. (i) Computation of minimum Price of Warrant

Minimum price + (market price of Equity Share - exercise price) * (exercise ratio)

$$= (₹25 - ₹18.275) * (1-0)$$

$$= ₹6.725$$

(ii) Computation of warrant Premium

Warrant Premium = (Market Price of warrant) - (minimum Price of warrant)

$$= ₹9.50 - ₹6.725$$

$$= ₹2.775$$

Q. 9. Manish owns 250 preference shares of Amaze Ltd. which currently sells for ₹77 per share and pays annual dividend of ₹13 per share —

- What is Manish's expected return?
- Manish requires 13% return, should he sell or buy more preference shares at the current price?

(June 2016, 4 marks)

Ans. (i) Expected Return = dividend / Market price

$$= ₹13.00 / ₹77.00$$

$$= 16.88\%$$

(ii) Given 13% required rate of return, the stock worth is: -

$$V_p = \text{Dividend} / \text{Required rate}$$

$$= ₹13.00 / 0.13$$

$$= ₹100$$

Because the expected rate of return (16.88%) is greater than the required rate of return (13%) or because the current market price (₹77.00) is less than ₹100, the stock is undervalued and it is worth buying and accordingly Manish should buy more shares at current price.

Q.10. The redemption price of a mutual fund unit is ₹48 while the front-end load and back-end load charges are 2% and 3% respectively. Compute:

- (i) NAV per unit and
- (ii) Public offer price of the unit.

(June 2017, 4 Marks)

Ans. (i) Computation of Net Asset value per unit

Redemption price = NAV/(1+back end load)

$$48 = \text{NAV} / (1 + 0.03)$$

$$\text{NAV} = ₹ 49.44$$

(ii) Computation of Public Offer price of the unit

$$= \text{NAV} / 1 - \text{Frontend load}$$

$$= 49.44 / 1 - 0.02$$

$$= ₹ 50.45$$

Q.11. What are treasury bills? A registered society bought 91 days treasury bills on August 24, 2015 which matured on October 19, 2015. The rate quoted by seller was ₹99.0894 per ₹100 face value. Calculate YTM.

(June 2017, 4 Marks)

Ans. Treasury bills are money instrument issued by RBI to finance the short term requirements of the Government of India. These are discounted securities and thus are issued at a discount to face value. The return to the investor is the difference between the maturity value and issue price.

$$Y = \frac{(100 - P) \times 365 \times 100}{P \times D}$$

Wherein Y = Discounted yield

P = Price

D = Days to maturity

$$= \frac{(100 - 99.0894) \times 365 \times 100}{99.0894 \times 56}$$

$$= 5.99\%$$

The days to maturity of treasury bill are (August- 8 days, September -30 days, October- 18 days = 56 days)

Q.12. Calculate the value of rights if:

Number of rights shares offered (n)	3,000
No. of shares held (m)	1,800
Ex-right price (P _{ex})	₹24
Right offer price (P _{of})	₹21
Face value of shares	₹10

(June 2017, 2 Marks)

Ans. Calculate the value of rights

$$\text{Value of right, } V_r = n (P_{ex} - P_{of}) / m$$

$$= \frac{3000}{1800} (24 - 21)$$

$$= ₹5$$

Q.13. ABC Ltd. a company whose equity shares are listed at BSE and NSE is seeking delisting of its equity shares from both the recognized stock exchanges. It provides an exit opportunity to all public shareholders in accordance with SEBI (Delisting of Equity shares) Regulations 2009. Calculate the minimum number of equity shares to be acquired for the delisting offer to be successful. Also determine the final offer price from the details given here under:

(i)	Number of Shares	Percentage holding
Promoter	75,00,000	75
Public	25,00,000	25
	1,00,00,000	100

(ii) The floor price in terms of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 is ₹ 550 per shares.

(iii) Assume that all the public shareholders holding shares in the demat mode had participated in the book building process as follows:

Bid Price (₹)	Number of Investors	Demand (Numbers of Shares)	
550	5	2,50,000	
565	8	4,00,000	
575	10	2,00,000	
585	4	4,00,000	
595	6	1,20,000	
600	5	1,30,000	
605	3	2,10,000	
610	3	1,40,000	
615	3	1,50,000	
620	1	5,00,000	
	48	25,00,000	[Dec. 2017]

Ans. Calculation of minimum number of Equity Shares & Final offer price.

Bid Price (₹)	Number of Investors	Demand (no. of Shares)	Cumulative Demand (no. of shares)
		2,50,000	
550	5	4,00,000	2,50,000
565	8	2,00,000	6,50,000
575	10	1,20,000	8,50,000
585	4	1,30,000	12,50,000
595	6	2,10,000	13,70,000
600	51	1,40,000	15,00,000
605	3	1,50,000	17,10,000
610	3	1,50,000	18,50,000
615	3	5,00,000	20,00,000
620	1		25,00,000
	48	25,00,000	

As per SEBI (Delisting of Equity Shares) Regulations, 2009 a delisting offer made shall be deemed to be successful only if the post offer promoter shareholding taken together with the shares accepted through eligible bids at the final price determined reaches ninety percent of the total issued shares of that class.

Let the minimum number of equity share to be acquired be x:

$$X + 75\% = 90\% \text{ of total issued shares}$$

$$X = 15\% \text{ of total issued shares}$$

$$X = 15,00,000 \text{ shares}$$

Final offer price = price at which post offer promoter shareholding reaches the threshold of 90% i.e ₹600/- per share.

Q.14. XYZ Ltd. is proposing to make a public issue of 400 crore equity shares through the book building mechanism where 50% of the issue size is required to be allotted to Qualified Institutional Buyers, Determine the following:

- (i) The quantum available for allocation to anchor investors.
- (ii) The quantum reserved for domestic mutual funds in the anchor investor portion, if any,
- (iii) The amount, if any, required to be brought in by the anchor investors given:
 - (a) The price at which allocation is made to anchor investors is ₹855 per share, and
 - (b) The price fixed as a result of book building is ₹ 858 per share.

[Dec. 2017]

Ans. (i) Computation of the quantum available for allocation to anchor investors.

Issue Size = 400 crore equity shares

Portion available to QIBs = 50%

= 200 crore equity shares

Anchor Investment portion = Up to 60% of the portion available to QIBs

= 120 crore equity shares.

(ii) Computation of the quantum reserved for domestic Mutual in the anchor investor portion

= One – third of the Anchor Investor Portion

= 40 crore equity shares.

(iii) Computation of amount required to be brought in by anchor investor given

Book building price = ₹858/- per equity share

Anchor Investor allocation price = ₹858/- per equity share

Since the price fixed as a result of book building is higher than the price at which allocation is made to anchor investor, hence the anchor investor shall be required to bring in the additional amount i.e ₹3/- per equity share allocated.

Q.15. Earnings per share of Alxa Piston Ltd. expected at the end of the year 2015-2016 is ₹18. The earnings per share in the year 2014-2015 is ₹16. The required rate of return is 25% p.a. and the dividend pay-out ratio is 30% which is expected to remain constant. If the earnings are expected to grow at the historical growth rate, compute the value of the share of the company at the beginning of 2015-2016.
(June 2018, 4 Marks)

Ans. Computation of Value of shares of the company at the beginning of 2015-2016

Current value of the share = Expected dividend a year/ (Required rate of return-Growth rate in dividends)

$$\begin{aligned} \text{In the given case, dividend a year hence} &= \text{EPS} \times \text{Dividend Payout} \\ &= ₹18 \times 0.3 \\ &= ₹5.4 \end{aligned}$$

Required Rate of return = 0.25

Growth rate (as payout ratio remains constant)

Growth rate in EPS = $(₹18/₹16) - 1 = 12.5\%$

Value of share = $₹5.4 / (0.25 - 0.125) = ₹43.2$

Q.16. Narender purchased a bond with face value of ₹1,000 for ₹950. The coupon rate on the bond is 12%. If he sells the bond one year later for ₹960. Compute the holding period return for Narender.

(June 2018, 3 Marks)

Ans. Computation of the holding period return for Narender

$$\begin{aligned}\text{Holding period return for Bond} &= (\text{Sale Price} - \text{Purchase Price}) / \text{Purchase Price} + \text{Interest} / \text{Purchase Price} \\ &= (\text{₹960} - \text{₹950}) / \text{₹950} + \text{₹120} / \text{₹950} \\ &= 13.68\%\end{aligned}$$

Q.17. The following is the information pertaining to the portfolio of Dolex Mutual Fund :

Stock	No. of Shares	Current Market Price (₹)
L&T	1,10,000	2,685.45
Cipla	3,12,000	259.95
Wipro	4,50,000	523.10
HDFC	3,90,000	883.30
Tata Steel	2,99,000	502.75

The fund has not borrowed any money, but its accrued management fee with the portfolio manager currently total ₹30,00,000. The number of units outstanding is 10,75,73,000.

Compute the value of the portfolio and NAV.

(June 2018, 4 Marks)

Ans. Computation of value of portfolio and NAV

$$\begin{aligned}\text{Value of the Portfolio} &= 1,10,000 \times 2,685.45 + 3,12,000 \times 259.95 + 4,50,000 \times 523.10 + \\ &\quad 3,90,000 \times 883.30 + 2,99,000 \times 502.75 \\ &= 1,10,67,08,150 \\ &= 1,10,67,08,150 - 30,00,000 = 1,10,37,08,150 \\ \text{NAV} &= 1,10,37,08,150 / 10,75,73,000 \\ &= 10.26\end{aligned}$$

Q.18. Blue Line Shoe Company is contemplating a debenture issue on the following terms :

Face Value	₹1,000
Term Maturity	7 year
Coupon Rate of Interest :	
Years 1-2	10% p.a.
3-4	12% p.a.
5-7	15% p.a.

The current market rate of interest on similar debentures is 15% p.a. The company proposes to price the issue so as to yield a (compounded) return of 16% p.a. to the investors. The debentures would be redeemed at a premium of 12% at the end of seven years.

Compute the maturity price of the debentures.

(June 2018, 4 Marks)

Ans. Computation of maturity price of debentures

Year	Coupon (₹)	PV of Coupon @ 16% (₹)
1	100	86.21
2	100	74.32
3	120	76.88
4	120	66.27
5	150	71.42
6	150	61.57
7	150	53.07
PV of Coupons		489.74

Redemption Value = ₹ 1,000 (1.12)

= ₹1,120

PV of redemption value = ₹ 1,120/(1.16)⁷

= ₹396.29

Price of the debentures = ₹ 489.74 + ₹ 396.29

= ₹886.03

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CHAPTER

1

LISTING OF SECURITIES

Covering-

- Legal Provisions on Listing
- Right of appeal to SAT against Refusal to list of Public Companies by Stock Exchanges
- Types of Listing
- Advantage/ Benefits of Listing
- Multiple Listing

**EXPECTED
MARKS COVERAGE
(1 to 10)**

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LISTING OF SECURITIES

Listing means admission of the securities to deal on a recognised stock exchange, so that the investors can sell or purchase securities of the companies from stock exchange.

Listing of securities with stock exchange is a matter of great importance for companies and investors, because this provides the liquidity to the securities in the market.

According to the Companies Act, 2013 “Listed Company” means a company which has **any of its securities listed on any recognized stock exchange.**

LEGAL PROVISIONS ON LISTING

- Listing of Securities on Indian Stock Exchanges, thus, is governed by the provisions in the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, Rules, bye laws, regulations of concerned stock exchange, the listing agreement entered into by the issuer and stock exchange and circulars/guidelines issued by the Central Government and SEBI.
- **Section 24 of the Companies Act, 2013** provides that, any Company which is listed or intend to get their securities listed on any recognised stock exchange will be administered by regulation prepared by SEBI for matters relating to issue and transfer of securities and non payment of dividend.
- **Only public companies** are allowed to list their securities in the stock exchange. Private Limited companies cannot get listing facility. They should first convert themselves into public limited companies and their Articles of Association should also contain prohibitions as laid down in the listing agreement and as applicable to public limited companies.
- Every company making public offer shall, before making such offer, make an application to one or more recognised stock exchange or exchanges and obtain permission for the securities to be dealt with in such stock exchange or exchanges.
- Where a prospectus states that an application for listing has been made, such prospectus shall also state the name or **names of the stock exchange** in which the securities shall be dealt with. (**Section 40** of the Companies Act, 2013).

RIGHT OF APPEAL TO SAT AGAINST REFUSAL TO LIST SECURITIES OF PUBLIC COMPANIES BY STOCK EXCHANGES

Where a recognised stock exchange, acting in pursuance of any power given to it by its bye-laws, refuses to list the securities of any company, the company shall be entitled to be furnished with reasons for such refusal, and may, within fifteen days from the date on which the reasons for such refusal are furnished to it appeal to the Securities Appellate Tribunal and thereupon the Securities Appellate Tribunal may, after giving the stock exchange, an opportunity of being heard, vary or set aside the decision of the stock exchange

The Securities Appellate Tribunal shall send a copy of every order made by it to SEBI and parties to the appeal. The appeal filed before the Securities Appellate Tribunal shall be dealt with by it as expeditiously as possible and endeavour shall be made by it to dispose of the appeal finally within six months from the date of receipt of the appeal.

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TYPES OF LISTING

LISTING OF SECURITIES FALLS UNDER 5 GROUPS

1. <u>Initial Listing:</u>	If the shares or securities are to be listed for the first time by a company on a stock exchange is called initial listing.
2. <u>Listing for Public Issue:</u>	When a company whose shares are listed on a stock exchange comes out with a public issue of securities, it has to list such issue with the stock exchange.
3. <u>Listing for Rights Issue:</u>	When companies whose securities are listed on the stock exchange issue securities to existing shareholders on rights basis, it has to list such rights issues on the concerned stock exchange.
4. <u>Listing of Bonus Shares:</u>	Shares issued as a result of capitalisation of profit through bonus issue shall list such issues also on the concerned stock exchange.
5. <u>Listing for merger or amalgamation:</u>	When new shares are issued by an amalgamated company to the shareholders of the amalgamating company, such shares are also required to be listed on the concerned stock exchange.

ADVANTAGES/BENEFITS OF LISTING

The following benefits are available when securities are listed by a company in the stock exchange—	(a) Public image of the company is enhanced.
	(b) The liquidity of the security is ensured making it easy to buy and sell the securities in the stock exchange.
	(c) Listing procedure compels company management to disclose important information to the investors enabling them to make crucial decisions with regard to keeping or disposing of such securities.
	(d) Listed companies command better
	(e) support such as loans and investments from Banks and FIs.

MULTIPLE LISTING

A company with a paid up capital of over ₹5 crores should list its securities or have its securities permitted for trading, on **at least one stock** exchange having **nationwide Trading Terminals**. Multiple listing provides arbitrage opportunities to the investors, whereby they can make profit based on the difference in the prices prevailing in the said exchanges.

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Answers to be analysed in Classroom

Q. 1.

Answer to Question No. 1:-

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Answers to be analysed in Classroom

Q. 2.

Answer to Question No. 2:-

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CHAPTER

2

LISTING AGREEMENT

**EXPECTED
MARKS COVERAGE
(1 to 10)**

Covering-

- Legal Provisions/Obligation/Declaration of Issuer (Company) in a Listing agreement
- SEBI Regulations, 2015
- Compliances Under the Listing Agreement
- Principles Governing Disclosures and Obligations
- Compliance Officer and his Obligations
- Appointment of share Transfer Agent
- Filing of Information
- Grievance Redressal Mechanism
- In-Principle Approval of Recognised stock exchange(s)
- Prior Intimations to stock exchange
- Disclosure of Events or Information
- Holding of Specified Securities and Shareholding Pattern
- Financial Results
- Annual Report filings to Stock exchange
- Documents & Information to shareholders
- Draft Scheme of Arrangement & Scheme of Arrangement
- Minimum Public shareholding
- Transfer or Transmission of Securities
- Record Date or Date of Closure to transfer book
- Voting by shareholders
- Conditions on change of name by listed entity
- Advertisement in Newspapers
- Consequences of non –Compliance with the Requirements of Listing Agreement/ Listing Regulation, 2015
- Self Test Questions
 - From Past CS Exams
 - From ICSI Module

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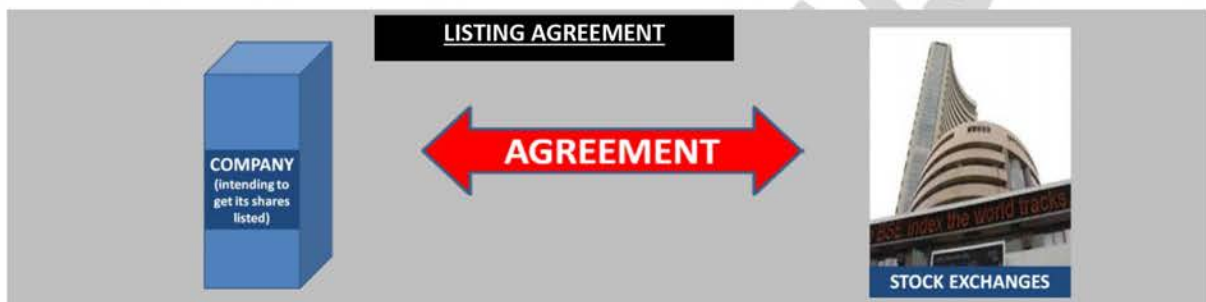
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LISTING AGREEMENT

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Every company while submitting its application for listing with the stock exchange(s) should produce a number of documents as enclosures to satisfy the requirements of the concerned stock exchange. Finally when the stock exchange(s) agree(s) to list the securities, the company shall execute an agreement with the stock exchange(s), which is called **Listing Agreement**.

When a company signs a listing agreement with a stock exchange, it means it has entered a **legally binding contract** with that exchange and it has to ensure compliance of each and every term and condition in the listing agreement. For failure to ensure such compliance the stock exchange can take an action against the company after giving an opportunity of being heard.



LEGAL PROVISIONS / OBLIGATIONS/ DECLARATION OF ISSUER (COMPANY) IN A LISTING AGREEMENT (Source;- BSE LISTING AGREEMENT)

1. The Issuer shall comply with the extant provisions of all the applicable statutory Enactments governing the issuance, listing and continued listing of securities.
2. That without prejudice to the above clause, the Issuer shall comply with the following:—
 - (i) The **SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015** and other applicable regulations /guidelines/circulars as may be issued by SEBI from time to time.
 - (ii) the relevant byelaws / regulations / circulars / notices / guidelines as may be issued by the Exchange from time to time.
 - (iii) such other directions, requirements and conditions as may be imposed by SEBI/ Exchange from time to time.
3. That it shall pay listing and such other fees / fines as may be specified / levied by the Exchange from time to time within the prescribed period.

SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 ('THE LISTING REGULATIONS, 2015')

The Regulations comes into effect from **1st December, 2015**.

APPLICABILITY OF LISTING REGULATIONS, 2015

REGULATION 3

Unless otherwise provided, the Listing Regulations are applicable to a **listed entity** who has listed any of the following designated securities on recognized stock exchange(s):

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- (a) Specified securities i.e. equity shares and convertible securities listed on main Board, or SME Exchange or institutional Trading Platform;
- (b) Non-convertible Debt Securities, Non-convertible Redeemable Preference Shares, Perpetual Debt Instrument, Perpetual Non-cumulative Preference Shares;
- (c) Indian depository receipts;
- (d) Security receipts
- (e) Securitised Debt Instruments;
- (f) Units issued by mutual funds;
- (g) Other securities as may be specified by SEBI

STRUCTURE OF LISTING REGULATIONS, 2015

CHAPTER & REGULATIONS	CONTENTS
CHAPTER I (Reg. 1 - 3)	Preliminary
CHAPTER II (Reg. 4)	Principles governing disclosures and obligations of listed entity
CHAPTER III (Reg. 5 - 14)	Common obligations of listed entities
CHAPTER IV (Reg. 15 - 48)	Obligations of listed entity which has listed its specified securities
CHAPTER V (Reg. 49 - 62)	Obligations of listed entity which has listed its non-convertible debt securities or non-convertible redeemable preference shares or both
CHAPTER VI (Reg. 63 and 64)	Obligations of listed entity which has listed its specified securities And either non-convertible debt securities or non-convertible Redeemable preference shares or both
CHAPTER VII (Reg. 65- 80)	Obligations of listed entity which has listed its indian depository Receipts
CHAPTER VIII (Reg. 81 - 87)	Obligations of listed entity which has listed its securitised debt Instruments
CHAPTER IX (Reg. 88 - 91)	Obligations of listed entity which has listed its mutual fund units
CHAPTER X (Reg. 92 - 97)	Duties and obligations of the recognised stock exchange(s)
CHAPTER XI (Reg. 98 and 99)	Procedure for action in case of default
CHAPTER XII (Reg.100-103)	Miscellaneous

COMPLIANCES UNDER THE LISTING REGULATIONS, 2015

PRINCIPLES GOVERNING DISCLOSURES AND OBLIGATIONS

REGULATION 4

- (1) The listed entity which has listed securities shall make disclosures and abide by its obligations under these regulations, in accordance with the following principles:
- (a) Information shall be prepared and disclosed in accordance with **applicable standards of accounting and financial disclosure.**
 - (b) The listed entity shall refrain from **misrepresentation** and ensure that the information provided to recognised stock exchange(s) and investors is not misleading.
 - (c) The listed entity shall provide **adequate and timely information** to recognised stock exchange(s) and investors.

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- (d) The listed entity shall ensure that **disseminations** made under provisions of these regulations and circulars made thereunder, are adequate, accurate, explicit, timely and presented in a simple language.
 - (e) The listed entity shall **abide by all the provisions of the applicable laws** including the securities laws and also such other guidelines as may be issued from time to time by the Board and the recognised stock exchange(s) in this regard and as may be applicable.
 - (f) The listed entity shall make the specified disclosures and follow its obligations in **letter and spirit** taking into consideration the interest of all stakeholders.
 - (g) Periodic filings, reports, statements, documents and information reports shall contain information that **shall enable investors to track the performance of a listed entity** over regular intervals of time and shall provide sufficient information to enable investors to assess the current status of a listed entity.
- (2) The listed entity **which has listed its specified securities shall comply with the corporate governance provisions as specified in chapter IV** which shall be implemented in a manner so as to achieve the objectives of the principles as mentioned below:-
- (a) **The rights of shareholders:**
The listed entity shall seek to protect and facilitate the exercise of the following rights of shareholders:
 - (i) right to participate in, and to be sufficiently informed of, decisions concerning fundamental corporate changes.
 - (ii) opportunity to participate effectively and vote in general shareholder meetings.
 - (iii) opportunity to ask questions to the board of directors, to place items on the agenda of general meetings, and to propose resolutions, subject to reasonable limitations.
 - (iv) adequate mechanism to address the grievances of the shareholders.
 - (v) protection of minority shareholders.
 - (b) **Timely information:**
The listed entity shall **provide adequate and timely information** to shareholders, including but not limited to the following:
 - (i) sufficient and timely information concerning the date, location and agenda of general meetings, as well as full and timely information regarding the issues to be discussed at the meeting.
 - (ii) rights attached to all series and classes of shares, which shall be disclosed to investors before they acquire shares.
 - (c) **Equitable treatment:**
The listed entity shall ensure equitable treatment of all shareholders, including minority and foreign shareholders, in the following manner:-
 - (i) All shareholders of the same series of a class shall be treated equally.
 - (ii) Effective shareholder participation in key corporate governance decisions, such as the nomination and election of members of board of directors, shall be facilitated.
 - (iii) Exercise of voting rights by foreign shareholders shall be facilitated.
 - (iv) The listed entity shall devise a framework to avoid insider trading.
 - (d) **Role of stakeholders in corporate governance:**
The listed entity shall recognise the rights of its stakeholders and encourage co-operation between listed entity and the stakeholders, in the following manner:-
 - (i) The listed entity shall respect the rights of stakeholders that are established by law or through mutual agreements.

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- (ii) Stakeholders shall have the opportunity to obtain effective redress for violation of their rights.
- (iii) The listed entity shall devise an effective whistle blower mechanism enabling stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices.

(e) **Disclosure and transparency:**

The listed entity shall ensure timely and accurate disclosure on all material matters including the financial situation, performance, ownership, and governance of the listed entity, in the following manner:-

- (i) Information shall be prepared and disclosed in accordance with the prescribed **standards of accounting**, financial and non-financial disclosure.
- (ii) Channels for **disseminating information** shall provide for equal, timely and cost efficient access to relevant information by users.
- (iii) **Minutes of the meeting** shall be maintained explicitly recording **dissenting opinions**, if any.

(f) **Responsibilities of the board of directors:**

The board of directors of the listed entity shall have the following responsibilities:

➤ **Disclosure of information:-**

- (1) Members of board of directors and key managerial personnel shall disclose to the board of directors whether they, directly, indirectly, or on behalf of third parties, have a **material interest** in any transaction or matter directly affecting the listed entity.
- (2) The board of directors and senior management shall **conduct themselves so as to meet the expectations** of operational transparency to stakeholders while at the same time **maintaining confidentiality** of information in order to foster a culture of good decision-making.

➤ **Key functions of the board of directors:-**

- (1) **Reviewing and guiding corporate strategy**, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance, and overseeing major capital expenditures, acquisitions and divestments.
- (2) Monitoring the effectiveness of the **listed entity's governance practices** and making changes as needed.
- (3) Selecting, compensating, monitoring and, when necessary, **replacing key managerial personnel** and overseeing succession planning.
- (4) Monitoring and **managing potential conflicts of interest** of management, members of the board of directors and shareholders, including misuse of corporate assets and abuse in related party transactions.
- (5) Overseeing the **process of disclosure and communications**.

➤ **Other responsibilities:-**

- (1) The board of directors shall provide **strategic guidance to the listed entity**, ensure effective monitoring of the management and shall be accountable to the listed entity and the shareholders.
- (2) The board of directors shall **set a corporate culture** and the values by which executives throughout a group shall behave.
- (3) The board of directors shall **encourage continuing directors training** to ensure that the members of board of directors are kept up to date.
- (4) The board of directors shall maintain **high ethical standards** and shall take into account the interests of stakeholders.

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- (5) Members of the board of directors shall be able to **commit themselves effectively to their responsibilities**.
- (6) In order to fulfil their responsibilities, members of the board of directors shall **have access to accurate, relevant and timely information**.

Important Note:-

In case of any ambiguity or incongruity between the principles and relevant regulations, the principles specified in this Chapter (chapter II) shall prevail.

DEFINITION OF SENIOR MANAGEMENT

“Senior Management” shall mean Officers/Personnel of the listed entity who are members of its core management team excluding Board of directors and normally this shall comprise all members of management one level below Chief Executive Officer/ Managing Director/ Whole Time Director/ Manager (including Chief Executive Officer/Manager, in case they are not part of the board) and shall specifically include Company Secretary and Chief Financial Officer.

COMPLIANCE OFFICER AND HIS OBLIGATIONS

REGULATION 6

Every listed entity shall appoint a **qualified company secretary** as the compliance officer.

Duties/function/obligations of compliance officer

The compliance officer of the listed entity shall be responsible for-

- | |
|--|
| (a) ensuring conformity with the regulatory provisions applicable to the listed entity in letter and spirit . |
| (b) co-ordination with and reporting to the Board, recognised stock exchange(s) and depositories with respect to compliance with rules, regulations and other directives of these authorities. |
| (c) ensuring that the correct procedures have been followed that would result in the correctness, authenticity and comprehensiveness of the information, statements and reports filed by the listed entity. |
| (d) monitoring email address of grievance redressal division as designated by the listed entity for the purpose of registering complaints by investors. |

Provided that the requirements of regulation 6 **shall not** be applicable in the case of **units issued by mutual funds which are listed on recognised stock exchange**.

APPOINTMENT OF SHARE TRANSFER AGENT

REGULATION 7

- (1) The listed entity shall appoint a share transfer agent or manage the share transfer facility in-house:

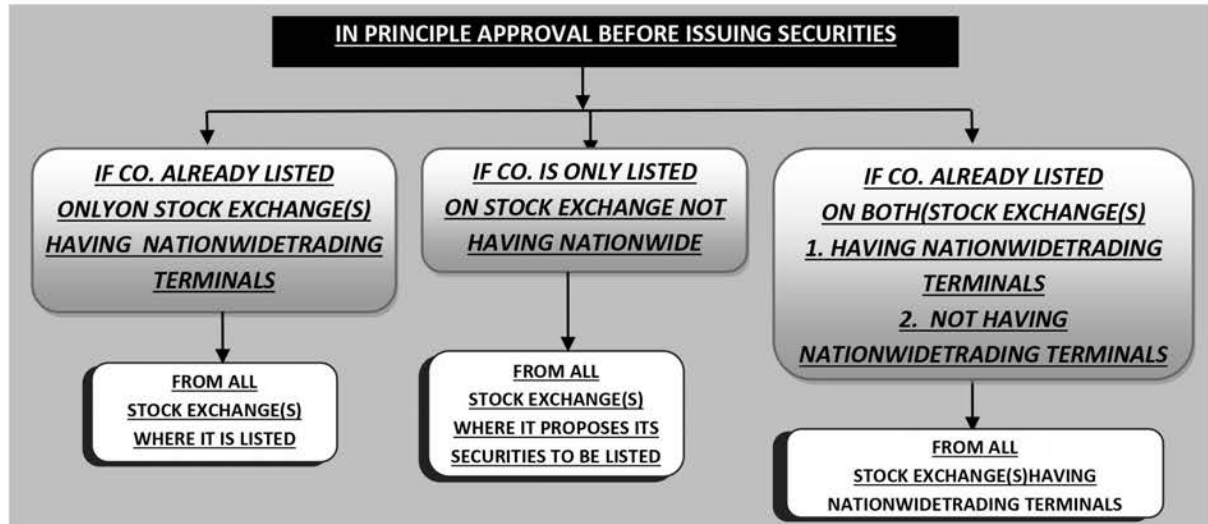
Provided that, in the case of in-house share transfer facility, as and when the total number of holders of securities of the listed entity **exceeds one lakh**, the listed entity shall either register with the Board as a Category II share transfer agent or appoint Registrar to an issue and share transfer agent registered with the Board.

- (2) The listed entity **shall ensure that all activities in relation to both physical and electronic share transfer facility are maintained** either in house or by Registrar to an issue and share transfer agent registered with the Board.

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- (3) The listed entity shall submit a **compliance certificate** to the exchange, **duly signed by both the compliance officer of the listed entity and the authorised representative of the share transfer agent**, wherever applicable, within one month of end of each half of the financial year, certifying compliance with the aforesaid requirements.

FILING OF INFORMATION

REGULATION 10

The listed entity shall file the reports, statements, documents, filings and any other information with the recognised stock exchange(s) on the **electronic platform** as specified by the Board or the recognised stock exchange(s).

The listed entity shall put in place infrastructure as required for compliance with aforesaid requirement.

GRIEVANCE REDRESSAL MECHANISM

REGULATION 13

- (1) The listed entity shall ensure that adequate steps are taken for expeditious redressal of investor complaints.
- (2) The listed entity shall ensure that **it is registered on the SCORES (SEBI Complaints Redress System)** platform or such other electronic platform or system of the Board as shall be mandated from time to time, in order to handle investor complaints electronically in the manner specified by the Board.
- (3) The listed entity shall file with the recognised stock exchange(s) on a **quarterly basis, within twenty one days from the end of each quarter**, a statement giving the number of investor complaints pending at the beginning of the quarter, those received during the quarter, disposed of during the quarter and those remaining unresolved at the end of the quarter.

IN-PRINCIPLE APPROVAL OF RECOGNIZED STOCK EXCHANGE(S).

REGULATION 28

The listed entity, before issuing securities, shall obtain an 'in-principle' approval from recognised stock exchange(s) in the following manner:-

- (a) where the securities are listed only on recognised stock exchange(s) having nationwide trading terminals, from all such stock exchange(s);
- (b) where the securities are not listed on any recognised stock exchange having nationwide trading terminals, from all the stock exchange(s) in which the securities of the issuer are proposed to be listed;
- (c) where the securities are listed on recognised stock exchange(s) having nationwide trading terminals as well as on the recognised stock exchange(s) not having nationwide trading terminals, from all recognised stock exchange(s) having nationwide trading terminals;

PRIOR INTIMATIONS TO STOCK EXCHANGE

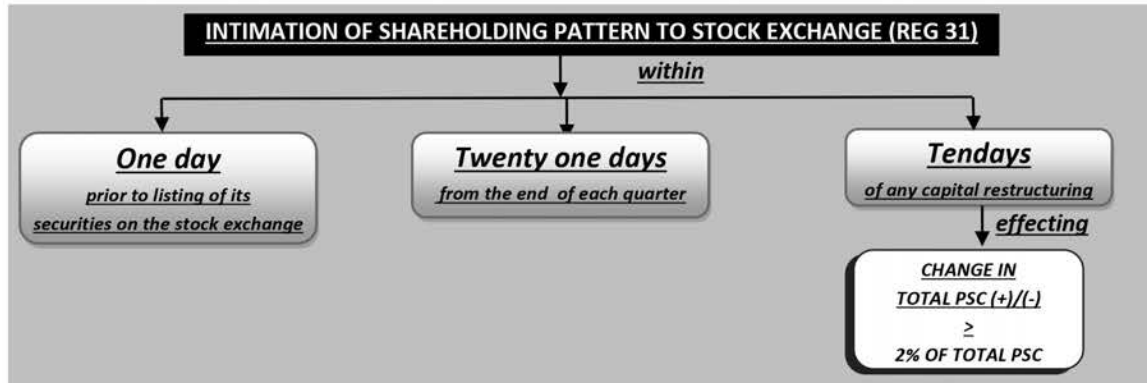
REGULATION 29

- (1) The listed entity shall give prior intimation to stock exchange about the meeting of the board of directors in which any of the following proposals is due to be considered:-
 - (a) financial results viz. quarterly, half yearly, or annual, as the case may be;
 - (b) proposal for buyback of securities;
 - (c) proposal for voluntary delisting by the listed entity from the stock exchange(s);
 - (d) fund raising by way of further public offer, rights issue, American Depositary Receipts/Global Depositary Receipts/Foreign Currency Convertible Bonds, qualified institutions placement, debt issue, preferential issue or any other method and for determination of issue price;

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- (e) declaration/recommendation of dividend, issue of convertible securities including convertible debentures.
 - (f) the proposal for declaration of bonus securities.
- (2) The intimation as required in above cases shall be given at least **two working days in advance**, excluding the date of the intimation and date of the meeting:
- Provided that** intimation regarding item specified in **regulation 29(1)(a)** Shall be given at least **five days** in advance.
- (3) The listed entity shall give intimation to the stock exchange(s) at least **eleven working days** before any of the following proposal is placed before the board of directors:-
- (a) any alteration in the form or nature of any of its securities that are listed on the stock exchange or in the rights or privileges of the holders thereof.
 - (b) any alteration in the date on which, the interest on debentures or bonds, or the redemption amount of redeemable shares or of debentures or bonds, shall be payable.

DISCLOSURE OF EVENTS OR INFORMATION

REGULATION 30

- (a) Every listed entity shall make disclosures of any events or information which, in the opinion of the board of directors of the listed company, is **material**.
- (b) Events specified in **Para A of Part A of Schedule III** are deemed to be material events.
- (c) The listed entity shall frame a policy for determination of materiality, duly approved by its board of directors, which shall be disclosed on its website.
- (d) The board of directors of the listed entity shall authorize one or more Key Managerial Personnel for the purpose of determining materiality of an event or information and for the purpose of making disclosures to stock exchange(s)
- (e) The listed entity shall disclose to stock exchange(s) of all material events as soon as reasonably possible and **not later than twenty four hours** from the occurrence of event or information
- (f) The listed entity shall disclose on its website all such events or information which has been disclosed to stock exchange(s) and such disclosures shall be hosted on the website of the listed entity **for a minimum period of five years**.
- (g) The listed entity shall also disclose all events or information with respect to subsidiaries which are material for the listed entity.

HOLDING OF SPECIFIED SECURITIES AND SHAREHOLDING PATTERN

REGULATION 31

- (1) The listed entity shall submit to the stock exchange(s) a **statement showing holding of securities and shareholding pattern separately** for each class of securities within the following timelines -

- | |
|--|
| (a) one day prior to listing of its securities on the stock exchange(s); |
| (b) on a quarterly basis, within twenty one days from the end of each quarter; and, |
| (c) within ten days of any capital restructuring of the listed entity resulting in a change exceeding two per cent of the total paid-up share capital: |

Provided that in case of listed entities which have listed their specified securities on **SME Exchange**, the above statements shall be submitted on a **half yearly basis** within **twenty one days** from the end of each half year.

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- (2) The listed entity shall ensure that **hundred percent of shareholding of promoter(s) and promoter group is in dematerialized form** and the same is maintained on a continuous basis in the manner as specified by the Board.

FINANCIAL RESULTS

REGULATION 33

- (1) While **preparing financial results**, the listed entity shall comply with the following:
- (a) The financial results shall be prepared on the basis of **accrual accounting policy** and shall be in accordance with uniform accounting practices adopted for all the periods.
 - (b) The quarterly and year to date results shall be prepared in accordance with the recognition and measurement principles laid down in **Accounting Standard 25** or **Indian Accounting Standard 31**, whichever is applicable.
 - (c) The standalone financial results and consolidated financial results shall be prepared as per **Generally Accepted Accounting Principles** in India:
Provided that in addition to the above, the listed entity **may** also submit the financial results, as per the **International Financial Reporting Standards** notified by the International Accounting Standards Board.
 - (d) The listed entity shall ensure that the limited review or audit reports submitted to the stock exchange(s) on a quarterly or annual basis are to be given **only by an auditor who has subjected himself to the peer review process** of Institute of Chartered Accountants of India.
- (2) **The approval and authentication** of the financial results shall be done by listed entity in the following manner:

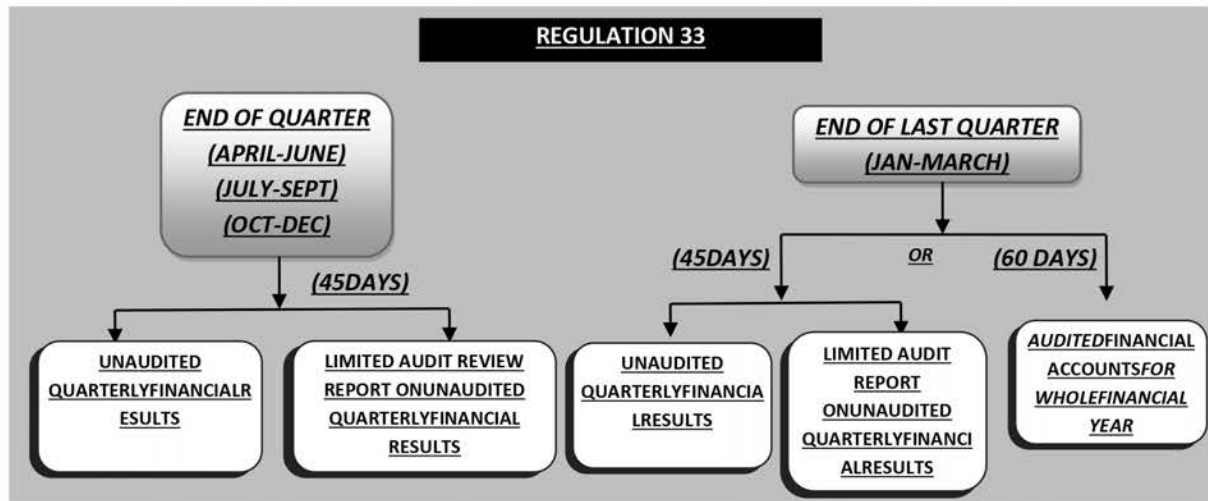
(a)	The quarterly financial results submitted shall be approved by the board of directors :
(b)	The financial results submitted to the stock exchange shall be signed by the chairperson or managing director, or a whole time director or <u>in the absence</u> of all of them; it shall be signed by any other director of the listed entity who is duly authorized by the board of directors to sign the financial results.
(c)	The limited review report shall be placed before the board of directors, at its meeting which approves the financial results, before being submitted to the stock exchange(s) .
(d)	The annual audited financial results shall be approved by the board of directors of the listed entity and shall be signed in the manner specified in clause (b) of sub-regulation (2).

- (3) The listed entity shall **submit** the financial results in the following manner:
- (a) The listed entity shall submit **quarterly and year-to-date standalone financial results** to the stock exchange within **forty-five days of end of each quarter**, other than the last quarter.
 - (b) In case the listed entity **has subsidiaries**, in addition to the requirement at clause (a), the listed entity **may** also submit quarterly/year-to-date consolidated financial results.
 - (c) The quarterly and year-to-date financial results may be **either audited or unaudited** subject to the following:
 - (i) In case the listed entity opts to submit unaudited financial results, they shall be subject to **limited review by the statutory auditors** of the listed entity and shall be accompanied by the limited review report.
Provided that in case of public sector undertakings this limited review may be undertaken by any practicing Chartered Accountant.
 - (ii) In case the listed entity opts to submit audited financial results, they shall be accompanied by the audit report.

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- (d) The listed entity shall submit **annual audited standalone financial results** for the financial year, within **sixty days from the end of the financial year** along with the audit report and Statement on Impact of Audit Qualifications.
Provided that if the listed entity has subsidiaries, it shall, while submitting annual audited standalone financial results also submit annual audited consolidated financial results along with the audit report.
- (e) The listed entity shall also submit the audited financial results in respect of the last quarter along-with the results for the entire financial year.
- (f) The listed entity shall also submit as part of its standalone or consolidated financial results for the **half year**, by way of a note, a **statement of assets and liabilities** as at the end of the half-year.
- (g) The listed entity shall submit within 30 days from the date of publication of its standalone and consolidated financial results for the half year, disclosures of related 3 party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the stock exchanges and publish the same on its website.

ANNUAL REPORT FILINGS TO STOCK EXCHANGE

REGULATION 34

- (1) The listed entity shall submit the annual report to the stock exchange within **twenty one working days** of it being approved and adopted in the annual general meeting as per the provisions of the Companies Act, 2013.
- (2) The annual report shall contain the following:-
 - (a) audited financial statements i.e. balance sheets, profit and loss accounts etc;
 - (b) consolidated financial statements audited by its statutory auditors;
 - (c) cash flow statement presented only under the indirect method as prescribed in applicable accounting Standard.
 - (d) directors report;
 - (e) management discussion and analysis report - either as a part of directors report or addition thereto;

Business Responsibility report

- (f) for the top five hundred (500) listed entities based on market capitalization (calculated as on March 31 of every financial year), business responsibility report **describing the initiatives taken by them from an environmental, social and governance perspective.**

DOCUMENTS & INFORMATION TO SHAREHOLDERS

REGULATION 36

The listed entity shall send the annual report **not less than twenty-one days before the annual general meeting** in the following manner to the shareholders:-

- (a) Soft copies of full annual report to all those shareholder(s) who have registered their email address for the purpose;
- (b) Hard copy of statement containing the salient features of all the documents, as prescribed in Section 136 of Companies Act, 2013 or rules made there under (*i.e a copy of the financial statements, including consolidated financial statements, if any, auditor's report and board report*) to those shareholder(s) who have not so registered;
- (c) Hard copies of full annual reports to those shareholders, who request for the same.

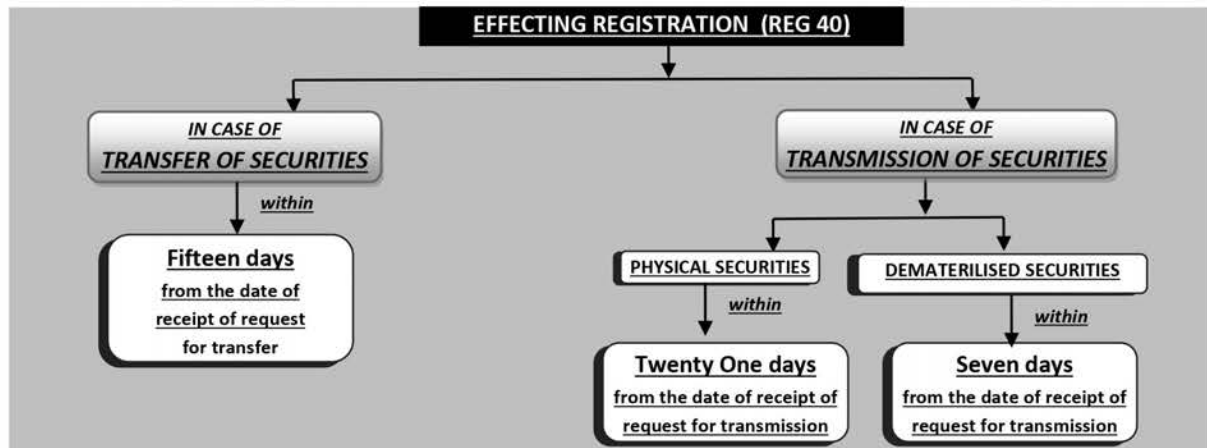
Information Regarding new Directors

In case of the appointment of a new director or re-appointment of a director the shareholders must be provided with the following information:-

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(a) a brief resume of the director;
(b) nature of his expertise in specific functional areas;
(c) disclosure of relationships between directors inter-se;
(d) names of listed entities in which the person also holds the directorship and the membership of Committees of the board; and
(e) shareholding of non-executive directors.

DRAFT SCHEME OF ARRANGEMENT & SCHEME OF ARRANGEMENT

REGULATION 37

Any listed entity desirous of undertaking a scheme of arrangement or involved in a scheme of arrangement, shall file the draft scheme of arrangement, proposed to be filed before any Court or Tribunal under Companies Act, with the stock exchange(s) for obtaining Observation Letter or No-objection letter, before filing such scheme with any Court or Tribunal.

The listed entity shall place the Observation letter or No-objection letter of the stock exchange(s) before the Court or Tribunal at the time of seeking approval of the scheme of arrangement.

Provided that the validity of the 'Observation Letter' or No-objection letter of stock exchanges shall be **six months from the date of issuance.**

MINIMUM PUBLIC SHAREHOLDING/ CONDITION FOR CONTINUOUS LISTING

REGULATION 38

Every listed entity shall comply with the minimum public shareholding requirements specified in Rule 19(2) and Rule 19A of the Securities Contracts (Regulation) Rules, 1957.

According to Securities Contracts (Regulation) Rules, 1957, all listed company shall maintain a minimum public shareholding (i.e. non-promoters holding) of 25% of total number of issued shares of the company for the purpose of continuing listing.

Provided that provisions of this regulation shall not apply to entities listed on institutional trading platform without making a public issue.

TRANSFER OR TRANSMISSION OF SECURITIES

REGULATION 40

The board of directors of a listed entity **may delegate** the power of transfer of securities to a committee or to compliance officer or to the registrar to an issue and/or share transfer agent(s).

On receipt of proper documentation, the listed entity shall register transfers of its securities in the name of the transferee(s) and issue certificates or receipts or advices, as applicable, of transfers within a period of **fifteen days** from the date of such receipt of request for transfer.

Provided that the listed entity shall ensure that **transmission** requests are processed for securities held in dematerialized mode and physical mode within seven days and twenty one days respectively, after receipt of the specified documents.

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PCS CERTIFICATION

Every listed entity shall ensure that the share transfer agent and/or the in-house share transfer facility, as the case may be, produces a certificate from a **practicing company secretary** within **one month of the end of each half of the financial year**, certifying that **all certificates have been issued within thirty days of the date of lodgement** for transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies.

The listed entity shall ensure that certificate mentioned above shall be filed with the stock exchange(s) simultaneously.

RECORD DATE OR DATE OF CLOSURE OF TRANSFER BOOKS

The listed entity shall intimate the record date in advance of at least **seven working days** to all the stock exchange(s) where it is listed for the following purposes:-

- (a) declaration of dividend;
- (b) issue of right or bonus shares;
- (c) issue of shares for conversion of debentures or any other convertible security;
- (d) shares arising out of rights attached to debentures or any other convertible security.
- (e) corporate actions like mergers, de-mergers, splits and bonus shares etc.
- (f) such other purposes as may be specified by the stock exchange(s).

The listed entity shall **recommend or declare** all dividend and/or cash bonuses at least **five working days before the record date** fixed for the purpose.

The listed entity shall ensure the **time gap of at least thirty days** between two record dates.

VOTING BY SHAREHOLDERS

REGULATION 44

- (1) The listed entity shall provide the facility of **e-voting facility** to its shareholders, in respect of all shareholders' resolutions.
- (2) The e-voting facility to be provided to shareholders shall be provided in compliance with the conditions specified under the **Companies (Management and Administration) Rules, 2014**.
- (3) The listed entity shall submit to the stock exchange, within **forty eight hours** of conclusion of its General Meeting, details regarding the voting results.

CONDITIONS ON CHANGE OF NAME BY LISTED ENTITY

REGULATION 45

The listed entity shall be allowed to change its name subject to compliance with the following conditions:-

- (a) a time period of at least one year has elapsed from the last name change;
- (b) at least **fifty percent. of the total revenue** in the preceding one year period has been accounted for by the new activity suggested by the new name; or
- (c) the **amount invested** in the new activity/project is at least **fifty percent of the assets** of the listed entity.

ADVERTISEMENTS IN NEWSPAPERS

REGULATION 47

- (1) The listed entity shall **publish** the following information in the newspaper:
 - (a) notice of meeting of the board of directors where financial results shall be discussed

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- (b) financial results, as specified in regulation 33, along-with reservation(s), if any, expressed by the auditor;
- (c) notices given to shareholders by advertisement.
- (2) The listed entity shall give a reference in the newspaper publication, in sub-regulation (1), to link of the website of listed entity and stock exchange(s), where further details are available.
- (3) The listed entity shall publish the information specified in sub-regulation (1) in the newspaper simultaneously with the submission of the same to the stock exchange(s).
Provided that financial results at clause (b) of sub-regulation (1), shall be published within **48 hours** of conclusion of the meeting of board of directors at which the financial results were approved.
- (4) The information at sub-regulation (1) shall be published in at least one **English language national daily newspaper** circulating in the whole or substantially the whole of India and in one daily newspaper published in the **language of the region**, where the registered office of the listed entity is situated:
Provided that the requirements of this regulation shall not be applicable in case of listed entities which have listed their specified securities on **SME Exchange**.

CONSEQUENCES OF NON – COMPLIANCE WITH THE REQUIREMENTS OF LISTING AGREEMENT/ LISTING REGULATION, 2015

REGULATION 98

When a company signs a listing agreement with a stock exchange .it means it has entered a **legally binding contract** with that exchange and it has to ensure compliance of each and every term and condition in the listing agreement. For failure to ensure such compliance the **stock exchange can take an action against the company** after giving an opportunity of being heard.

The listed entity or any other person thereof who contravenes any of the provisions of listing regulations, 2015, shall, in addition to liability for action in terms of the securities laws, be liable for the following actions by the respective stock exchange(s), in the manner specified in circulars or guidelines issued by the SEBI:-

(a) imposition of fines;
(b) suspension of trading;
(c) freezing of promoter/promoter group holding of designated securities, as may be applicable, in coordination with depositories.
(d) any other action as may be specified by the SEBI from time to time.

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" CASE LAW–CASE BASED " WRITING PRACTICE



Q. 1. Bombay Stock Exchange Ltd. had suspended trading in shares of XYZ Ltd. for violating conditions of listing agreement. The company has now complied with the listing regulations requirements. By referring to SEBI circular/regulations, discuss the criteria for suspension of the trading in the shares of the listed entities. **[Dec. 2018; 4 Marks]**

Ans. SEBI vide its Circular dated May 3, 2018, prescribed the criteria for suspension of the trading in the shares of the listed entities which are as follows:

Failure to comply with respect to:

- (i) Board composition including appointment of woman director for two consecutive quarters;
- (ii) Constitution of audit committee for two consecutive quarters;
- (iii) Submission of corporate governance compliance report for two consecutive quarters;
- (iv) Submission of the shareholding pattern for two consecutive quarters;
- (v) Submission of financial result for two consecutive quarters;
- (vi) Submission of Annual Report for two consecutive financial years;
- (vii) Submit information on the reconciliation of shares and capital audit report, for consecutive quarters;
- (viii) Receipt of the notice of suspension of trading of that entity by any other recognised stock exchange or any or all of the above grounds.

" CASE LAW–CASE BASED " WRITING PRACTICE



Q. 1. What are the provisions for continuous listing requirement under Securities Contracts (Regulation) Rules, 1957? List any six methods for achieving minimum public shareholding by a listed company. **[Dec. 2018; 4 Marks]**

Ans. (I) Requirements for Continuous Listing:

The continuous listing requirement has been prescribed under Rule 19A(1) of the Securities Contracts (Regulation) Rules ("SCRR"), 1957, which stipulates that every listed company other than public sector company shall maintain public shareholding of at least 25%. However, any listed company which has public shareholding below 25%, shall increase its public shareholding to at least twenty five per cent, within a period of four years from the date of commencement of amendment to the said rules in 2014, in the manner specified by SEBI.

(II) Methods for achieving minimum public shareholding:

SEBI has vide its Circular dated November 30, 2015 and February 22, 2018 has prescribed the various methods that may be used by a listed entity to achieve compliance with the minimum public shareholding requirements mandated under rules 19(2)(b) and 19A of the SCRR read with regulation 38 of the SEBI Listing Regulations, 2015. The following are the various methods:

- (i) Issuance of shares to public through prospectus;
- (ii) Offer for sale of shares held by promoters to public through prospectus;

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	<ul style="list-style-type: none"> (iii) Sale of shares held by promoters through the secondary market; (iv) Institutional Placement Programme (IPP); (v) Right Issue to public shareholders, with promoter/promoter group shareholders forgoing their entitlement to equity shares that arise from such issue; (vi) Bonus Issues to public shareholders, with promoter/promoter group shareholders forgoing their entitlement to equity shares that may arise from such issue; (vii) Sale of shares held by the promoters/promoter group up to 2% of the total paid-up equity share capital of the listed entity in open market, subject to the conditions specified; (viii) Allotment of eligible "securities through Qualified instituting Placement.
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POLYCAB
POLYCAB INDIA LIMITED
 (formerly known as "Polycab Wires Limited")
 Regd. Office: E-654, Greater Kailash-II, New Delhi- 110048, India,
 Phone No. 011-29228574, CIN: U31300DL1996PLC266483,
 www.polycab.com, Email: investor.relations@gicbalpolycab.com

NOTICE

Pursuant to Regulation 29(1)(a) read with Regulation 47(1)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Notice is hereby given that a Meeting of the Board of Directors of the Company will be held on Tuesday, 14th May, 2019 inter alia, to consider and approve the Audited Standalone and Consolidated Financial Results of the Company for the fourth quarter and year ended 31st March, 2019. This intimation is also available on the website of the Company at www.polycab.com and on the website of the Stock Exchanges where the Equity Shares of the Company are listed i.e. www.bseindia.com and www.nseindia.com

For Polycab India Limited
 (formerly known as "Polycab Wires Limited")
 Sd/-
Subramaniam Sai Narayana
 Company Secretary & Compliance Officer
 Membership No. F5221

Place: Delhi
 Date: May 07, 2019


Mayur Uniquoters Limited

Regd. Office and Works: Village-Jaitpura, Jaipur-Sikar Road, Tehsil-Chomu,
 Distt. Jaipur-303704 (Raj.) India. **Website:** www.mayuruniquoters.com
Email: secr@mayur.biz **Tel:** 91-1423-224001 **Fax:** 91-1423-224420
CIN: L18101RJ1992PLC006952

RECORD DATE

Pursuant to Regulation 42 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 91 of the Companies Act, 2013 read with rule 10 of the Companies (Management and Administration) Rules, 2014, the revised record date for the First Interim Dividend for the financial year 2018-19 has been fixed as Wednesday, 29th August, 2018.

By the Order of the Board
 For Mayur Uniquoters Limited
Rahul Joshi
 Company Secretary

Date: 21st August, 2018
Place: Jaitpura, Jaipur

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IndianOil

Indian Oil Corporation Limited

[CIN - L23201MH1959GOI011388]

Regd. Office: IndianOil Bhavan, G-9, Ali Yavar Jung Marg, Bandra (East), Mumbai - 400 051. **Website:** www.iocl.com

Email ID: investors@indianoil.in

Phone No.: (022)26447616. **Fax No.:** (022)26447961.

RECORD DATE NOTICE FOR INTERIM DIVIDEND

Pursuant to Section 91 of the Companies Act 2013 and rules notified thereunder and Regulation 47 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, notice is hereby given that the Company has fixed Tuesday, 25th December, 2018 as the Record date to determine the eligibility of the Shareholders to receive Interim Dividend of ₹ 6.75 per equity share of ₹ 10/- each (i.e. 67.50% on the paid up equity share capital) for the Financial Year 2018-19 as declared by the Board of Directors on 13th December, 2018.

Place: Mumbai

For Indian Oil Corporation Limited
Sd/-

Date: 13th December, 2018

(Kamal Kumar Gwalani)
Company Secretary

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ITC Limited

Extract of Standalone Unaudited Financial Results for the Quarter and Nine Months ended 31st December, 2018
(₹ in Crores)

Sl. No.	Particulars	3 Months ended 31.12.2018	9 Months ended 31.12.2018	Corresponding 3 Months ended 31.12.2017
1	Total Income from Operations	12267.65	35322.72	10594.55
2	Net Profit / (Loss) for the period (before tax and Exceptional items)	4821.19	13490.25	4216.65
3	Net Profit / (Loss) for the period before tax (after Exceptional items)	4821.19	13490.25	4629.55
4	Net Profit / (Loss) for the period after tax (after Exceptional items)	3209.07	8982.42	3090.20
5	Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	3637.01	9288.66	3177.06
6	Equity Share Capital	1224.69	1224.69	1219.05
7	Earnings Per Share (of ₹1/- each) (not annualised):			
	1. Basic (₹):	2.62	7.35	2.54
	2. Diluted (₹):	2.60	7.30	2.52

Note:

- The above is an extract of the detailed format of Statement of Standalone Unaudited Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The detailed Financial Results and this extract were reviewed by the Audit Committee and approved by the Board of Directors of the Company at the meeting held on 23rd January, 2019. The full format of the Statement of Standalone Unaudited Financial Results are available on the Company's website (www.itcportal.com) and on the websites of the National Stock Exchange of India Limited (www.nseindia.com), BSE Limited (www.bseindia.com) and The Calcutta Stock Exchange Limited (www.cse-india.com).
- Profit for the period in respect of the quarter ended 31st December, 2017, before considering Exceptional items of ₹ 270.00 Crores (post tax), stood at ₹ 2820.20 Crores. Consequently, Profit for the period in respect of the quarter ended 31st December, 2018, before considering Exceptional items, represents a growth of 13.8%. Exceptional items in the previous period represent provisions for earlier years in respect of Tamil Nadu entry tax that were written back based on a favourable order of the Hon'ble Supreme Court.
- The Limited Review, as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been completed and the related Report does not have any impact on the above 'Results and Notes' for the Quarter and Nine Months ended 31st December, 2018 which needs to be explained.

Registered Office:

Virginia House, 37 J.L. Nehru Road,
Kolkata 700 071, India

For and on behalf of the Board

Dated: 23rd January, 2019

Place: Gurugram, India

Sd/-

Director &
Chief Financial Officer

Sd/-

Managing Director

Sd/-

Chairman

Website: www.itcportal.com | E-mail: enduringvalue@itc.in

Phone: +91-33-2288 9371 | Fax: +91-33-2288 0655 | CIN: L16005WB1910PLC001985



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ESCORTS

Extract of Standalone And Consolidated Audited Financial Results For The Quarter And Year Ended March 31, 2019

Sl. No.	Particulars	Rs. In Crores					
		Standalone Results				Consolidated	
		3 Months ended	3 Months ended	Year Ended	Year Ended	Year Ended	Year Ended
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
		Audited	Audited	Audited	Audited	Audited	Audited
1	Total revenue from continuing operations	1,631.68	1,436.10	6,196.36	5,015.97	6,262.02	5,069.19
2	Net Profit for the period from continuing operations (before Tax, Exceptional and/or Extraordinary Items)	177.63	171.19	710.29	515.58	708.22	515.84
3	Net Profit for the period from continuing operations before tax (after Exceptional and/or Extraordinary Items)	177.63	171.19	721.20	508.82	713.78	509.08
4	Net Profit/(Loss) from discontinued operations after tax	-	-	1.23	-	1.23	-
5	Net Profit for the Period	121.35	171.54	484.91	344.72	477.90	346.59
6	Total Comprehensive Income for the period (Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax))	129.35	123.64	492.93	358.71	488.21	357.91
7	Total Comprehensive Income for the period (Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax) after non-controlling Interest)	129.35	123.64	492.93	358.71	487.22	358.34
8	Equity Share Capital	122.58	122.58	122.58	122.58	122.58	122.58
9	Other Equity	2,900.28	2,425.53	2,900.28	2,425.53	2,550.91	2,092.56
10	Earnings Per Share (for continuing and discontinued operations) of Rs.						
	10 each:						
	(1) Basic	10.15	9.42	40.58	28.85	55.82	41.62
	(2) Diluted	10.15	9.42	40.58	28.85	55.82	41.62

Notes :

- The above Standalone & Consolidated Financial Results were reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on May 07, 2019.
- The above is an extract of the detailed format of Quarterly Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Full format of the Quarterly Financial Results are available on the Stock Exchanges websites www.bseindia.com and www.nseindia.com and on the Company's website www.escortsgroup.com.
- The figures for the quarter ended March 31, 2019 and March 31, 2018 are the balancing figures between audited figures in respect of the full financial year and published year to date figures up to the third quarter of years ended March 31, 2019 and March 31, 2018 respectively.

Place : Faridabad
Date : 07/05/2019

For ESCORTS LIMITED

NIKHIL NANDA
(CHAIRMAN AND MANAGING DIRECTOR)

Escorts Limited

Phone: 0129-2250222, Fax: 0129-2250060

E-mail: corpsect@ndb.vsnl.net.in, Website: www.escortsgroup.com

Registered Office : 15/5, Mathura Road, Faridabad - 121 003, Haryana

CIN - L74899HR1944PLC039088

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REVENUE ↑
₹7,093 cr
21.6%
(2018: ₹5,833 cr)

EBITDA ↑
₹365 cr
16.9%
(2018: ₹312 cr)

PAT ↑
₹215 cr
31.7%
(2018: ₹163 cr)

OCF to
EBITDA
50%

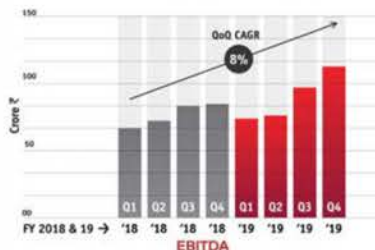
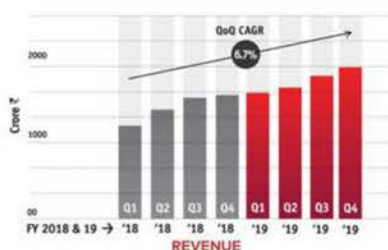
EPS
₹29.5

ROCE
18.6%



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& Facility Management

US\$ 1 Billion
Indian
Multinational



Security and Intelligence Services (India) Limited
Registered office: Annapoorna Bhawan, Telephone Exchange Road, Kurji, Patna - 800010
CIN: L75230BR1985PLC002083

Extracts of audited consolidated financial results for the quarter and year ended March 31, 2019
(Rs. in millions, except per share data)

PARTICULARS	QTR. ENDED 31st March 2019 AUDITED	YEAR ENDED 31st March 2019 AUDITED	QTR. ENDED 31st March 2018 AUDITED	YEAR ENDED 31st March 2018 AUDITED
Total Income from Operations	19,548.50	70,932.73	15,921.92	58,333.73
Net Profit for the period (before Tax, Exceptional and Items)	622.24	2095.25	398.74	1,882.84
Net Profit for the period before tax (after Exceptional Items)	622.24	2095.25	390.41	1,874.51
Net Profit for the period after tax (after Exceptional Items)	723.51	2146.79	360.59	1,630.28
Total Comprehensive Income for the period (comprising Profit for the period after tax)	715.77	2067.41	340.81	1,597.82
Equity Share Capital	733.13	733.13	731.84	731.84
Other Equity	11,765.80	11,765.80	9,551.20	9,551.20
Earnings Per Share (of Rs. 10/- each) (for continuing and discontinued operations) -				
1. Basic:	10.03	29.5	4.66	22.77
2. Diluted:	9.9	29.0	4.57	22.36

Financial Results (Standalone Information)

	QTR. ENDED 31st March 2019 AUDITED	YEAR ENDED 31st March 2019 AUDITED	QTR. ENDED 31st March 2018 AUDITED	YEAR ENDED 31st March 2018 AUDITED
Total Income from Operations	6764.81	25,035.17	5,645.33	21,350.52
Profit before tax	220.27	877.50	239.87	772.78
Total Comprehensive Income for the period	437.51	1,256.57	214.59	728.38

1. The above is an extract of the detailed format of Financial Results for the quarter and year ended March 31, 2019 filed with the Stock exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the Quarterly/Annual Financial Results are available on the websites of the National Stock Exchange of India Limited (www.nseindia.com) ("NSE"), BSE Limited (www.bseindia.com) ("BSE") and the Company (www.sisindia.com).
2. The audited standalone and consolidated financial results along with Segment Results were reviewed by the Audit committee and approved at the meeting of the Board of Directors of the Company held on May 02, 2019. The Company confirms that its statutory auditors have issued their audit report with an unmodified opinion on the standalone and consolidated financial results.
3. The figures of the quarter ended March 31, 2019 and the corresponding quarter ended March 31, 2018 are the balancing figures between the audited figures in respect of the full financial year and the year-to-date figures up to the third quarter of the respective financial years.
4. Effective April 1, 2018, the Group adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method which is applied to contracts that were not completed as of April 1, 2018. Accordingly, the comparatives have not been retrospectively adjusted. The effect on adoption of the Ind AS 115 was significant on the financial statements.
5. The Board has recommended a dividend of ₹ 3.50 Equity share (Face value of ₹ 10 per share) for the financial year 2018-19.
This payment is subject to the approval of the members in the ensuing Annual General Meeting.

For and on behalf of the Board of Directors of
Security and Intelligence Services (India) Limited
Ravindra Kishore Sinha
Chairman

Place: Hyderabad
Date: May 2nd, 2019

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THANK YOU CUSTOMERS AND STAKEHOLDERS FOR YOUR SUPPORT.

Extract of Audited Consolidated Financial Results for the quarter and year ended March 31, 2019 (₹ in Crores)

S. No.	Particulars	Quarter ended 31.03.2019 (Audited)	Year ended 31.03.2019 (Audited)	Quarter ended 31.03.2018 (Audited)	Year ended 31.03.2018 (Audited)
1.	Total Income from Operations	2,145.21	7,679.32	1,636.17	5,488.71
2.	Net Profit for the Period (Before Tax, Exceptional and Extraordinary Item)	545.07	1,734.39	377.39	1,234.58
3.	Net Profit for the Period Before Tax (After Exceptional and Extraordinary Item)	545.07	1,734.39	377.39	1,234.58
4.	Net Profit for the Period After Tax (After Exceptional and Extraordinary Item)	379.77	1,191.52	251.58	841.15
	Total Comprehensive Income for the Period (comprising Profit/(Loss) for the Period After Tax and other Comprehensive Income After Tax)	348.44	1,089.19	265.01	838.99
5.	Equity Share Capital	167.47	167.47	166.59	166.59
6.	Other Equity	7,376.43	7,376.43	6,400.75	6,400.75
7.	Earnings Per Share (of ₹10/- each)*				
1. Basic (₹)		22.68	71.19	15.30	50.52
2. Diluted (₹)		22.54	70.76	14.93	49.94

*EPS for the quarter has not been annualised.

The key data relating to standalone results of PNB Housing Finance Limited is as under: (₹ in Crores)

S. No.	Particulars	Quarter ended 31.03.2019 (Audited)	Year ended 31.03.2019 (Audited)	Quarter ended 31.03.2018 (Audited)	Year ended 31.03.2018 (Audited)
1.	Total Income from Operations	2,135.12	7,490.86	1,637.52	5,488.06
2.	Profit Before Tax	547.05	1,578.05	377.39	1,234.58
3.	Tax Expense	175.93	496.67	124.82	392.44
4.	Net Profit After Tax	371.12	1,081.38	252.57	842.14
	Total Comprehensive Income for the Period (comprising Profit/(Loss) for the Period After Tax and other Comprehensive Income After Tax)	339.76	979.29	266.00	839.98

Loan Disbursements (for FY19):
₹36,079.4 Crores, growth 9%

Loan Assets (as on 31-Mar-2019):
₹74,023 Crores, growth 30%

AUM (as on 31-Mar-2019):
₹84,721.9 Crores, growth 36%


Gross NPA (as on 31-Mar-2019):
0.48% (% of Loan Assets)

Net NPA (as on 31-Mar-2019):
0.38% (% of Loan Assets)

Deposits (as on 31-Mar-2019):
₹14,315 Crores, growth 24%

For PNB Housing Finance Limited
Srinivas Gupta, Managing Director
DIN: 02930208
Place: New Delhi Date: 19 May, 2019,
Regd. Office: 5th Floor, Ashok-Braman,
22, W.G. Road, New Delhi-110001

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Pidilite Industries Limited

Extract Of Audited Financial Results For The Quarter And Year Ended 31.03.2019 (₹ in crores)

Sr. No.	Particulars	Standalone				Consolidated			
		Quarter ended 31.03.2019 (Audited)	Quarter ended 31.03.2018 (Audited)	Year ended 31.03.2019 (Audited)	Year ended 31.03.2018 (Audited)	Quarter ended 31.03.2019 (Audited)	Quarter ended 31.03.2018 (Audited)	Year ended 31.03.2019 (Audited)	Year ended 31.03.2018 (Audited)
1.	Total income from operations	1431.20	1320.70	6296.17	5627.46	1639.14	1527.36	7225.38	6367.17
2.	Net Profit for the period (before tax and Exceptional items)	282.77	277.79	1376.45	1331.28	290.83	293.22	1359.84	1358.80
3.	Net Profit for the period before tax (after Exceptional items)	282.77	277.79	1376.45	1331.28	279.96	293.22	1341.62	1358.60
4.	Net Profit for the period after tax (after Exceptional items)	243.20	238.16	979.44	966.19	236.87	247.52	928.39	968.09
5.	Total Comprehensive Income (Comprising Profit/(Loss) after tax and Other Comprehensive Income after tax)	244.92	240.58	976.48	958.32	232.67	252.50	931.16	964.55
6.	Equity Share Capital	50.80	50.78	50.80	50.78	50.80	50.78	50.80	50.78
7.	Reserves excluding Revaluation Reserve as at Balance Sheet date			4135.92	3513.15			4097.29	3523.28
8.	Earnings Per Share (of ₹ 1/- each)								
1. Basic:		₹ 4.79	₹ 4.69	19.28	18.81	₹ 4.63	₹ 4.80	18.21	18.95
2. Diluted:		₹ 4.78	₹ 4.68	19.27	18.80	₹ 4.63	₹ 4.80	18.20	18.94

For the period only and not annualised.




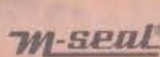

1. Consolidated Results for the quarter and the year ended 31st March 2019 is after providing for exceptional items aggregating to ₹ 10.95 crores and ₹ 18.02 crores respectively relating to diminution/impairment of investments.

2. The above is an extract of the detailed format of Quarter and Year ended Audited Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The audited financial results were reviewed by the Audit Committee and by the Board of Directors at their meetings held on 14th May, 2019. The full format of the Quarter and Year ended Audited Financial Results are available on the Stock Exchange websites (www.nseindia.com and www.bseindia.com) and on Company's website www.pidilite.com.

Place: Mumbai
Date: 14th May, 2019

Regd. Office: 2nd Floor, Regent Chambers, Janshikhar Road, 20th, Nariman Point, Mumbai - 400 021

BHARAT PURI
Managing Director

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Indiabulls VENTURES

Indiabulls
CONSUMER FINANCE

(Standalone)
9M FY-19
Performance

Loan Assets
₹ 10,453
crore

NII
₹ 788
crore

Capital
₹ 5,273
crore

CRAR
37.81%

Net Gearing
1.0
times

Indiabulls Ventures Limited Extract of Unaudited Consolidated Financial Results for the quarter and nine months ended 31 December 2018 (₹ in Crore)

Particulars	Quarter ended	Nine months ended	Quarter ended
	31 December 2018	31 December 2018	31 December 2017
	(Unaudited)	(Unaudited)	(Unaudited)
Total income from operations (Net)	557.83	1378.76	267.74
Net Profit for the period (before Tax, Exceptional and/or Extraordinary items)	173.52	478.38	71.15
Net Profit for the period before tax (after Exceptional and/or Extraordinary items)	173.52	478.36	71.15
Net Profit for the period after tax (after Exceptional and/or Extraordinary items)	120.45	348.87	54.35
Total Comprehensive Income for the period (Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax))	119.98	348.32	54.01
Paid-up Equity Share Capital (Face Value of ₹ 2/- per Equity Share)	111.04	111.04	88.48
Earnings per Share (EPS) (Face Value of ₹ 2/- per Equity Share)			
* (EPS for the quarters and nine month not annualised)			
- Basic (Amount in ₹)	2.14 *	6.57 *	1.23 *
- Diluted (Amount in ₹)	2.08 *	6.21 *	1.11 *

Note: The above is an extract of the detailed format of Quarterly / Annual Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the Quarterly / Annual Financial Results are available on the Company's website (<http://www.indiabullsventures.com>) and on the website of BSE (<http://www.bseindia.com>) and NSE (<http://www.nseindia.com>).

Notes to the Financial Results:

1. The above results have been reviewed by the audit committee and subsequently approved at the meeting of the Board of Directors held on 14 January 2019.

2. Key Standalone Financial Information:

(₹ in Crore)

Particulars	Quarter ended	Nine months ended	Quarter ended
	31 December 2018	31 December 2018	31 December 2017
	(Unaudited)	(Unaudited)	(Unaudited)
Total income	86.25	235.83	48.83
Profit before Tax	21.47	87.97	13.58
Net Profit after Tax	15.38	76.93	7.11

3. The figures of the previous periods have been regrouped / reclassified to make them comparable with those of current period.

4. The comparative financial information for the corresponding quarter ended 31 December 2017 are based on the previously issued unaudited consolidated and standalone financial results, prepared in accordance with the accounting standards specified under Section 133 of the Act, read with the relevant rules issued thereunder and other accounting principles generally accepted in India ('the previous GAAP') and are adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS. The opening balance sheet as at 1 April 2017 and financial statements for the year ended 31 March 2018 would be finalised and subjected to audit at the time of annual consolidated and standalone financial statements for the year ending 31 March 2019.

Registered Office: M - 62 & 63, 1st Floor, Connaught Place, New Delhi - 110 001.
CIN: L74999DL1995PLC069831

For and on behalf of the Board of Directors

Place : Mumbai
Date : 14th January 2019

Divyesh B. Shah
CEO & Whole-time Director

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Answers to be analysed in Classroom

Q. 1.

Answer to Question No. 1:-

CS NITESH KR. JAISWAL



Answers to be analysed in Classroom

Q. 2.

Answer to Question No. 2:-

CS NITESH KR. JAISWAL

CHAPTER

3

CORPORATE GOVERNANCE

Covering-

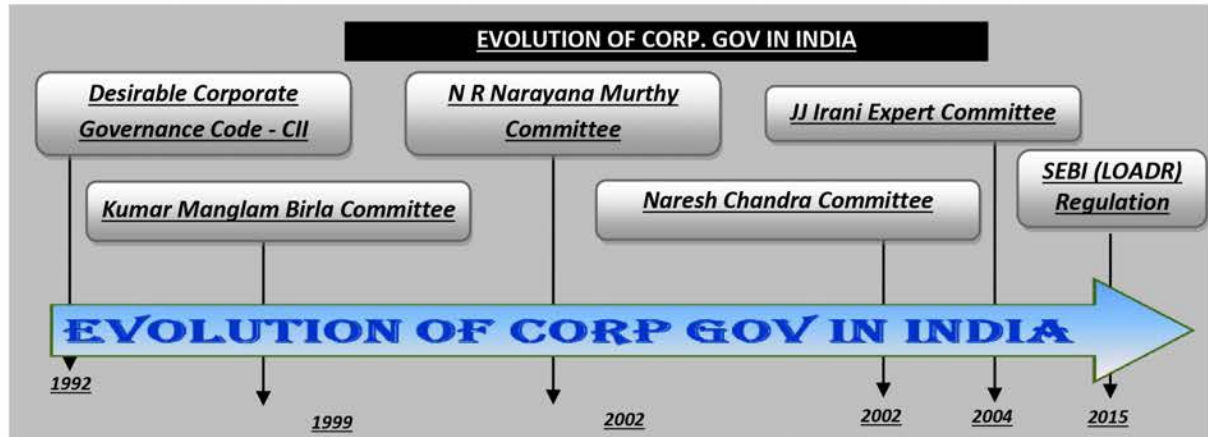
- ABC Analysis
- Legal Framework
- Board of Directors – Regulation 17
- Qualified and Independent Audit Committee
- Meeting of Audit Committee
- Power of Audit Committee
- Power of Audit Committee
- Role of Audit Committee
- Review of Information by Audit Committee
- Nomination and Remuneration Committee
- Risk Management Committee
- VIGIL Mechanism
- Related Party Transactions
- Obligations of / with respect to independent directors
- Obligation of / with respect to Directors and Senior Management
- Maintenance of Website
- Corporate Governance – Listing Regulations VIS-À-VIS Companies Act 2013
- Self Test Questions
 - From Past CS Exams
 - From ICSI Module

**EXPECTED
MARKS COVERAGE
(5 to 20)**

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CORPORATE GOVERNANCE

ABC Analysis (ICSI -Exam Point of view)	
A	1. Boards of Directors- Regulations 17 2. Related Party Transactions
B	3. Qualified and Independent Audit Committee 4. Meeting of Audit Committee 5. Power of Audit committee
C	6. Legal Framework 7. Obligations of / with respect to Directors and Senior Management

Good Governance in capital market has always been high on the agenda of SEBI. Corporate Governance is looked upon as a distinctive brand and benchmark in the profile of Corporate Excellence.

Corporate governance is a set / application of best management practices.

THE INSTITUTE OF COMPANY SECRETARIES OF INDIA (ICSI) has defined the term Corporate Governance as under:

“Corporate Governance is the application of best management practices, compliance of law in true letter and spirit and adherence to ethical standards for effective management and distribution of wealth and discharge of social responsibility for sustainable development of all stakeholders”

LEGAL FRAMEWORK

Regulations 17 to 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 covers provisions related to corporate governance practices applicable to listed companies.

According to Regulation 15, the aforesaid regulations 17-27 :-

➤ **SHALL APPLY TO:-**

All listed entities which has listed its securities with any recognized stock exchange either on:-

1. Main board
2. SME exchange
3. Institutional trading platform

➤ **SHALL NOT APPLY TO:-**

- (a) the listed entity having paid up equity share capital not exceeding rupees ten crore and net worth not exceeding rupees twenty five crore, as on the last day of the previous financial year

Provided that where the provisions of the regulations specified in this regulation becomes **applicable to a listed entity at a later date**, such listed entity shall comply with the requirements those regulations **within six months** from the date on which the provisions became applicable to the listed entity.

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Corporate governance requirements (Reg. 17-27)

**MANDATORY
REQUIREMENTS**
(Reg. 17-26)

**NON-MANDATORY /
OPTIONAL REQUIREMENTS**
(Reg. 27)

BOARD COMPOSITION /STRUCTURE

*Optimum combination of
Exec. And Non Exec. Directors*
(At least 50% = Non Executive Directors)

BODs

50% = NED

50% = ED

(Atleast One Woman director)

Appointment of 'INDEPENDENT DIRECTORS' (ID)

CHAIRMAN

EXECUTIVE DR.

NON - EXECUTIVE DR.

$\frac{1}{2}$ = ID.

**RELATED TO ; -PROM./
BOD/ ONE LEVEL BELOW**

$\frac{1}{2}$ = ID.

NOT RELATED

$\frac{1}{3}$ = ID.

BOARD PROCEDURE & OTHER PROVISIONS AS TO THE BOARD.

BOARD MEETINGS

Atleast 4 BM /YEAR

Maximum time gap between any two BM =< 120 days

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- (b) the listed entity which has listed its specified securities on the **SME Exchange**

Provided that for **other listed entities which are not companies, but body corporate** or are subject to regulations under other statutes, the provisions of corporate governance provisions as specified in **regulation 17 to 27 shall apply to the extent that it does not violate their respective statutes and guidelines** or directives issued by the relevant authorities.

MANDATORY REQUIREMENTS

BOARD OF DIRECTORS

REGULATION 17

COMPOSITION OF BOARD

1. The Board of Directors of the company shall have an **optimum combination** of executive and non-executive directors with at least **one woman director** and not less than **fifty percent of the Board of Directors comprising non-executive directors**.
2. Where the Chairman of the Board is a non-executive director, at least **one-third** of the Board should comprise independent directors and in case the company does not have a regular non-executive Chairman, at least **half** of the Board should comprise independent directors.

Provided that where the regular non-executive Chairman is a promoter of the company or is related to any promoter or person occupying management positions at the Board level or at one level below the Board, at least one-half of the Board of the company shall consist of independent directors.

Explanation: For the purpose of the expression “related to any promoter” referred to in above:

- i. If the promoter is a listed entity, its directors other than the independent directors, its employees or its nominees shall be deemed to be related to it;
- ii. If the promoter is an unlisted entity, its directors, its employees or its nominees shall be deemed to be related to it.”

BOARD MEETINGS

The Board shall meet at least **four times a year**, with a maximum time gap of **one hundred and twenty days** between any two meetings.

DUTIES OF BODs

- (a) The board of directors shall **periodically review compliance reports pertaining to all laws applicable to the listed entity**, prepared by the listed entity as well as steps taken by the listed entity to rectify instances of non-compliances.
- (b) The board of directors of the listed entity shall satisfy itself that **plans are in place for orderly succession for appointment** to the board of directors and senior management.
- (c) The board of directors shall lay down a **code of conduct** for all members of board of directors and senior management of the listed entity.
- (d) The code of conduct shall suitably incorporate the duties of independent directors as laid down in the Companies Act, 2013.

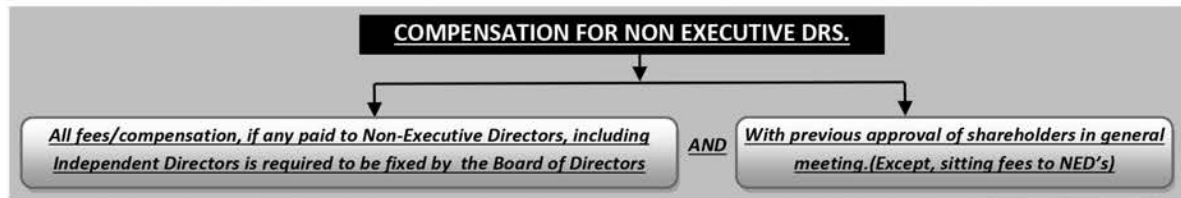
NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES

All fees / compensation, if any paid to non-executive directors, including independent directors, shall be fixed by the **Board of Directors and shall require previous approval of shareholders in general meeting**.

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Provided that the requirement of obtaining prior approval of shareholders in general meeting shall not apply to **payment of sitting fees to non-executive directors**, if made within the limits prescribed under the Companies Act, 2013 for payment of sitting fees.

Provided further that **independent directors shall not be entitled to any stock option**.

RISK MANAGEMENT PLAN

The listed entity shall lay down procedures to inform members of board of directors about risk assessment and minimization procedures.

The board of directors shall be responsible for framing, implementing and monitoring the risk management plan for the listed entity.

PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS

- (a) The performance evaluation of independent directors shall be done by the entire Board of Directors (excluding the director being evaluated).
- (b) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

AMENDMENT - IBC

Regulation 17 shall not be applicable during the insolvency resolution process period in respect of a listed entity which is undergoing corporate insolvency resolution process under the Insolvency Code.

The role and responsibilities of the board of directors as specified under regulation 17 shall be fulfilled by the interim resolution professional or resolution professional in accordance with sections 17 and 23 of the Insolvency Code.

Regulations 18, 19, 20 and 21 shall not be applicable during the insolvency resolution process period in respect of a listed entity which is undergoing corporate insolvency resolution process under the Insolvency Code

INDEPENDENT DIRECTOR - DEFINITION

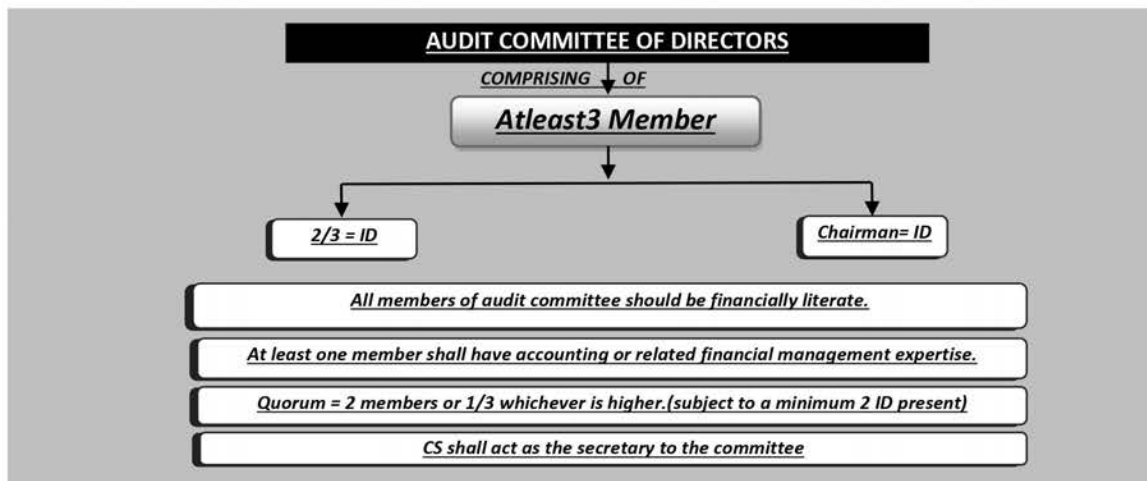
REGULATION 16

‘Independent director’ shall mean a non-executive director, other than a nominee director of the company: -	(i) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
	(ii) who is or was not a promoter of the company or its holding, subsidiary or associate company;
	(iii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
	(iv) who apart from receiving director's remuneration, has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
	(v) none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its <u>gross turnover or total income</u> or fifty lakh rupees or such higher amount as may be prescribed , whichever is <u>lower</u> , during the two immediately preceding financial years or during the current financial year;

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	<p>(vi) <u>who, neither himself nor any of his relatives —</u></p> <p>(A) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;</p> <p>(B) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of ;—</p> <p>(1) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or</p> <p>(2) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;</p> <p>(C) holds together with his relatives two per cent or more of the total voting power of the company; or</p> <p>(D) is a Chief Executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company;</p> <p>(E) is a material supplier, service provider or customer or a lessor or lessee of the company;</p> <p>(vii) who is not less than 21 years of age.</p>
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QUALIFIED AND INDEPENDENT AUDIT COMMITTEE

REGULATION 18

A qualified and independent audit committee shall be set up, giving the terms of reference subject to the following:

1. The audit committee shall have minimum three directors as members. Two-thirds of the members of audit committee shall be independent directors.
2. All members of audit committee shall be financially literate and at least one member shall have accounting or related financial management expertise.
3. The Chairman of the Audit Committee shall be an independent director;
4. The Chairman of the Audit Committee shall be present at Annual General Meeting to answer shareholder queries;
5. The Audit Committee may invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee.
6. The Company Secretary shall act as the secretary to the committee.

MEETING OF AUDIT COMMITTEE

The Audit Committee should meet at least four times in a year and not more than four months shall elapse between two meetings. The quorum shall be either two members or one third of the members of the audit committee whichever is greater, but there should be a minimum of two independent members present.

POWERS OF AUDIT COMMITTEE

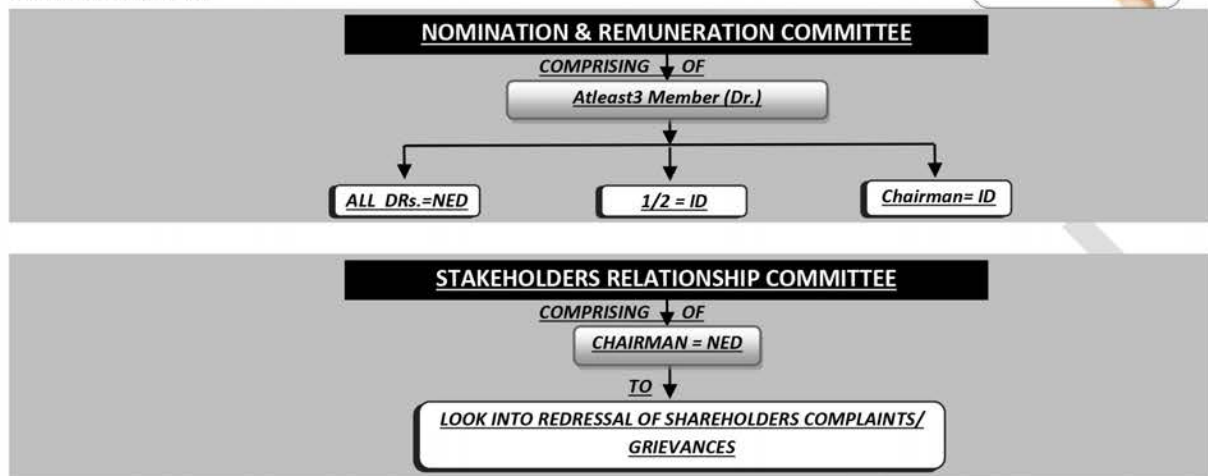
The Audit Committee shall have powers, which should include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

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ROLE OF AUDIT COMMITTEE

The role of the Audit Committee shall include the following:

1. Oversight of the **company's financial reporting process** and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of **auditors of the company**;
3. Reviewing, with the management, the annual financial statements and auditor's report thereon **before submission to the board** for approval.
4. Compliance with **listing and other legal requirements** relating to financial statements
5. Scrutiny of **inter-corporate loans and investments**;

REVIEW OF INFORMATION BY AUDIT COMMITTEE

The Audit Committee shall mandatorily review the following information:

1. **Management discussion and analysis** of financial condition and results of operations;
2. Statement of significant **related party transactions** (as defined by the Audit Committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the **statutory auditors**;
4. **Internal audit** reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the **Chief internal auditor** shall be subject to review by the Audit Committee.

NOMINATION AND REMUNERATION COMMITTEE

REGULATION 19

- (1) The board of directors shall constitute the nomination and remuneration committee as follows:
 - (a) the committee shall comprise of at least **three directors** ;
 - (b) **all** directors of the committee shall be **non-executive directors**; and
 - (c) **at least fifty percent** of the directors shall be **independent directors**.
- (2) The **Chairperson** of the nomination and remuneration committee shall be an **independent director**:
Provided that the **chairperson of the listed entity, whether executive or non-executive**, may be appointed as a **member** of the Nomination and Remuneration Committee and **shall not chair** such Committee.
- (3) The Chairperson of the nomination and remuneration committee may be present at the annual general meeting, to answer the shareholders' queries;
however, it shall be up to the chairperson to decide who shall answer the queries.

THE ROLE OF THE COMMITTEE SHALL, *inter-alia*, include the following:

1. Formulation of the criteria for **determining qualifications**, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of **criteria for evaluation of Independent Directors** and the Board;
3. Devising a policy on **Board diversity**;
4. **Identifying persons** who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

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STAKEHOLDERS RELATIONSHIP COMMITTEE

REGULATION 20

- (1) The listed entity shall constitute a Stakeholders Relationship Committee to specifically look into the mechanism of redressal of grievances of shareholders, debenture holders and other security holders.
- (2) The chairperson of this committee shall be a non-executive director.
- (3) The board of directors shall decide other members of this committee.

RISK MANAGEMENT COMMITTEE

REGULATION 21

- (1) The board of directors shall constitute a Risk Management Committee.
- (2) The **majority of members of Risk Management Committee** shall consist of members of the board of directors.
- (3) The **Chairperson of the Risk management committee shall be a member of the board of directors and senior executives of the listed entity may be members of the committee.**
- (4) The board of directors shall define the role and responsibility of the Risk Management Committee and may delegate monitoring and reviewing of the risk management plan to the committee and such other functions as it may deem fit.
- (5) The provisions of this regulation **shall be applicable to top 100 listed entities**, determined on the basis of market capitalisation, as at the end of the immediate previous financial year.

VIGIL MECHANISM

REGULATION 22

- (1) The listed entity shall formulate a vigil mechanism for directors and employees to report genuine concerns.
- (2) The vigil mechanism shall provide for adequate safeguards against victimization of director(s) or employee(s) or any other person who avail the mechanism and also provide for direct access to the chairperson of the audit committee in appropriate or exceptional cases.

NKJ-CLASSROOM PRACTICE



Q. 1. Write a note on Whistle-blower policy.

[June 2016; 4 Marks]

RELATED PARTY TRANSACTIONS

REGULATION 23

- (1) The listed entity shall formulate a policy on materiality of related party transactions and on dealing with related party transactions “including clear threshold limits duly approved by the board of directors and such policy shall be reviewed by the board of directors at least once every three years and updated accordingly”:

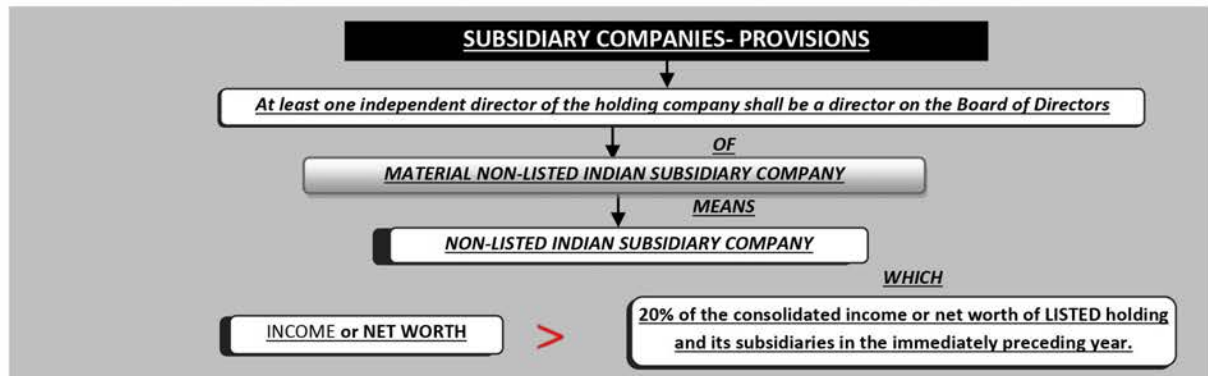
Explanation.- A transaction with a related party shall be considered **material** if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

Notwithstanding the above, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed two percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

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- (2) All related party transactions shall require prior approval of the audit committee.
Provided that any person or entity belonging to the promoter or promoter group of the listed entity and holding 20% or more of shareholding in the listed entity shall be deemed to be a related party.

Omnibus approval by Audit committee

- (3) Audit committee may grant **omnibus approval** for related party transactions proposed to be entered into by the listed entity subject to the following conditions, namely-
- (a) the audit committee shall lay down the criteria for granting the omnibus approval in line with the policy on related party transactions of the listed entity and such approval shall be applicable in respect of transactions which are repetitive in nature;
 - (b) the audit committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the listed entity;
 - (c) the omnibus approval shall specify:-
 - (i) the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered into,
 - (ii) the indicative base price / current contracted price and the formula for variation in the price if any; and
 - (iii) such other conditions as the audit committee may deem fit:
- Provided that where the need for related party transaction cannot be foreseen and aforesaid details are not available, audit committee may grant omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction.
- (d) the audit committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the listed entity pursuant to each of the omnibus approvals given.
 - (e) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year:

Shareholders approval

- (4) All **material** related party transactions shall require approval of the shareholders through resolution and no related party shall vote to approve on such resolutions whether the entity is a related party to the particular transaction or not.

Non-applicability

- (5) The aforesaid provisions **shall not be applicable in the following cases:-**
- (a) transactions entered into between two government companies;
 - (b) transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

CORPORATE GOVERNANCE REQUIREMENTS WITH RESPECT TO SUBSIDIARY OF LISTED ENTITY

REGULATION 24

- (1) At least one independent director on the board of directors of the listed entity shall be a director on the board of directors of an unlisted material subsidiary, incorporated in India.
- (2) The audit committee of the listed entity shall also review the financial statements, in particular, the investments made by the unlisted subsidiary.
- (3) The minutes of the meetings of the board of directors of the unlisted subsidiary shall be placed at the meeting of the board of directors of the listed entity.
- (4) The management of the unlisted subsidiary shall periodically bring to the notice of the board of directors of the listed entity, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary.

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Explanation- the term “significant transaction or arrangement” shall mean any individual transaction or arrangement that exceeds or is likely to exceed **ten percent of the total revenues or total expenses or total assets or total liabilities, as the case may be**, of the unlisted material subsidiary for the immediately preceding accounting year.

Restrictions on listed holding company

- (5) A listed entity shall not dispose of shares in its material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than fifty percent or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal.
- (6) Selling, disposing and leasing of assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders by way of special resolution, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal.

SECRETARIAL AUDIT REPORT

Regulation 24A

Regulation 24A mandates that every listed entity and its material unlisted subsidiaries incorporated in India shall undertake Secretarial Audit and shall annex with its Annual Report, a Secretarial Audit Report, given by a Company Secretary in Practice, in such form as may be specified with effect from the year ended March 31, 2019.

OBLIGATIONS OF/ WITH RESPECT TO INDEPENDENT DIRECTORS

REGULATION 25

- (1) A person shall not serve as an independent director in more than **seven listed entities**:
Provided that any person who is serving as a **whole time director** in any listed entity shall serve as an independent director in not more than **three listed entities**.
- (2) The maximum tenure of independent directors shall be in accordance with the Companies Act, 2013 and rules made thereunder, in this regard, from time to time.

Meetings of independent directors

- (3) The independent directors of the listed entity shall hold at least one meeting in a year, without the presence of non-independent directors and members of the management and all the independent directors shall strive to be present at such meeting.

Role/function of independent directors

- (4) The independent directors in their meeting shall, inter alia:-
 - (a) review the performance of non-independent directors and the board of directors as a whole;
 - (b) review the performance of the chairperson of the listed entity, taking into account the views of executive directors and non-executive directors;
 - (c) assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.

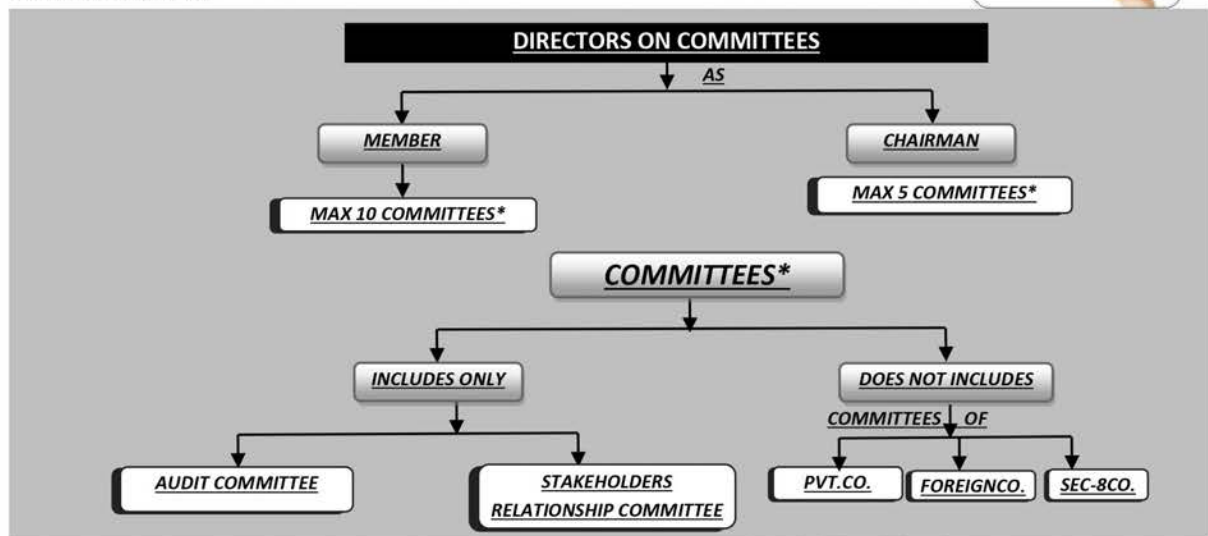
Liabilities of independent directors

- (5) An independent director shall be held liable, only in respect of such acts of omission or commission by the listed entity which had occurred with his knowledge, attributable through processes of board of directors, and with his consent or connivance or where he had not acted diligently with respect to the provisions contained in these regulations.

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Replacement in case of change in independent directors

- (6) An independent director who resigns or is removed from the board of directors of the listed entity shall be replaced by a new independent director by listed entity **at the earliest but not later than the immediate next meeting of the board of directors or three months from the date of such vacancy, whichever is later:**

Provided that where the listed entity fulfils the requirement of independent directors in its board of directors without filling the vacancy created by such resignation or removal, the requirement of replacement by a new independent director shall not apply.

Training

- (7) The listed entity shall familiarise the independent directors through various programmes about the listed entity, including the following:
- (a) nature of the industry in which the listed entity operates;
 - (b) business model of the listed entity;
 - (c) roles, rights, responsibilities of independent directors; and
 - (d) any other relevant information.

OBLIGATIONS OF / WITH RESPECT TO DIRECTORS AND SENIOR MANAGEMENT

REGULATION 26

Directors on committees

- (1) A director shall not be a member in more than ten committees or act as chairperson of more than five committees across all listed entities in which he is a director which shall be determined as follows:
- (a) the limit of the committees on which a director may serve in **all public limited companies, whether listed or not, shall be included** and all other companies including private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 shall be **excluded**;
 - (b) for the purpose of determination of limit, chairpersonship and membership of the audit committee and the Stakeholders' Relationship Committee alone shall be considered.

Code of conduct

All members of the board of directors and senior management personnel shall affirm compliance with the code of conduct of board of directors and senior management on an annual basis.

Disclosure by directors

Non-executive directors shall disclose their shareholding, held either by them or on a beneficial basis for any other persons in the listed entity in which they are proposed to be appointed as directors, in the notice to the general meeting called for appointment of such director

Senior management shall make disclosures to the board of directors relating to **all material, financial and commercial transactions, where they have personal interest** that may have a potential conflict with the interest of the listed entity at large.

NON- MANDATORY REQUIREMENTS

REGULATION 27

The listed entity may, **at its discretion**, comply with requirements as specified in Part E of Schedule II.

Quarterly compliance report

- (a) The listed entity shall submit a **quarterly compliance report** on corporate governance in the format as specified by the Board from time to time to the recognised stock exchange(s) within fifteen days from close of the quarter.

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- (b) Details of all material transactions with related parties shall be disclosed along with the compliance report.
- (c) The compliance report shall be signed either by the compliance officer or the chief executive officer of the listed entity.

MAINTENANCE OF WEBSITE

REGULATION 46

- (1) The listed entity shall maintain a functional website containing the basic information about the listed entity.
- (2) The listed entity shall disseminate the following information on its website:

(a) details of its business;
(b) terms and conditions of appointment of independent directors;
(c) composition of various committees of board of directors;
(d) code of conduct of board of directors and senior management personnel;
(e) details of establishment of vigil mechanism/ Whistle Blower policy;
(f) criteria of making payments to non-executive directors , if the same has not been disclosed in annual report;
(g) policy on dealing with related party transactions;
(h) policy for determining 'material' subsidiaries; etc.

- (3) (a) The listed entity shall ensure that the contents of the website are correct.
- (b) The listed entity shall **update any change in the content of its website within two working days** from the date of such change in content.

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CORPORATE GOVERNANCE - LISTING REGULATIONS VIS-A-VIS COMPANIES ACT 2013

S. No.	Particulars	Listing Regulations	Companies Act 2013
1.	Size of the Board	Regulation 17(1)(a) The board of directors shall have an optimum combination of executive and non-executive directors.	Section 149 (1) It stipulates the minimum number of director as three in case of public company, two in case of private company and one in case of One Person Company. The maximum number of directors stipulated is 15.
2.	Board Composition	Regulation 17(1) <ul style="list-style-type: none"> ➤ At least 50% of the board of directors shall comprise of non-executive directors. ➤ If the chairperson of the board of directors is a non-executive director, at least 1/3rd of the board of directors shall comprise of independent directors. ➤ If the chairperson of the board of directors is not a non-executive director, at least 50% of the board of directors shall comprise of independent directors. ➤ If the regular non-executive chairperson is a promoter of the listed entity or is related to any promoter or person occupying management positions at the level of board of director or at one level below the board of directors, at least 50% of the board of directors of the listed entity shall consist of independent directors. 	Section 149(4) provides that every public listed Company shall have at-least one third of total number of directors as independent directors and Central Government may further prescribe minimum number of independent directors in any class or classes of company. Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 prescribes that the following class or classes of companies shall have at least two independent directors: <ul style="list-style-type: none"> ➤ Public Companies having paid-up share capital of 10 crore rupees or more; or ➤ Public Companies having turnover of 100 crore rupees or more; or ➤ Public Companies which have, in aggregate, outstanding loans, debentures and deposits, exceeding 50 crore rupees.

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3.	Appointment of Woman Director	Regulation 17(1)(a) The Board of Directors of the Listed Entity shall have at least one woman director.	Section 149(1) and Companies (Appointment and Qualification of Directors) Rules, 2014 Rule (3) read with Section 149(1) provides that (i) every listed company; (ii) every other public company having - (a) paid-up share capital of ₹100 crores or more; or (b) Turnover of ₹300 crore or more shall appoint at least one woman director. A company shall comply with provisions within a period of six months from the date of its incorporation. Any intermittent vacancy of a woman director shall be filled up by the Board at the earliest but not later than immediate next Board meeting or three months from the date of such vacancy whichever is later.
4.	Maximum No. of directorship of IDs.	Regulation 25(1) A person shall not serve as an independent director in more than seven listed Entities. Any person who is serving as a whole time director in any listed Entity shall serve as an independent director in not more than three listed Entities.	Section 165 A person shall not hold office as a director, including any alternate directorship in more than 20 companies at the same time. The max no. of public companies in which a person can be appointed as a director shall not exceed 10.
5.	Maximum tenure of IDs	Regulation 25(2) It shall be in accordance with the Companies Act 2013 and rules made there under, in this regard, from time to time.	Section 149(10) & (11) Subject to the provisions of Section 152(2), an independent director shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for reappointment on passing of a special resolution by the company and disclosure of such appointment in the Board's report. No independent director shall hold office for more than two consecutive terms, but such independent director shall be eligible for appointment after the expiration of three years of ceasing to become an independent director.
6.	Separate meeting of IDs	Regulation 25(3) The IDs of shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management. All the independent directors of the Listed Entity shall strive to be present at such meeting.	Section 149 read with Schedule IV IDs of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management. All the independent directors of the company shall strive to be present at such meeting.

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7.	Succession planning	Regulation 17(4) The Board of the Listed Entity shall satisfy itself that plans are in place for orderly succession for appointments to the Board and to senior management.	There is no such provision.
8.	Vigil mechanism	Regulation 22 The Listed Entity shall establish a vigil mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Listed Entity code of conduct or ethics policy. This mechanism should also provide for adequate safeguards against victimization of director(s)/employee(s) who avail of the mechanism and also provide for direct access to the chairperson of the Audit Committee in exceptional cases. The details of establishment of such mechanism shall be disclosed by the Listed Entity on its website and in the Board's report.	Section 177(9) read with Rule 7 of Companies (Meeting of Board and its Power) Rules, 2014 Every listed company or such class or classes of companies to establish a Vigil mechanism for directors and employees to report genuine concern. The details of establishment of Vigil mechanism shall be disclosed by the company in the website, if any, and in the Board's Report. Rule 7 of Companies (Meeting of Board and its Power) Rules, 2014 states that the companies which are required to constitute an audit committee shall oversee the vigil mechanism through the committee and if any of the members of the committee have a conflict of interest in a given case, they should rescue them-selves and the others on the committee would deal with matter on hand. The Vigil Mechanism shall provide adequate safeguards against victimization of employees and directors who avail of the Vigil mechanism and also provide for direct access to the chairperson of the Audit committee or the director nominated to play the role of audit committee, as the case may be, in exceptional cases.
9.	Qualification of IDs	The qualifications of IDs are not specified in the Listed Regulation.	Rule 5 of Companies (Appointment and Qualification of Directors) Rules, 2014 An independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the company's business.
10.	Disclosure of RPTs	Regulation 27(2)(a) Details of all material transactions with related parties shall be disclosed quarterly along with the compliance report on corporate governance. The Listed Entity shall disclose the policy on dealing with RPTs on its website and a web link thereto shall be provided in the Annual Report.	Section 134(3)(h) mandates that Board's Report shall contain particulars of contracts or arrangements with related party as referred in section 188 of the Companies Act, 2013.

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ROLE OF COMPANY SECRETARY under SEBI LAODR Regulations

1. A listed entity shall appoint a Qualified Company Secretary as the Compliance Officer.
2. Certification to the effect that all transfers have been completed within the stipulated time. [Regulation 40(9)]
3. SEBI listing regulations authorizes Practising Company Secretary to issue certificate regarding compliance of conditions of Corporate Governance. [Schedule V, clause E]
4. To issue half yearly certificate regarding maintenance of 100% security cover in respect of listed non-convertible debt securities. [Regulation 56(1)] (d)]
5. A Compliance certificate obtained from the practising Company Secretary on compliance w.r.t. Regulations 17-27 of the SEBI Listing Regulations. [Source: www.bseindia.com]
6. A Certificate from practising Company Secretary for the following confirmations:
 - The entire pre-preferential holding of the allottee(s) and that the same is in dematerialized form.
 - The Pricing of the issue along with the detailed working of the same. [Source: www.nseindia.com]
7. **Certification regarding Director's Disqualification**

A certificate from a Company Secretary in Practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/ Ministry of Corporate Affairs or any such Statutory Authority

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BENEFITS OF ACQUISITION GETTING REFLECTED IN EARNINGS

INDIA OPERATIONS Q4 FY19

Net Sales ₹ 10,299 Crores | EBITDA ₹ 2,406 Crores | PAT ₹ 988 Crores

EXTRACT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31/03/2019

Particulars	₹ in Crores			
	Three Months Ended 31/03/2019	Year Ended 31/03/2019	Three Months Ended 31/03/2018	Year Ended 31/03/2018
Total Income	11,031.27	37,817.27	9,401.49	32,461.02
Net Profit before tax and exceptional items	1,477.02	3,538.37	1,041.71	3,648.07
Net Profit before tax after exceptional items	1,477.02	3,538.37	726.59	3,301.47
Net Profit after Taxes	1,014.49	2,431.59	446.13	2,224.46
Total Comprehensive Income for the period (comprising profit for the period after tax and other comprehensive income after tax)	988.45	2,419.56	512.67	2,270.14
Paid-up equity share capital (Face Value ₹ 10/- Per Share)	274.64	274.64	274.61	274.61
Reserves (excluding Revaluation Reserve) as shown in Audited Balance Sheet	-	28,113.66	-	26,106.55
Earnings per share (of ₹ 10/- each) (Not Annualised) (for continuing & discontinued operations):				
(a) Basic	37.63	88.72	16.25	80.94
(b) Diluted	37.62	88.69	16.24	80.92

Notes:

1. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 24/04/2019.

2. Key Standalone Financial Information:

Particulars	Three Months Ended 31/03/2019	Year Ended 31/03/2019	Three Months Ended 31/03/2018	Year Ended 31/03/2018
Total Income	10,640.41	36,174.95	8,982.78	30,851.30
Profit before Tax	1,482.85	3,562.30	767.08	3,301.84
Net Profit after Tax	1,017.47	2,455.72	487.95	2,231.28

3. The above is an extract of the detailed format of Audited Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the Audited Financial Results is available on the stock exchange websites, www.nseindia.com and www.bseindia.com and on the Company's website www.ultratechcement.com.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 24/04/2019

K.K. Maheshwari
Managing Director

UltraTech Cement Limited

Registered Office: 2nd Floor, 'B' Wing, Aharu Centre, Mahakali Caves Road, Andheri (East), Mumbai - 400093.
Tel.: 022 6691 7800 Fax: 022 6892 6109 | Website: www.ultratechcement.com | CIN: L26940MH2000PLC129420



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LUX INDUSTRIES LIMITED

CIN : L17309WB1995PLC073053

Regd. Office: 39, KALI KRISHNA TAGORE STREET, KOLKATA - 700 007

Email: info@luxinnerwear.com, Website: www.luxinnerwear.com, Ph : 033-40402121, Fax : 033-40012001

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EXTRACT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2017

(₹ in Lakhs)

PARTICULARS	Quarter Ended		Nine Months Ended
	31.12.2017	31.12.2016	31.12.2017
Total income from operations(net)	29,742.53	23,119.99	78,320.04
Net Profit / (Loss) from ordinary activities before tax*	2,830.07	2,090.50	7,288.46
Net Profit / (Loss) from ordinary activities after tax*	1,846.20	1,406.99	4,747.32
Total Comprehensive Income for the period (Net of Tax)	1,844.17	1,408.37	4,743.32
Equity Share Capital	529.98	529.98	529.98
Earnings Per Share (Basic & Diluted) (Face value ₹ 2/-per share)**	7.31	5.57	18.80

* There was no exceptional and extra-ordinary item during the quarter and nine months ended 31st December 2017.

** Not Annualised

Notes :

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 20.01.2018.
- The financial results of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Accounting Standards) Rules 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. The Company adopted Ind AS from April 1, 2017 and accordingly, these financial results have been prepared in accordance with the recognition and measurement principles in Ind AS 34- Interim Financial Reporting, prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and the other accounting principles generally accepted in India.
- The above is an extract of the detailed format of Unaudited Standalone Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the Unaudited Standalone Financial Results are available on the Stock Exchanges website (www.bseindia.com and www.nseindia.com) and on the Company's website (www.luxinnerwear.com)

By Order of the Board
for LUX INDUSTRIES LIMITED

Sd/-

Ashok Kumar Todi

Chairman

DIN-00053599

Place : Kolkata

Date : 20th January, 2018

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 CIN: L24230DL1975PLC007908, Tel No. 011-23253488, Fax No. 011-23222051
 Website: www.dabur.com e-mail: corpcomm@mail.dabur



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Unaudited in ₹ Cr.

Extract of unaudited consolidated financial results for the quarter ended 30 June, 2018

Sl. No.	Particulars	Quarter ended (30/06/2018)	Year ended (31/03/2018)	Corresponding quarter ended (30/06/2017)
1	Revenue from operations	2,080.68	7,748.34	1790.06
2	Net Profit for the period (before tax, exceptional items and share of profit/(loss) of joint venture)	402.16	1,707.39	337.83
3	Net Profit for the period before tax (after exceptional items and share of profit/(loss) of joint venture)	402.38	1,693.09	323.74
4	Net Profit for the period after tax (after Exceptional Items and share of profit/(loss) of joint venture)	330.00	1,357.74	264.86
5	Net Profit for the period after tax (after non controlling interest, share of profit/(loss) of joint venture and Exceptional items)	329.22	1,354.39	264.14
6	Total Comprehensive Income for the period (Comprising Profit for the period (after tax) and Other Comprehensive Income (after tax))	320.66	1,332.67	266.62
7	Paid-up equity share capital (Face Value of ₹ 1 each)	176.63	176.15	176.15
8	Other equity		5,530.37	
9	Earnings per share (Face value of ₹ 1 each) (not annualised)			
	(a) Basic	1.87	7.69	1.50
	(b) Diluted	1.86	7.66	1.49

Notes:

1 Additional information on standalone financial results is as follows:

Particulars	Quarter ended (30/06/2018)	Year ended (31/03/2018)	Corresponding quarter ended (30/06/2017)
Revenue from operations	1,473.10	5,609.06	1,233.74
Profit before tax	293.20	1,373.13	220.37
Profit after tax	230.56	1,072.05	169.59

2 The above is an extract of the detailed format of unaudited consolidated financial results for the quarter ended 30 June, 2018 filed with the Stock Exchanges under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the standalone and consolidated financial results for the quarter ended 30 June, 2018 are available on the Stock Exchange websites (www.nseindia.com, www.bseindia.com and www.mseil.in) and Company's website (www.dabur.com).

For and on behalf of Board of Directors

For Dabur India Limited
 (Dr. Anand C. Butman)
 Chairman
 DIN : 00056216

Place : New Delhi
 Date : 31 July, 2018

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SMC GLOBAL SECURITIES LIMITED

(CIN : L74899DL1994PLC063609)

Regd. Office: 11/6-B, Shanti Chamber, Pusa Road, New Delhi-110005

Phone No : 011-30111000 | email : smc@smcindiaonline.com | website : www.smcindiaonline.com

Extract of Consolidated Unaudited Results for the Quarter and Period Ended September 30, 2018

(₹ IN LAKHS)

SR. NO.	PARTICULARS	CONSOLIDATED		
		Quarter Ended	Half Year Ended	Quarter Ended
		September 30, 2018 (Unaudited)	September 30, 2018 (Unaudited)	September 30, 2017 (Unaudited)
1	Total Income from Operations	18,885.43	35,426.58	14,502.45
2	Net Profit for the period (before Tax and Exceptional Items)	2,165.00	3,309.84	3,222.78
3	Net Profit for the period before Tax (after Exceptional Items)	2,165.00	3,309.84	3,222.78
4	Net Profit for the period after Tax (after Exceptional Items)	1,571.22	2,311.22	2,101.45
5	Total Comprehensive Income for the period (Comprising Profit (after tax) and Other Comprehensive Income (after tax))	1,638.05	2,456.72	2,202.94
6	Paid Up Equity Share Capital (Face Value of ₹2 each)	2,262.69	2,262.69	2,262.69
7	Reserves Excluding Revaluation Reserves			
8	Earnings per share (EPS) (in ₹)			
	(a) Basic EPS	1.39	2.04	1.86
	(b) Diluted EPS	1.39	2.04	1.86

Notes:

- The above results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on Friday the 7th day of December, 2018. The Statutory Auditors of the Company have carried out a Limited Review of the results and issued an unqualified report.
- The company has adopted Indian Accounting Standards (IND-AS) effective 1st April, 2018 (transition date being 1st April, 2017) and accordingly the financial result for the above quarter and period have been prepared in accordance with recognition and measurement principles laid down in the IND-AS prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued there under and the other accounting principles generally accepted in India.
- The Board has declared an Interim dividend for FY 2018-19 @24% i.e. ₹0.48 per equity shares of the face value of ₹2/- each amounting to ₹5.43 crore to its equity shareholders as recommended by the Audit Committee, at its meeting held on 07th December, 2018.
- Additional information on standalone financial results is as follows:

(₹ IN LAKHS)

PARTICULARS	Quarter Ended	Half Year Ended	Quarter Ended
	September 30, 2018 (Unaudited)	September 30, 2018 (Unaudited)	September 30, 2017 (Unaudited)
Income from operations	9,929.31	19,572.88	9,688.40
Profit before tax	694.29	1,350.37	1,930.37
Profit after tax	460.45	905.97	1,220.13

- The above is the extract of the detailed format of quarter and period ended 30th September, 2018 filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosures Requirements) Regulation, 2015. The full format of the financial results for the quarter and period ended 30th September, 2018 are available on the Investor Corner Section of our website www.smcindiaonline.com.
- Figures for the previous quarter has been regrouped and rearranged wherever necessary.

For and on behalf of the Board

Place : New Delhi
Date : December 7, 2018

sd/-
S. C. AGGARWAL
(Chairman & Managing Director)
(DIN : 00003267)

sd/-
MAHESH C. GUPTA
(Vice Chairman & Managing Director)
(DIN : 00003082)

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BATA INDIA LIMITED

REGD. OFFICE: 27B, CAMAC STREET, KOLKATA 700016 • CIN: L19201WB1931PLC007261
Telephone: (033) 39802001, Fax: (033) 22895748, Email: corporate.relations@bata.com, Website: www.bata.in

EXTRACT FROM THE STANDALONE AND CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31st MARCH, 2017

(in Rs Millions except per share data)

Particulars	3 months ended 31st Mar 2017	Corresponding 3 months ended 31st Mar 2016	Year to date figure for the current year ended 31st Mar 2017	Year to date figure for the previous year ended 31st Mar 2016	Year to date figure for the current year ended 31st Mar 2017	Year to date figure for the previous year ended 31st Mar 2016
	Standalone		Consolidated			
Total income from operations	5960.16	5635.75	24972.41	24485.97	25043.36	24559.12
Net Profit / (Loss) for the period (before Tax, Exceptional and/or Extraordinary Items)	506.80	452.72	2552.44	2219.42	2555.33	2218.41
Net Profit / (Loss) for the period before Tax (after Exceptional and/or Extraordinary Items)	506.80	452.72	2335.75	2966.49	2338.64	2965.48
Net Profit / (Loss) for the period after Tax (after Exceptional and/or Extraordinary Items)	359.39	282.29	1567.48	2175.95	1589.51	2173.90
Total Comprehensive Income for the period (Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax))	391.88	279.40	1573.38	2164.39	1575.41	2182.34
Equity Share Capital	642.64	642.64	642.64	642.64	642.64	642.64
Reserves (excluding Revaluation Reserve) as shown in the Audited Balance Sheet of the previous year	—	—	12610.17	11578.21	12600.59	11586.60
Earning per share (of Rs. 5/- each) (for continuing and discontinued operations) not annualized- Basic & Diluted	2.80	2.20	12.35	16.93	12.37	16.91

Note:

- Net Profit of Rs. 359.39 million, for the quarter ended 31st March, 2017 has increased by 27% over the corresponding period last year.
- Profit before exceptional item & tax for the year ended 31st March, 2017 of Rs. 2552.44 million, has increased by 15% over the corresponding period last year.
- The above is an extract of the detailed format of Quarterly/Annual Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the Quarterly/Annual Financial Results are available on the websites of the Stock Exchange(s), www.nseindia.com and www.bseindia.com and also on the website of the Company, www.bata.in

For and on the behalf of the Board of Directors

Gurgaon
15.05.2017

Ram Kumar Gupta
DIRECTOR FINANCE

Rajeev Gopalakrishnan
MANAGING DIRECTOR

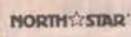
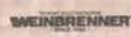
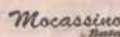


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Indiabulls REAL ESTATE

Indiabulls Real Estate Limited Extract of Unaudited Consolidated Financial Results for the quarter and period ended September 30, 2018

Q2 FY 19 Performance

**Total
Revenue**
₹ 1,060 cr.

PAT
₹ 76 cr.

**Equity
Value of
Development
Portfolio**
₹ 17,134 cr.

**Equity
Value of
Owned
Office
Portfolio**
₹ 5,908 cr.

**Equity Value
of 50%
JV Portfolio**
₹ 2,250 cr.

Net Debt
₹ 4,803 cr.

Particulars	(₹ in Lakhs)		
	3 months ended 30 Sept. 2018	Year to date figures for current period ended 30 Sept. 2018	Corresponding 3 months ended 30 Sept. 2017
	Unaudited	Unaudited	Unaudited
Total Income (net)	105,971.84	189,471.81	67,666.12
Net Profit / (Loss) for the period / year (before Tax, Exceptional and Extraordinary items)	15,556.37	31,620.14	13,504.52
Net Profit / (Loss) for the period / year before Tax (after Exceptional and Extraordinary items)	15,556.37	31,620.14	13,504.52
Net Profit / (Loss) for the period / year after Tax (after Exceptional and Extraordinary items)	7,589.04	19,332.60	6,320.04
Total Comprehensive Income for the period / year [Comprising Profit/ (Loss) for the period / year (after tax) and Other Comprehensive Income (after tax)]	15,816.96	26,161.51	9,046.19
Paid-up Equity Share Capital	9,013.61	9,013.61	9,493.46
Earnings per share before extraordinary items (Face Value of ₹ 2 per Equity Share) (EPS for the quarters and half year are not annualised)			
- Basic (₹)	1.68	4.18	1.30
- Diluted (₹)	1.68	4.18	1.30
Earnings per share after extraordinary items (Face Value of ₹ 2 per Equity Share) (EPS for the quarters and half year are not annualised)			
- Basic (₹)	1.68	4.18	1.30
- Diluted (₹)	1.68	4.18	1.30

Notes:

- The above financial results of the Group for the quarter and period ended 30 September 2018 have been reviewed by the Audit Committee and subsequently approved by Board of Directors ('the Board') at its meeting held on 24 October 2018.
- Key Standalone Financial Information:

Particulars	(₹ in Lakhs)		
	3 months ended 30 Sept. 2018	Year to date figures for current period ended 30 Sept. 2018	Corresponding 3 months ended 30 Sept. 2017
	Unaudited	Unaudited	Unaudited
Total Income (net)	15,850.61	21,491.54	14,891.86
Net Profit / (Loss) for the period (before Tax, Exceptional and Extraordinary items)	4,431.18	1,802.18	4,144.56
Net Profit / (Loss) for the period before Tax (after Exceptional and Extraordinary items)	4,431.18	1,802.18	4,144.56
Net Profit / (Loss) for the period after Tax (after Exceptional and Extraordinary items)	4,384.15	1,566.20	3,759.39
Total Comprehensive Income for the period [Comprising Profit/ (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	3,727.53	(2,575.02)	1,240.76
Earnings per share before extraordinary items (Face Value of ₹ 2 per Equity Share) (EPS for the quarters and half year are not annualised)			
- Basic (₹)	0.97	0.34	0.79
- Diluted (₹)	0.97	0.34	0.79
Earnings per share after extraordinary items (Face Value of ₹ 2 per Equity Share) (EPS for the quarters and half year are not annualised)			
- Basic (₹)	0.97	0.34	0.79
- Diluted (₹)	0.97	0.34	0.79

Note: The above is an extract of the detailed format of Quarterly / Half yearly Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the Quarterly Financial Results are available on the Company's website (<https://indiabullsrealstate.com>) and on the website of BSE (<https://www.bseindia.com>) and NSE (<https://www.nseindia.com>).

Registered Office: M-62&63, First Floor, Connaught Place, New Delhi 110 001.
(CIN: L45101DL2006PLC148314)

Place : Gurugram
Date : 24 October, 2018

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Vishal Gaurishankar Damani
Joint Managing Director

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ESCORTS

**Unaudited Standalone Financial Results
For The Quarter Ended June 30, 2018**

MC2

Sl. No.	Particulars	Rs. in Lakhs			
		3 Months ended	3 Months ended	3 Months ended	For the year ended
		June 30, 2018	March 31, 2018	June 30, 2017	March 31, 2018
		Unaudited	Audited	Unaudited	Audited
1	Total Income from continuing operations	151,128.52	143,610.40	116,315.31	501,597.51
2	Net Profit for the period from continuing operations (before Tax, Exceptional and/or Extraordinary Items)	17,908.40	17,119.72	9,229.65	51,557.75
3	Net Profit for the period from continuing operations before tax (after Exceptional and/or Extraordinary Items)	17908.40	17,119.72	9,229.65	50,881.89
4	Net Profit for the period from continuing operations after tax (after Exceptional and/or Extraordinary Items)	11,956.37	11,254.32	6,264.42	34,472.42
5	Net Profit/(Loss) from discontinued operations before tax	174.12	-	-	-
6	Net Profit/(Loss) from discontinued operations after tax	113.28	-	-	-
7	Net Profit for the period after tax (after Exceptional and/or Extraordinary Items)	12,069.65	11,254.32	6,264.42	34,472.42
8	Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	12,068.46	12,364.12	6,226.36	35,571.10
9	Equity Share Capital	12,257.69	12,257.69	12,257.69	12,257.69
10	Earnings Per Share (for continuing and discontinued operations) of Rs. 10 each:				
	(1) Basic	10.10	9.42	5.24	28.85
	(2) Diluted	10.10	9.42	5.24	28.85

Notes :

- The above Standalone Financial Results for the quarter ended June 30, 2018 were reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on July 30, 2018.
- The above is an extract of the detailed format of Quarterly Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the Quarterly Financial Results are available on the Stock Exchanges websites www.bseindia.com and www.nseindia.com and on the Company's website www.escortsgroup.com.
- The figures for the quarter ended March 31, 2018 are the balancing figures between audited figures in respect of the full financial year and published year to date figures up to the third quarter of year ended March 31, 2018.

For ESCORTS LIMITED

Escorts Limited

Place : Faridabad
Date : 30/07/2018

Phone: 0129-2250222, Fax: 0129-2250060
E-mail: corpsect@ndb.vsnl.net.in, Website: www.escortsgroup.com
Registered Office : 15/5, Mathura Road, Faridabad – 121 003, Haryana
CIN - L74899HR1944PLC039088

(NIKHIL NANDA)
MANAGING DIRECTOR

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L&T Finance Holdings Limited
Registered Office

Brindavan, Plot No. 177, C.S.T Road T +91 22 6212 5000
Kalina, Santacruz (East) F +91 22 6621 7509
Mumbai 400 098, Maharashtra, India E lgcr@lths.com
CIN: L67120MH2008PLC181833 www.lths.com



L&T Finance Holdings

EXTRACT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2018

Particulars	(₹ in Crore)		
	Quarter ended	Six months ended	Quarter ended
	September 30, 2018 (Unaudited)	September 30, 2018 (Unaudited)	September 30, 2017 (Unaudited)
1 Total income from operations	3,326.04	5,478.71	2,609.65
2 Net profit for the period (before tax and exceptional items)	797.64	1,526.82	346.68
3 Net profit for the period before tax (after exceptional items)	797.64	1,526.82	346.68
4 Net profit for the period after tax (after exceptional items) attributable to owners of the Company	560.41	1,098.79	337.53
5 Total comprehensive income for the period attributable to owners of the Company	532.22	1,068.87	337.29
6 Paid up equity share capital (face value of ₹ 10 each)	1,997.05	1,997.05	1,821.71
7 Earnings per share (not annualised)			
(a) Basic (₹)	2.81	5.50	1.85
(b) Diluted (₹)	2.79	5.48	1.84

Notes:

- The Company reports consolidated financial results on quarterly basis, pursuant to the option made available as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended read with circular dated July 5, 2016. The standalone & consolidated financial results are available on the website of the Company at www.lths.com, the website of BSE Limited ("BSE") at www.bseindia.com and on the website of National Stock Exchange of India Limited ("NSE") at www.nseindia.com. The specified items of the standalone financial results of the Company for the quarter and six months ended September 30, 2018 and quarter ended September 30, 2017 are given below.

Particulars	(₹ in Crore)		
	Quarter ended	Six months ended	Quarter ended
	September 30, 2018 (Unaudited)	September 30, 2018 (Unaudited)	September 30, 2017 (Unaudited)
Total income from operations	100.02	153.37	23.78
Profit/(loss) before tax	38.39	48.99	(16.79)
Profit/(loss) after tax	33.69	44.04	(16.69)
Total comprehensive income	33.85	44.35	(16.72)

- The above is an extract of the detailed format of unaudited consolidated financial results filed with the Stock Exchanges under Regulation 33 of the Listing Regulations.
- Results for the quarter and six months ended September 30, 2018 are in compliance with Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs. The results for the quarter ended September 30, 2017 have been restated to comply with Ind AS and are comparable on like to like basis.
- The results have been reviewed by the Audit Committee, and approved by the Board of Directors at its meeting held on October 24, 2018. The Joint Statutory Auditors of the Company have carried out limited review of the aforesaid results.

For and on behalf of the Board of Directors
L&T Finance Holdings Limited
sd/-
Dinanath Dubhashi
Managing Director & Chief Executive Officer
(DIN: 03545900)

Place: Mumbai
Date: October 24, 2018

SELF TEST QUESTIONS

FROM PAST CS EXAMS



FROM ICSI MODULE



CS NITESH KR. JAISWAL



Answers to be analysed in Classroom

Q. 1.

Answer to Question No. 1:-

CS NITESH KR. JAISWAL



Answers to be analysed in Classroom

Q. 2.

Answer to Question No. 2:-

CS NITESH KR. JAISWAL

CHAPTER

4

PUBLIC ISSUES OF SECURITIES

Covering-

- Kinds of Public Issue
- Self Test Questions
 - From Past CS Examination Questions
 - From ICSI Module

**EXPECTED
MARKS COVERAGE
(10 to 30)**

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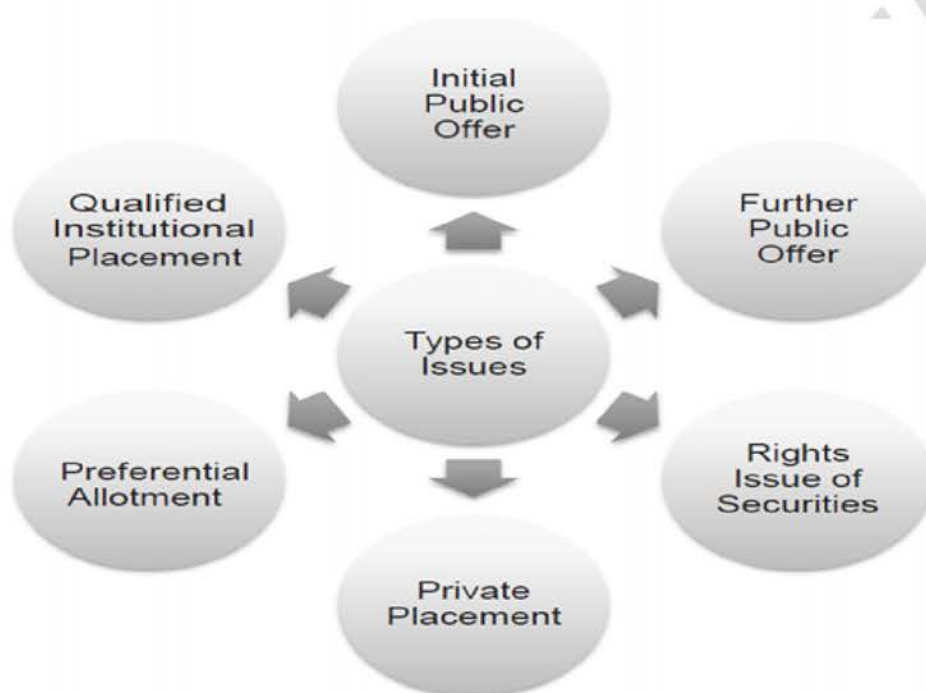


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PUBLIC ISSUE OF SECURITIES

TYPES OF ISSUES

Primary Market deals with those securities which are issued to the public for the first time. Primary Market provides an opportunity to issuers of securities, Government as well as corporates, to raise financial resources to meet their requirements of investment and/or discharge their obligations.



PUBLIC ISSUE

Public Issue of shares means the selling or marketing of shares for subscription by the public by issue of prospectus.

For raising capital from the public by the issue of shares, a public company has to comply with the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956 including the Rules made thereunder and the guidelines and instructions issued by the concerned Government authorities, the Stock Exchanges and SEBI etc.

As per **Section 24** of the Companies Act, 2013 issuance of securities by public companies which intends to get their securities listed on any recognized Stock Exchanges in India and by listed public companies comes under the administrative privilege of SEBI.

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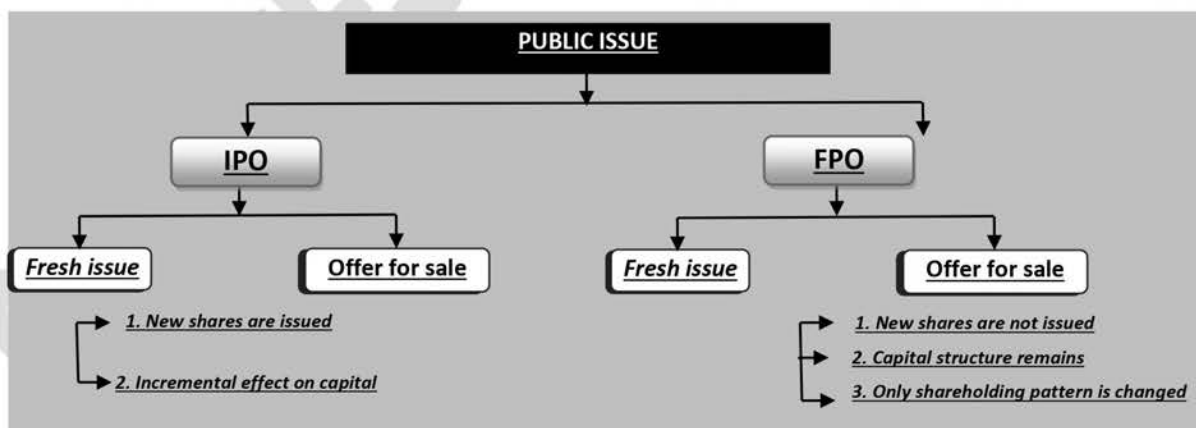
KINDS OF PUBLIC ISSUE

1. INITIAL PUBLIC OFFER (IPO)

“Initial public offer” means an offer of specified securities by an **unlisted** issuer to the public for subscription and includes an offer for sale of specified securities to the public by any existing holders of such securities in an unlisted issuer.

2. FURTHER PUBLIC OFFER (IPO)

“Further public offer” means an offer of specified securities by a **listed issuer** to the public for subscription and includes an offer for sale of specified securities to the public by any existing holders of such securities in a listed issuer.



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This is a public announcement for information purposes only and is not a prospectus announcement. This does not constitute an invitation or offer to acquire, purchase or subscribe for securities. Not for publication or distribution, directly or indirectly outside India.



IndiaMART InterMESH LIMITED

Our Company was incorporated in New Delhi as "IndiaMART InterMESH Limited" on September 13, 1999, as a public limited company under the Companies Act, 1956, with a certificate of incorporation granted by the Registrar of Companies, National Capital Territory of Delhi and Haryana ("RoC").

Registered Office: 1st Floor, 29 Daryaganj, Netaji Subhash Marg, New Delhi 110 002, India. Tel: (+91) (11) 3027 2100; Fax: (+91) (11) 4350 9807. For details of the change in the registered office of our Company, see "History and Certain Corporate Matters" on page 178 of the Red Herring Prospectus dated June 17, 2019 read with the conformation to the Red Herring Prospectus dated June 24, 2019 ("RHP"). **Corporate Office:** 7th & 8th Floors, Advant-Navis Business Park, Plot No. 7, Sector 142, Noida 201 301, Uttar Pradesh, India. Tel: (+91) (120) 6777 800; Fax: (+91) (120) 4873 101; Contact Person: Manoj Bhargava, Senior Vice President (Legal and Secretarial), Company Secretary and Compliance Officer. Tel: (+91) (120) 6777 800; Fax: (+91) (120) 4873 101; E-mail: csg@indiamart.com; Website: www.indiamart.com

Corporate Identity Number: U74890DL1999PLC101534

OUR PROMOTERS: DINESH CHANDRA AGARWAL AND BRIJESH KUMAR AGRAWAL

INITIAL PUBLIC OFFERING OF UP TO 4,87,862 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF INDIAMART INTERMESH LIMITED ("INDIAMART" OR "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ 97 PER EQUITY SHARE ("THE OFFER PRICE") AGGREGATING TO ₹ 47,50,86,144 THROUGH AN OFFER FOR SALE OF (A) UP TO 2,590,000 EQUITY SHARES BY INTEL CAPITAL (MAURITIUS) LIMITED; UP TO 255,753 EQUITY SHARES BY AMADEUS IV DIFF LIMITED AND UP TO 475,000 EQUITY SHARES BY ACCION FRONTIER INCLUSION MAURITIUS (TOGETHER, THE "INVESTOR SELLING SHAREHOLDERS"), (B) UP TO 852,453 EQUITY SHARES BY DINESH CHANDRA AGARWAL AND UP TO 577,656 EQUITY SHARES BY BRIJESH KUMAR AGRAWAL (TOGETHER, THE "PROMOTER SELLING SHAREHOLDERS") AND (C) UP TO AN AGGREGATE OF 137,600 EQUITY SHARES BY THE OTHER SELLING SHAREHOLDERS (COLLECTIVELY, THE "SELLING SHAREHOLDERS"). THE OFFER INCLUDES A RESERVATION OF UP TO 10,000 EQUITY SHARES, FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES, (WHICH SHALL NOT EXCEED 5% OF THE POST-OFFER EQUITY SHARE CAPITAL OF OUR COMPANY) ("THE EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HERINAFTER REFERRED TO AS THE "NET OFFER". AGGREGATING UP TO 4,87,862 EQUITY SHARES. THE OFFER AND THE NET OFFER SHALL CONSTITUTE 16.99% AND 16.85% OF THE POST-OFFER PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY, RESPECTIVELY.

* A discount of ₹ 97 per Equity Share is being offered to Eligible Employees bidding in the Employee Reservation Portion.

QIB Category: Not less than 75% of the Net Offer
Retail Category: Not more than 10% of the Net Offer
Non-Institutional Investor Category: Not more than 15% of the Net Offer
Employee Reservation: 10,000 Equity Shares for Eligible Employees

Price Band: ₹ 970 to ₹ 973 per Equity Share of face value of ₹ 10 each.

The Floor Price is 97 times the face value of the Equity Shares and the Cap Price is 97.3 times the face value of the Equity Shares.

Bids can be made for a minimum of 15 Equity Shares and in multiples of 15 Equity Shares thereafter.

Employee discount of ₹ 97 per Equity Share is being offered to Eligible Employees Bidding in the Employee Reservation Portion.



Simple, Safe, Smart way of Application!!!

* Applications Supported by Blocked Amount (ASBA) is a better way of applying to issues by simply blocking the fund in the bank account. For details, check section on ASBA below.
Mandatory in public issues. No cheque will be accepted.



Now available in ASBA for Retail Individual Investors

Investors have to apply through the ASBA process. ASBA has to be availed by all the investors except anchor investors. UPI may be availed by Retail Individual Investors. For details on the ASBA and UPI process, please refer to the details given in ASBA Form and abridged prospectus and also please refer to the section "Offer Procedure" on page 500 of the RHP. The process is also available on the website of Association of Investment Bankers of India and Stock Exchange and in the General Information Document. ASBA Bid cum Application Forms can be downloaded from the websites of BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and can be obtained from the list of banks that is displayed on the website of SEBI. List of Banks supporting UPI is also available on the website of SEBI at www.sebi.gov.in. HDFC Bank Limited has been appointed as Sponsor Bank for the Offer, in accordance with the requirements of the SEBI circular dated November 1, 2018. For details of the Banks eligible to act as Issuer Banks for UPI, kindly refer to the website of SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?do=RecognisedFPIs&sebid=40>).

Risks to Investors:

- The three Book Running Lead Managers associated with the Offer have handled 25 public issues during the current financial year and two financial years preceding the current financial year, out of which 7 closed below the issue price on listing date.
- The Price/Earnings ratio based on diluted EPS for fiscal 2019 for the Company at the upper end of the Price band is as high as 203.41, on an unconsolidated basis and 127.79, on a consolidated basis. The P/E of Nifty 50 as on June 17, 2019 is 28.87.
- The average cost of acquisition per Equity Share for our Selling Shareholders is in the range of ₹ 0.24 to ₹ 385.00 per Equity Share. The Offer Price at the upper end of the Price Band is ₹ 973.
- Weighted Average Return on Net Worth for fiscals 2019, 2018 and 2017 is (4.68)% on an unconsolidated basis and 9.20% on a consolidated basis.

BID/OFFER PERIOD

BID/OFFER CLOSES TODAY

In case of a revision in the Price Band, the Bid/Offer Period will be extended for at least three additional Working Days after such revision of the Price Band subject to the Bid/Offer Period not exceeding a total of 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the websites of the Book Running Lead Managers ("BRLMs") and at the terminals of the other members of the Syndicate.

The Offer is being made in terms of Rule 190(b) of the Securities Contracts (Regulation) Rules, 1957, as amended, ("SCRR") and the Net Offer constitutes 16.99% of the post-offer paid-up Equity Share capital of our Company. The Offer is being made through the Book Building Process, in compliance with Regulation 26(2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations"), where at least 75% of the Net Offer will be Allotted on a proportionate basis to Qualified Institutional Buyers ("QIBs") (the "QIB Category"), provided that our Company in consultation with the BRLMs, may allocate up to 60% of the QIB Category to Anchor Investors, on a discretionary basis (the "Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds. Category I QIBs shall be eligible for allocation to the Anchor Investor Portion, of which one-third shall be reserved for domestic Mutual Funds. Category II QIBs shall be eligible for allocation to the Anchor Investor Portion, of which one-third shall be reserved for domestic Mutual Funds. Further, 5% of the QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. If at least 75% of the Net Offer cannot be Allotted to QIBs, then the entire application money will be refunded forthwith. Further, not more than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not more than 10% of the Net Offer shall be available for allocation to Retail Individual Investors, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All Bidders (other than Anchor Investors) must mandatorily participate in this Offer through the Application Supported by Blocked Amount ("ASBA") process, and shall provide details of their respective bank account in which the Bid Amount will be blocked by the SCRBs. Anchor Investors are not permitted to participate in this Offer through the ASBA process. For details in this regard, specific attention is invited to "Offer Procedure" on page 500 of the RHP.

Bidders/Applicants should ensure that DP ID, PAN and the Client ID and UPI ID (if applicable, in case Rits are correctly filled in the Bid cum Application Form. The DP ID, PAN and Client ID provided in the Bid cum Application Form should match with the DP ID, PAN, Client ID available in the Depository database, otherwise the Bid cum Application Form will be treated as invalid. Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active. Bidders/Applicants should note that on the basis of the PAN, DP ID and Client ID as provided in the Bid cum Application Form, the Bidder/Applicant may be deemed to have authorized the Depository to provide to the Registrar to the Offer, any requested Demographic details of the Bidder/Applicant as available on the records of the depositories. These Demographic details may be used, among other things, for giving Allotment Advice or unblocking of ASBA Account or for other correspondence(s) related to the Offer. Bidders/Applicants are advised to update any changes to their Demographic details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic details would be at the Bidder/Applicant's sole risk.

CONTENTS OF THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY AS REGARDS ITS OBJECTS: For information on the main objects of our Company, investors are requested to see "History and Certain Corporate Matters" on page 178 of the RHP and Clause III (A) of the Memorandum of Association of our Company. The Memorandum of Association of our Company is a material document for inspection in relation to the Offer. For further details, see "Material Contracts and Documents for Inspection" on page 565 of the RHP.

LIABILITY OF THE MEMBERS OF OUR COMPANY: Limited by shares.

AMOUNT OF SHARE CAPITAL OF OUR COMPANY AND CAPITAL STRUCTURE: As on the date of the RHP, the authorised share capital of our Company is ₹ 979,425,584 comprising 30,000,000 Equity Shares of ₹ 10 each, 1,493,903 0.01% cumulative preference shares of ₹ 328 and 1,894,254 compulsorily convertible cumulative preference shares of ₹ 100 each. The issued, subscribed and paid-up share capital of our Company is ₹ 287,748,200 divided into 28,774,820 Equity Shares of ₹ 10 each. For details of the capital structure, see "Capital Structure" on page 94 of the RHP.

NAMES OF THE SIGNATORIES TO THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY AND THE NUMBER OF EQUITY SHARES SUBSCRIBED BY THEM: The names of the signatories of the Memorandum of Association of the Company are Dinesh Chandra Agarwal, Brijesh Kumar Agrawal, Chetana Agrawal, Pankaj Agrawal, Nareesh Chandra Agarwal, Prakash Chandra Agrawal and Praveen Kumar Goel who subscribed to 100 Equity Shares each, of face value of ₹ 10 each as initial subscription.

LISTING: The Equity Shares offered through the RHP are proposed to be listed on the BSE and NSE. Our Company has received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated August 7, 2018 and August 3, 2018, respectively. For the purpose of this Offer, NSE is the Designated Stock Exchange. A signed copy of the RHP has been and the Prospectus shall be delivered for registration to the RoC in accordance with Section 26(4) of the Companies Act, 2013 ("Companies Act"). For details of the material contracts and documents available for inspection from the date of the RHP up to the Bid Offer Closing Date, see "Material Contracts and Documents for Inspection" on page 565 of the RHP.

DISCLAIMER CLAUSE OF SEBI: SEBI only gives its observations on the offer documents and this does not constitute approval of either the Offer or the specified securities or the offer document. Investors are advised to refer to page 472 of the RHP for the full text of the "Disclaimer Clause of SEBI".

DISCLAIMER CLAUSE OF BSE: "It is to be distinctly understood that the permission given by BSE Limited should not in any way be deemed or construed that the Red Herring Prospectus has been cleared or approved by BSE Limited nor does it certify the correctness or completeness of any of the contents of the Red Herring Prospectus". The investors are advised to refer the Red Herring Prospectus for the full text of the "Disclaimer clause of the BSE" on page 486 of the RHP.

DISCLAIMER CLAUSE OF NSE (Designated Stock Exchange): "It is to be distinctly understood that the permission given by NSE should not in any way be deemed or construed that the Offer Document has been cleared or approved by NSE nor does it certify the correctness or completeness of any of the contents of the Offer Document". The investors are advised to refer to the Offer Document for the full text of the "Disclaimer Clause of the NSE" on page 486 of the RHP.

GENERAL RISKS: Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the RHP including Risk Factors carefully before making an investment decision in the Offer. For making an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of the RHP. Specific attention of the investors is invited to "Risk Factors" on page 20 of the RHP.

BOOK RUNNING LEAD MANAGERS	REGISTRAR TO THE OFFER	COMPANY SECRETARY AND COMPLIANCE OFFICER
ICICI Securities ICICI Securities Limited ICICI Centre, H. T. Park Marg Churaha, Mumbai 400 020 Maharashtra, India Tel: (+91) (22) 2288 2460/70 Fax: (+91) (22) 2282 6580 Email: indiamart.sp@icicisecurities.com Website: www.icicisecurities.com Investor Grievance E-mail: customercare@icicisecurities.com Contact Person: Arjun A Mehrotra/Nishi Wangnoo SEBI Registration No.: INM00011179	Link Intime Link Intime India Private Limited C-101, 1st Floor, 247 Park, L.B.S. Marg, Vakhro (West), Mumbai 400 083, Maharashtra, India Tel: +91 22 4918 6200 Fax: +91 22 4918 6195 Email: indiamart.sp@linkintime.co.in Investor Grievance e-mail: indiamart.sp@linkintime.co.in Website: www.linkintime.co.in Contact Person: Shanti Gopalakrishnan SEBI Registration No.: INR00004058	Manoj Bhargava IndiaMART InterMESH Limited 7th and 8th Floors, Advant Navis Business Park Plot number 7, Sector 142, Noida 201 301 Uttar Pradesh, India Tel: (+91) (120) 677 7800; Fax: (+91) (120) 4873 101 E-mail: csg@indiamart.com Website: www.indiamart.com Investors can contact the Company Secretary and Compliance Officer, the BRLMs or the Registrar to the Offer, in case of any pre-offer or post-offer related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, and non-receipt of refund orders or non-receipt of funds by electronic mode, etc.
Edelweiss Edelweiss Financial Services Limited 14th Floor, Edelweiss House Off C.S.T. Road, Kalina, Mumbai 400 091 Maharashtra, India Tel: (+91) (22) 4086 3535 Fax: (+91) (22) 4086 3610 E-mail: indiamart.sp@edelweissfn.com Website: www.edelweissfn.com Investor Grievance E-mail: customercare@edelweissfn.com Contact Person: Yash Modi SEBI Registration No.: INM000010650	Jefferies Jefferies India Private Limited 42/43, 2nd North Avenue, Maker Maxity, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 Maharashtra, India Tel: (+91) (22) 4356 6000 Fax: (+91) (22) 6765 5595 E-mail: INDIAMART.PD@jefferies.com Website: www.jefferies.com Investor Grievance E-mail: sgd.grievance@jefferies.com Contact Person: Jayaraman Ganapathy SEBI Registration No.: INM00011443	

AVAILABILITY OF RHP: Investors are advised to refer to the RHP and the "Risk Factors" on page 20 of the RHP before applying in the Offer. A copy of the RHP is available on the website of the SEBI at www.sebi.gov.in, on the websites of the BRLMs at www.icicisecurities.com, www.edelweissfn.com and www.jefferies.com and the Stock Exchanges at www.bseindia.com and www.nseindia.com.

AVAILABILITY OF BID CUM APPLICATION FORM: Bid cum Application Form can be obtained from the Registered Office of our Company, IndiaMART InterMESH Limited, Tel: (+91) (11) 3027 2100; Fax: (+91) (11) 4350 9807; BRLMs: ICICI Securities Limited, Tel: (+91) (22) 2288 2460/70; Fax: (+91) (22) 2282 6580; Edelweiss Financial Services Limited, Tel: (+91) (22) 4086 3535; Fax: (+91) (22) 4086 3610; Jefferies India Private Limited, Tel: (+91) (22) 4356 6000; Fax: (+91) (22) 6765 5595; Syndicate Member: Edelweiss Securities Limited, Telephone No: (+91) (22) 4083 5599; Facsimile: (+91) (22) 6747 3347 and at selected locations of Sub-Syndicate Members (as given below). Registered Brokers, CRFAs and CDPs for participating in the Offer. ASBA will also be available on the websites of the Stock Exchanges and at all the Designated Branches of SCRBs, the list of which is available on the websites of the Stock Exchanges and SEBI.

SUB-SYNDICATE MEMBERS: Anand Rath Shaw & Stock Brokers Ltd., Axis Capital Ltd., Centrum Broking Limited, Datar & Broacha Stock Broking Pvt. Ltd., DB (International) Stock Brokers Ltd., Edelweiss Securities Limited, HDFC Securities Limited, ICICI Securities Limited, JFL Securities Ltd., JM Financial Services Ltd., Joburgate Fiscal Services Pvt. Ltd., Karvy Stock Broking Ltd., Keynote Securities Limited, Kotak Securities Limited, LXP Securities Ltd., Motilal Oswal Securities Ltd., Prabhudas Lilladhar Pvt. Ltd., Pwain Retail Share Limited, RFL Securities Ltd., RFL Equity Brokers Pvt. Ltd., Sharekhan Ltd., SMC Global Securities Ltd. and Trade Blus Securities (P) Ltd.

ESCRROW BANKS/PUBLIC OFFER ACCOUNT BANK/REFUND BANK: HDFC Bank Limited.

SPONSOR BANK: HDFC Bank Limited.

All capitalised terms used herein and not specifically defined shall have the same meaning as ascribed to them in the RHP.

Place: New Delhi
 Date: June 25, 2019

IndiaMART InterMESH LIMITED is proposing, subject to receipt of requisite approvals, market conditions and other considerations, an initial public offer of its Equity Shares and has filed a Red Herring Prospectus dated June 17, 2019 with the Registrar of Companies, National Capital Territory of Delhi & Haryana. The Red Herring Prospectus is available on the website of SEBI at www.sebi.gov.in, on the websites of the BRLMs at www.icicisecurities.com, www.edelweissfn.com and www.jefferies.com. Investors should note that investment in equity shares involves a high degree of risk and for details refer to the Red Herring Prospectus, including the section titled "Risk Factors" on page 20 of the Red Herring Prospectus.

This announcement is not an offer of securities for sale in the United States or elsewhere. This announcement has been prepared for publication in India only and is not for publication or distribution, directly or indirectly, in or into the United States. The securities described in this announcement have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. No public offering of securities in the United States is contemplated.

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CHAPTER

5

SEBI (ISSUE OF CAPITAL & DISCLOSURE REQUIREMENT) REGULATIONS, 2018

**EXPECTED
MARKS COVERAGE
(10 to 30)**

Covering-

- ABC Analysis
- Applicability of Regulations
- Non-Applicability of Regulations
- SEBI (ICDR), Regulations on Public Issue of Share
 - Eligibility Norms
 - Common Alternative Eligibility Norms for Both Listed Co. and Unlisted Company
 - Non-Applicability of Eligibility Norms
 - Other Requirements
 - Pricing of Issue
 - Minimum Subscription and Consequences of Non-Receipt of Minimum Subscription
- Underwriting
- Allotment
- Listing formalities
- Restriction on Further Issue
- IPO Grading
- Mandatory Collection Centers
- Due Diligence
- Permanent Account Number
- ASBA (Application Supported by Blocked Amount)
- Public Issue by Book Building Method
- Cut-Off Price
- Anchor Investor
- Employees' Stock Option Scheme
- Self Test Questions
 - From Past CS Examination Questions
 - From ICSI Module

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SEBI (ISSUE OF CAPITAL & DISCLOSURE REQUIREMENT) REGULATIONS, 2018

SEBI (ICDR) Regulation 2018 is the compendium of all circulars issued by SEBI relating to issuance of securities.

SEBI in its Board Meeting held on **21st June, 2018** approved the proposal for replacing SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009 with new **SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018**.

APPLICABILITY OF SEBI ICDR REGULATIONS, 2018

REGULATION 3

Unless otherwise provided, these regulations shall apply to the following:

(a) an initial public offer by an unlisted issuer;
(b) a rights issue by a listed issuer; where the aggregate value of the issue is ten crore rupees or more;
(c) a further public offer by a listed issuer;
(d) a preferential issue by a listed issuer;
(e) a qualified institutions placement by a listed issuer;
(f) an initial public offer of Indian depository receipts;
(g) a rights issue of Indian depository receipts;
(h) an initial public offer by a small and medium enterprise;
(i) a listing on the institutional trading platform through an issue or without an issue; and
(j) a bonus issue by a listed issuer.

Provided that in case of **rights issue of size less than ten crore rupees**, the issuer shall prepare the letter of offer in accordance with requirements as specified in these regulations and file the same with the Board for information and dissemination on the Board's website.

Provided further that these regulations shall not apply to **issue of securities** under clause (b), (d) and (e) of sub-regulation (1) of regulation 9 of **Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011**.

SCHEME OF SEBI ICDR, 2018

CHAPTER NO. UNDER ICDR, 2018	PARTICULARS
I.	Preliminary
II.	Initial Public Offer (IPO) on Main Board
III.	Right Issue
IV.	Further Public Offer
V.	Preferential Issue
VI.	Qualified Institutional Placement
VII.	IPO of Indian Depository Receipts
VIII.	Rights Issue of IDR
IX.	IPO by Small and Medium Enterprises (SME)
X.	Institutional Trading Platform
XI.	Bonus Issue
XII.	Miscellaneous

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SEBI (ICDR) REGULATIONS, 2018 ON PUBLIC ISSUE OF SHARE

ENTITIES NOT ELIGIBLE TO MAKE AN INITIAL PUBLIC OFFER (IPO)

Regulation 5

(1) **An issuer shall not be eligible to make an initial public offer -**

- | |
|---|
| (a) if the issuer, any of its promoters, promoter group or directors or selling shareholders are debarred from accessing the capital market by the Board. |
| (b) if any of the promoters or directors of the issuer is a promoter or director of any other company which is debarred from accessing the capital market by the Board. |
| (c) if the issuer or any of its promoters or directors is a wilful defaulter. |
| (d) if any of its promoters or directors is a fugitive economic offender. |

- (2) An issuer shall not be eligible to make an initial public offer if there are any outstanding convertible securities or any other right which would entitle any person with any option to receive equity shares of the issuer:

Provided that the provisions of this sub-regulation shall not apply to:

- (a) outstanding options granted to employees, whether currently an employee or not, pursuant to an employee stock option scheme in compliance with the Companies Act, 2013, the relevant Guidance Note or accounting standards, if any, or pursuant to the Companies Act, 2013, in this regard;
- (b) fully paid-up outstanding convertible securities which are required to be converted on or before the date of filing of the red herring prospectus (in case of book-built issues) or the prospectus (in case of fixed price issues), as the case may be.

ENTITIES NOT ELIGIBLE TO MAKE A FURTHER PUBLIC OFFER (FPO)

Regulation 102

An issuer shall not be eligible to make a further public offer:

- | |
|---|
| (a) if the issuer, any of its promoters, promoter group or directors, selling shareholders are debarred from accessing the capital market by the Board; |
| (b) if any of the promoters or directors of the issuer is a promoter or director of any other company which is debarred from accessing the capital market by the Board; |
| (c) if the issuer or any of its promoters or directors is a wilful defaulter ; |
| (d) if any of its promoters or directors is a fugitive(<i>escaped</i>)economic offender. |

ELIGIBILITY NORMS/ENTRY NORMS FOR IPO

➤ **FOR UNLISTED COMPANY**

• **(PROFITABILITY ROUTE)**

Regulation 6(1)

An unlisted company may make an IPO of equity share or any other convertible securities (into equity shares), only if it satisfy all the following condition :-

- | |
|--|
| (a) The company has a net tangible assets of at least ₹3 crore in each of the preceding 3 full year, of which not more than 50% is held in monetary assets; (<i>not applicable to offer for sale</i>) |
| (b) <u>The company has a minimum average operating profit of ₹15 crores during the preceeding three full years</u> |

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- (c) The company has a net worth of at least ₹1 crore in each of preceding 3 full years each.
- (d) In case the company has changed its **name** within the last one year, at least 50% of revenue for the preceding 1 full year is earned by company from the activity suggested by the new name;

- **(QIB ROUTE)**

Regulation 6(2)

The issue is made through **book building** process, with at least 75% of the net offer to public being allotted to qualified institutional buyers (QIBs).

ELIGIBILITY NORMS/ENTRY NORMS FOR FPO

➤ **FOR LISTED COMPANY**

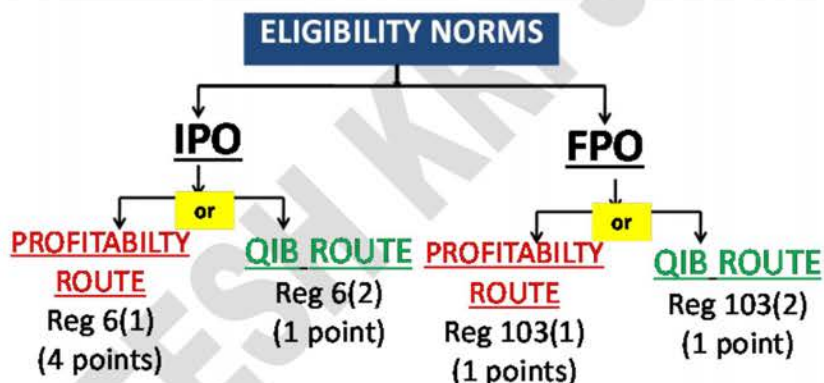
- **(PROFITABILITY ROUTE)**
REGULATION 103(1)

In case the company has changed its **name** within the last one year, at least 50% of revenue for the preceding 1 full year is earned by company from the activity suggested by the new name;

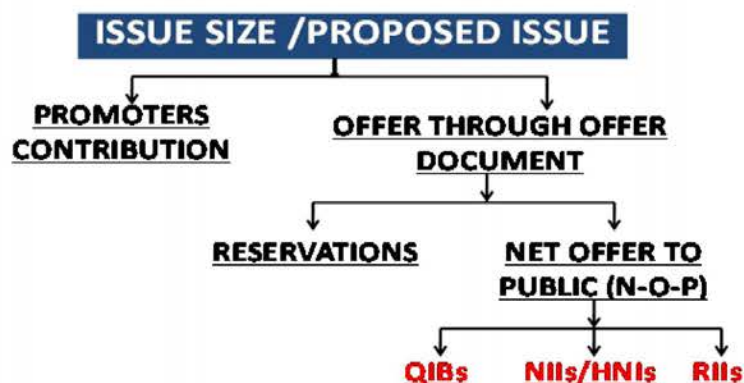
- **(QIB ROUTE)**

Regulation 103(2)

The issue is made through **book building** process, with at least 75% of the net offer to public being allotted to qualified institutional buyers (QIBs).



ISSUE SIZE



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ADDITIONAL COMMON/GENERAL NORMS FOR BOTH UNLISTED COMPANY(IPO) AND LISTED COMPANY (FPO)

REGULATION 7,8,104,105

1. The issuer shall not make an allotment pursuant to a public issue if the number of prospective allottees is less than one thousand.

2. An issuer making a public offer shall ensure that -

- | |
|---|
| (a) it has made an application to one or more stock exchanges to seek an in-principle approval for listing of its specified securities on such stock exchanges and has chosen one of them as the designated stock exchange, in terms of Schedule XIX ; |
| (b) it has entered into an agreement with a depository for dematerialisation of specified securities already issued and proposed to be issued; |
| (c) all its existing partly paid-up equity shares have either been fully paid-up or have been forfeited; |
| (d) it has made firm arrangements of finance through verifiable means towards seventy five per cent. of the stated means of finance for the specific project proposed to be funded from the issue proceeds, excluding the amount to be raised through the proposed public issue or through existing identifiable internal accruals. |

3. **Additional conditions for an offer for sale**

Only such fully paid-up equity shares may be offered for sale to the public, which have been held by the sellers for a period of at least one year prior to the filing of the draft offer document:

Provided that the requirement of holding equity shares for a period of one year **shall not apply:**

- (a) in case of an offer for sale of a government company or statutory authority or corporation or any special purpose vehicle set up and controlled by any one or more of them, which is engaged in the infrastructure sector;
- (b) if the equity shares offered for sale were acquired pursuant to any scheme approved by a tribunal or the Central Government under the sections 230 to 234 of Companies Act, 2013

QUALIFIED INSTITUTIONAL BUYERS (QIBS)

REGULATION 2(1)(ss)

‘Qualified institutional buyer’ means:

- | |
|--|
| (i) a mutual fund, venture capital fund, alternative investment fund and foreign venture capital investor registered with the Board; |
| (ii) a foreign portfolio investor other than Category III foreign portfolio investor, registered with the Board; |
| (iii) a public financial institution; |
| (iv) a scheduled commercial bank; |
| (v) a multilateral and bilateral development financial institution; |
| (vi) a state industrial development corporation; |
| (vii) an insurance company registered with the Insurance Regulatory and Development Authority of India; |
| (viii) a provident fund with minimum corpus of twenty five crore rupees; |
| (ix) a pension fund with minimum corpus of twenty five crore rupees; |
| (x) National Investment Fund |
| (xi) insurance funds set up and managed by army, navy or air force of the Union of India; and |

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| (xii) insurance funds set up and managed by the Department of Posts, India; and |
| (xiii) systemically important non-banking financial companies. |

OTHER REQUIREMENTS

APPOINTMENT OF LEAD MANAGERS, OTHER INTERMEDIARIES AND COMPLIANCE OFFICER

Regulation 23

- (1) The issuer shall appoint one or more merchant bankers, which are registered with the Board, as lead manager(s) to the issue.
- (2) Where the issue is managed by more than one lead manager, the rights, obligations and responsibilities, relating *inter alia* to disclosures, allotment, refund and underwriting obligations, if any, of each lead manager shall be predetermined and be disclosed in the draft offer document and the offer document as specified in **Schedule I**.
- (3) At least one lead manager to the issue shall not be an associate of the issuer and if any of the lead manager is an associate of the issuer, it shall disclose itself as an associate of the issuer and its role shall be limited to marketing of the issue.
- (4) The issuer shall, in consultation with the lead manager(s), appoint other intermediaries which are registered with the Board after the lead manager(s) have independently assessed the capability of other intermediaries to carry out their obligations.
- (5) The issuer shall enter into an agreement with the lead manager(s) in the format specified in **Schedule II** and enter into agreements with other intermediaries as required under the respective regulations applicable to the intermediary concerned:
- (6) The issuer shall, in case of an issue made through the book building process, appoint syndicate member(s) and in the case of any other issue, appoint bankers to issue, at centres in the manner specified in **Schedule XII**.
- (7) The issuer shall appoint a registrar to the issue, registered with the Board, which has connectivity with all the depositories:
Provided that if the issuer itself is a registrar, it shall not appoint itself as registrar to the issue;
Provided further that the lead manager shall not act as a registrar to the issue in which it is also handling the post-issue responsibilities.

APPOINTMENT OF COMPLIANCE OFFICER

Every company making a public issue is required to appoint a compliance officer and intimate the name of the compliance officer to SEBI. Compliance Officer shall **directly liaise with SEBI** with regard to compliance with various laws, rules regulations, and other directives issued by SEBI and investor complaints related matters. He is also required to co-ordinate with regulatory authorities in various matters and provide necessary guidance so as to ensure compliance internally and ensure that observations made/deficiency pointed out by SEBI do not recur.

PROSPECTUS

Section 2(70) of the Companies Act, 2013 defines a prospectus as “any document described or issued as a prospectus and includes a red herring prospectus referred to in section 32 or shelf prospectus referred to in section 31 or any notice, circular, advertisement or other document inviting offers from the public for the subscription or purchase of any securities of a body corporate.”

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ESSENTIAL ELEMENTS OF PROSPECTUS

The following ingredients may be said to constitute a 'prospectus':-

- (a) there must be an invitation to the public;
- (b) the invitation must be made "by or on behalf of the company or in relation to an intended company";
- (c) the invitation must be "to subscribe or purchase";
- (d) the invitation must relate to shares or debentures or such other instrument.

MATTERS TO BE STATED/DISCLOSED IN THE PROSPECTUS

Disclosures in the draft offer document and offer document

Regulation 24.

- (1) The draft offer document and offer document shall contain all material disclosures which are true and adequate to enable the applicants to take an informed investment decision.
- (2) Without prejudice to the generality of sub-regulation (1), the red-herring prospectus, and prospectus shall contain:

(a) disclosures specified in the Companies Act, 2013 and;

(b) disclosures specified in Part A of Schedule VI .

- (3) The lead manager(s) shall exercise due diligence and satisfy themselves about all aspects of the issue including the veracity and adequacy of disclosure in the draft offer document and the offer document.
- (4) The lead manager(s) shall call upon the issuer, its promoters and its directors or in case of an offer for sale, also the selling shareholders, to fulfil their obligations as disclosed by them in the draft offer document and the offer document and as required in terms of these regulations.
- (5) The lead manager(s) shall ensure that the information contained in the draft offer document and offer document and the particulars as per restated audited financial statements in the offer document are not more than six months old from the issue opening date.

FILLING OF DRAFT PROSPECTUS WITH SEBI

REG 25(IPO)/REG 123(FPO)

Filing of the draft offer document and offer document

Regulation 25

Prior to making public offer, the issuer shall file three copies of the draft offer document with the Board .

The lead manager(s) shall submit the following to the Board along with the draft offer document:

- | |
|--|
| (a) a certificate, confirming that an agreement has been entered into between the issuer and the lead manager(s); |
| (b) a due diligence certificate as per Form A of Schedule V ; |
| (c) in case of an issue of convertible debt instruments, a due diligence certificate from the debenture trustee as per Form B of Schedule V ; |

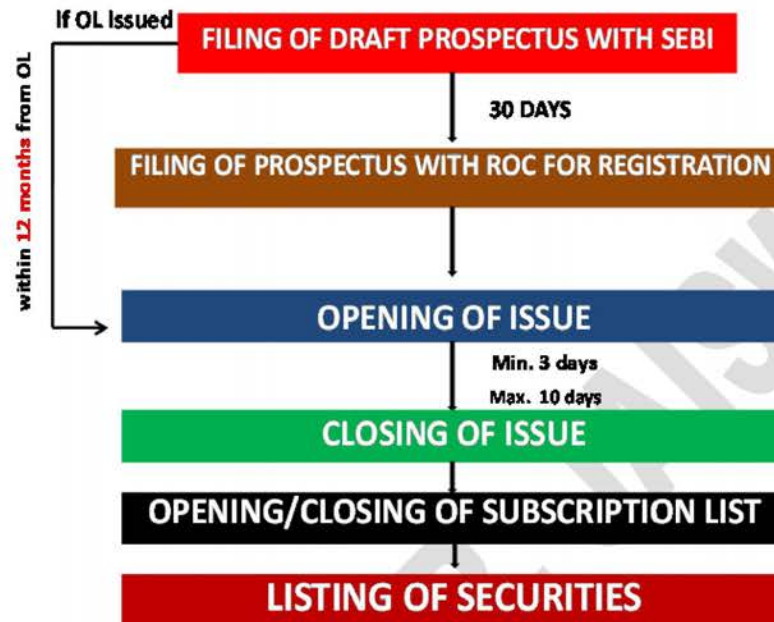
The Board may specify changes or issue observations, if any, on the draft offer document within **thirty days** from the later of the following dates:

- | |
|--|
| (a) the date of receipt of the draft offer document under sub-regulation (1); or |
| (b) the date of receipt of satisfactory reply from the lead manager(s), where the Board has sought any clarification or additional information from them; or |

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| (c) the date of receipt of clarification or information from any regulator or agency, where the Board has sought any clarification or information from such regulator or agency; or |
| (d) the date of receipt of a copy of in-principle approval letter issued by the stock exchange(s). |

If the Board specifies any changes or issues observations on the draft offer document, the issuer and lead manager(s) shall carry out such changes in the draft offer document and shall submit to the Board an updated draft offer document complying with the observations issued by the Board and highlighting all changes made in the draft offer document and before registering or filing the offer documents with the Registrar of Companies or an appropriate authority, as applicable.

DRAFT OFFER DOCUMENT AND OFFER DOCUMENT TO BE AVAILABLE TO THE PUBLIC

Regulation 26

- (1) The draft offer document filed with the Board shall be made public for comments, if any, for a period of at least twenty one days from the date of filing, by hosting it on the websites of the Board, stock exchanges where specified securities are proposed to be listed and lead manager(s) associated with the issue.
- (2) The issuer shall, within two days of filing the draft offer document with the Board, make a public announcement in one English national daily newspaper with wide circulation, one Hindi national daily newspaper with wide circulation and one regional language newspaper with wide circulation at the place where the registered office of the issuer is situated, disclosing the fact of filing of the draft offer document with the Board and inviting the public to provide their 19 comments to the Board, the issuer or the lead manager(s) in respect of the disclosures made in the draft offer document.
- (3) The lead manager(s) shall, after expiry of the period stipulated in sub-regulation (1), file with the Board, details of the comments received by them or the issuer from the public, on the draft offer document, during that period and the consequential changes, if any, that are required to be made in the draft offer document.

ISSUE OPENING DATE

REGULATION 44

The issue must open within **12 months** from the date of issuance of the observation letter by SEBI, if any.

An issue shall be opened after at least three working days from the date of registering offer document with the Registrar of Companies.

PERIOD OF SUBSCRIPTION

REGULATION 46

Public issue shall be kept open for at least **3** working days and not more than **10** working days.

In case of banking strike or similar circumstances, the issuer may, for reasons to be recorded in writing, extend the period disclosed in the red herring prospectus for a period of three working days.

MINIMUM SHARE APPLICATION MONEY

The minimum application value shall be within the range of **10,000 to 15,000**.

Applications can be made in multiples of the minimum size /value so stipulated in the offer document by the issuer and merchant banker within the range of 10000-15000.

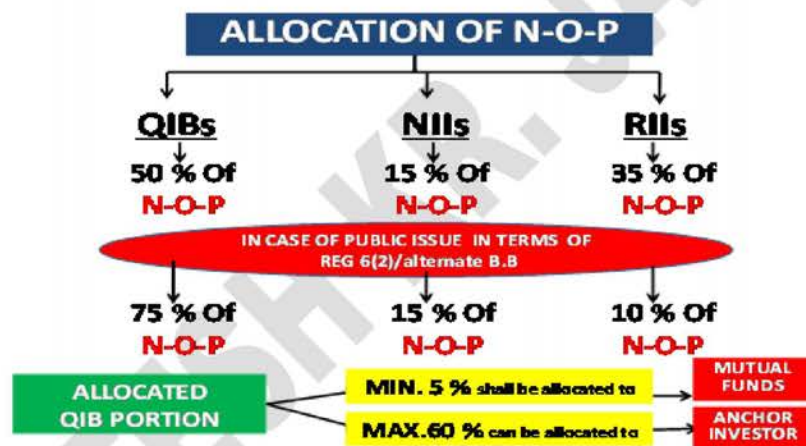
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The minimum application moneys to be paid by an applicant along with the application money shall not be less than **25%** of the issue price.

EXAMPLE

NKJ Ltd. is making a public offer of its equity shares at an issue price of ₹ 900 per share.

Options	1	2	3		4	5	6
Lot size @ 900 per share	11 shares	12 shares	13 shares	14 shares	15 shares	16 shares	17 shares
Application size	₹ 9,900	₹ 10,800	₹ 11,700	₹ 12,600	₹ 13,500	₹ 14,400	₹ 15,300
Answer	Not Possible	Possible	Possible	Possible	Possible	Possible	Not Possible

Answer

Minimum application size is to be fixed between 12-16 because for 11 shares the value/bid amount is ₹9,900 i.e. less than ₹10,000, and for 17 shares the value/bid amount is ₹15,300 as is higher than the maximum of the permissible range and is not applicable. Fast Movers Ltd. has to fix the minimum number of shares between 12-16.

NET OFFER TO PUBLIC

ALLOCATION IN THE NET OFFER

Regulation 32

- (1) In an issue made through the **book building process under sub-regulation (1) of regulation 6** the allocation in the net offer category shall be as follows:

(a) not less than thirty five per cent. to retail individual investors;
(b) not less than fifteen per cent. to non-institutional investors;
(c) not more than fifty per cent. to qualified institutional buyers, five per cent. of which shall be allocated to mutual funds:

Provided that the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to applicants in any other category:

Provided further that in addition to five per cent. allocation available in terms of clause (c), mutual funds shall be eligible for allocation under the balance available for qualified institutional buyers.

- (2) In an issue made through the **book building process under sub-regulation (2) of regulation 6**, the allocation in the net offer category shall be as follows:

(a) not more than ten per cent. to retail individual investors;
(b) not more than fifteen per cent. to non-institutional investors;
(c) not less than seventy five per cent. to qualified institutional buyers, five per cent. of which shall be allocated to mutual funds

Provided that the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to applicants in the other category:

Provided further that in addition to five per cent. allocation available in terms of clause (c), mutual funds shall be eligible for allocation under the balance available for qualified institutional buyers.

- (3) In an issue made through the book building process, the issuer may allocate up to sixty per cent. of the portion available for allocation to qualified institutional buyers to anchor investors in accordance with the conditions specified in this regard in **Schedule XIII**.

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- (4) In an issue made **other than through the book building process**, the allocation in the net offer category shall be made as follows:

- | |
|--|
| (i) minimum fifty per cent. to retail individual investors; and |
| (ii) remaining to: (a) individual applicants other than retail individual investors; and (b) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for; |

Provided that the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to applicants in the other category.

PROMOTER'S CONTRIBUTION

Type of issue	Amount of promoter's contribution
IPO (REG 14)	20% of the post-issue capital
FPO (REG 113)	20% of proposed issue or such percentage which constitutes 20% of post-issue capital
COMPOSITE ISSUE BY LISTED COMPANY (REG 113)	20% of proposed issue or such percentage which constitutes 20% of post-issue capital (<i>excluding Right issue component</i>)

The promoters contribution must be received at least **one day prior** to the **issue opening** date and kept in an **escrow account** with a scheduled commercial bank .If the promoters' contribution **exceeds ₹100 crores**, the promoters can bring in **₹100 crores** before the opening of the issue and balance contribution in advance on **pro rata basis** before the **calls** are made on public.

SECURITIES INELIGIBLE FOR MINIMUM PROMOTERS' CONTRIBUTION (IPO) Regulation 15

- (1) For the computation of minimum promoters' contribution, the following specified securities shall not be eligible:
- specified securities acquired during the preceding three years, if these are:

(i) acquired for consideration other than cash and revaluation of assets or capitalisation of intangible assets is involved in such transaction; or
(ii) resulting from a bonus issue by utilisation of revaluation reserves or unrealised profits of the issuer
 - specified securities acquired by the promoters and alternative investment funds or foreign venture capital investors or scheduled commercial banks or public financial institutions or insurance companies registered with Insurance Regulatory and Development Authority of India, during the preceding one year at a price lower than the price at which specified securities are being offered to the public in the initial public offer:
 - specified securities allotted to the promoters and alternative investment funds during the preceding one year at a price less than the issue price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms or limited liability partnerships, where the partners of the erstwhile partnership firms or limited liability partnerships are the promoters of the issuer and there is no change in the management:
- (2) Specified securities referred to in clauses (a) of sub-regulation (1) shall be eligible for the computation of promoters' contribution, if such securities are acquired pursuant to a scheme which has been approved by a tribunal or the Central Government under section 230 to 234 of the Companies Act, 2013

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SECURITIES INELIGIBLE FOR MINIMUM PROMOTERS' CONTRIBUTION(FPO)

Regulation 114

(1) For the computation of minimum promoters' contribution, the following specified securities shall not be eligible:

(a) specified securities acquired during the preceding three years, if these are:

- | |
|--|
| (i) acquired for consideration other than cash and revaluation of assets or capitalisation of intangible assets is involved in such transaction; or |
| (ii) resulting from a bonus issue by utilisation of revaluation reserves or unrealised profits of the issuer (b) specified securities pledged with any creditor other than those for borrowings by the issuer or its subsidiaries. |

(2) Specified securities referred to in clauses (a) of sub-regulation (1) shall be eligible for the computation of promoters' contribution, if such securities are acquired pursuant to a scheme which has been approved by a tribunal or the Central Government under section 230 to 234 of the Companies Act, 2013.

Non-applicability of requirement of promoters contribution

The requirement of promoters contribution shall not be applicable in case of public issue of securities by a company:-

- | |
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| 1. (i) which has been listed on a stock exchange for at least 3 years, and(ii) has a track record of dividend payment for at least 3 immediately preceding years. |
| 2. An issuer which does not have any identifiable promoter. |
| 3. RIGHT ISSUE |

LOCK-IN REQUIREMENT FOR PROMOTER'S CONTRIBUTION

The minimum promoter's contribution shall be locked-in for a period of three years from the	(i) date of commencement of commercial production, or (ii) the date of allotment,
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whichever is later.

The **excess promoter's contribution** over the requirement minimum contribution shall be locked-in for a period of **one year** from date of commencement of commercial production or the date of allotment, whichever is later.

RESERVATION ON COMPETITIVE BASIS

RESERVATION ON A COMPETITIVE BASIS (IPO)

Regulation 33

(1) The issuer may make reservations on a competitive basis out of the issue size excluding promoters' contribution in favour of the following categories of persons:

- | |
|---|
| (a) employees; |
| (b) shareholders (other than promoters and promoter group) of listed subsidiaries or listed promoter companies. |

Provided that the issuer shall not make any reservation for the lead manager(s), registrar, syndicate member(s), their promoters, directors and employees and for the group or associate companies (as defined under the Companies Act, 2013) of the lead manager(s), registrar and syndicate member(s) and their promoters, directors and employees.

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- (2) The reservations on a competitive basis shall be subject to the following conditions:
- the aggregate of reservations for employees shall not exceed five per cent. of the post-issue capital of the issuer and the value of allotment to any employee shall not exceed two lakhs rupees;
 - Provided that in the event of under-subscription in the employee reservation portion, the unsubscribed portion may be allotted on a proportionate basis, for a value in excess of two lakhs rupees, subject to the total allotment to an employee not exceeding five lakhs rupees.
 - reservation for shareholders shall not exceed ten per cent. of the issue size;
 - no further application for subscription in the net offer can be made by persons (except an employee and retail individual shareholder) in favour of whom reservation on a competitive basis is made;
 - any unsubscribed portion in any reserved category may be added to any other reserved category and the unsubscribed portion, if any, after such inter-se adjustments among the reserved categories shall be added to the net offer category;
 - in case of under-subscription in the net offer category, spill-over to the extent of under-subscription shall be permitted from the reserved category to the net offer.
- (3) An applicant in any reserved category may make an application for any number of specified securities, but not exceeding the reserved portion for that category.

RESERVATION ON A COMPETITIVE BASIS (FPO)

Regulation 130

- (1) The issuer may make reservations on a competitive basis out of the issue size excluding promoters' contribution in favour of the following categories of persons:

(a) employees;
(b) shareholders (other than promoters and promoter group) of listed subsidiaries or listed promoter companies;

Provided that the issuer shall not make any reservation for the lead manager(s), registrar, syndicate member(s), their promoters, directors and employees and for the group or associate companies (as defined under the Companies Act, 2013) of the lead manager(s), registrar and syndicate member(s) and their promoters, directors and employees.

- (2) In a further public offer, other than in a composite issue, the issuer may make a reservation on a competitive basis out of the issue size excluding promoters' contribution for the existing **retail individual shareholders of the issuer.**

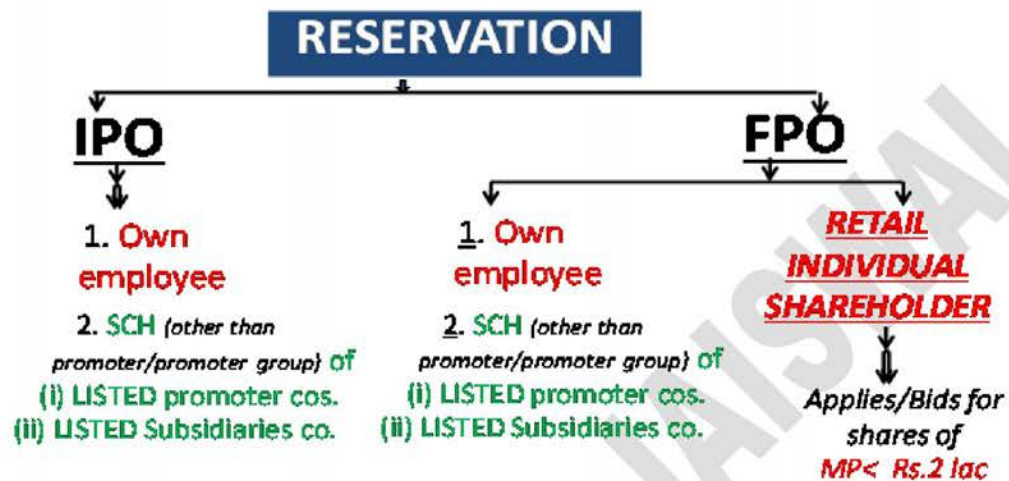
"Retail individual investor" means an individual investor who applies or bids for specified securities for a value of not more than two lakhs rupees;

- (3) The reservations on competitive basis shall be subject to following conditions:
- the aggregate of reservation for employees shall not exceed five per cent. of the post-issue capital of the issuer and the value of allotment to any employee shall not exceed two lakhs rupees:
Provided that in the event of under-subscription in the employee reservation portion, the unsubscribed portion may be allotted on a proportionate basis, for a value in excess of two lakhs rupees, subject to the total allotment to an employee not exceeding five lakhs rupees.
 - reservation for shareholders shall not exceed ten per cent. of the issue size;
 - no further application for subscription in the net offer can be made by persons (except an employee and retail individual shareholder of the listed issuer and retail individual shareholders of listed subsidiaries of listed promoter companies) in favour of whom reservation on a competitive basis is made;

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- (d) any unsubscribed portion in any reserved category may be added to any other reserved category/ categories and the unsubscribed portion, if any, after such inter-se adjustments amongst the reserved categories shall be added to the net offer category;
 - (e) in case of under-subscription in the net offer category, spill-over to the extent of under-subscription shall be permitted from the reserved category to the net public offer.
- (4) An applicant in any reserved category may make an application for any number of specified securities, but not exceeding the reserved portion for that category.

PRICING OF ISSUE

There are two types of pricing:-

- | |
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| (a) Fixed pricing; |
| (b) Floor pricing/price band. |

FREE PRICING

A company may freely price its public issue of equity shares or any securities convertible into equity shares subject to compliance with disclosure norms specified by SEBI from time to time. The company and the lead merchant banker are required to give full disclosure of the parameters which they have considered while deciding the issue price.

The issuer company can mention a **price band** of **20%** in the offer documents filed with the Board.

DIFFERENTIAL PRICING

Pricing of an issue where one category is offered share at a price different from other the other category is called differential pricing.

An issuer may offer specified securities at different prices, subject to the following:-

- (a) retail individual investors or retail individual shareholders or employees entitled for reservation may be offered specified securities at a **price lower than** the price at which net offer is made to other categories of applicants:
Provided that such difference shall not be more than **10 per cent** of the price at which specified securities are offered to other categories of applicants;
- (b) in case of a book built issue, the price of the specified securities offered to an **anchor investor** shall **not be lower** than the price offered to other applicants;
- (c) in case of a composite issue, the price of the specified securities offered in the public issue may be different from the price offered in rights issue and justification for such price difference shall be given in the offer document.
- (d) In case the issuer opts for the alternate method of book building the issuer may offer specified securities to its **employees at a price lower** than the floor price:
Provided that the difference between the floor price and the price at which specified securities are offered to employees shall not be more than **10 per cent** of the floor price.

MINIMUM SUBSCRIPTION AND CONSEQUENCES OF NON – RECEIPT OF MIN. SUBSCRIPTION

Regulation 45.

- (1) The minimum subscription to be received in the issue shall be at least ninety per cent. of the offer through the offer document, except in case of an offer for sale of specified securities:

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- (2) In the event of non-receipt of minimum subscription referred to in sub-regulation (1), all application monies received shall be refunded to the applicants forthwith, but not later than fifteen days from the closure of the issue.

UNDERWRITING

Regulation 40

Underwriting means an agreement with or without condition to subscribe to the securities of body corporate when the existing shareholders of such body corporate or the public do not subscribe to the securities offered.

- (1) If the issuer making an initial public offer, other than through the book building process, desires to have the issue underwritten, it shall appoint underwriters in accordance with the Securities and Exchange Board of India (Underwriters) Regulations, 1993.
- (2) If the issuer makes a public issue through the book building process,
- (a) the issue shall be underwritten by lead manager(s) and syndicate member(s):
Provided that at least seventy five per cent. of the net offer proposed to be compulsorily allotted to qualified institutional buyers for the purpose of compliance of the eligibility conditions specified in sub-regulation (2) of regulation 6, cannot be underwritten.
 - (b) the issuer shall, prior to filing the prospectus, enter into underwriting agreement with the lead manager(s) and syndicate member(s), indicating therein the number of specified securities which they shall subscribe to at the predetermined price in the event of under-subscription in the issue.
 - (c) if the syndicate member(s) fail to fulfil their underwriting obligations, the lead manager(s) shall fulfil the underwriting obligations.
 - (d) the lead manager(s) and syndicate member(s) shall not subscribe to the issue in any manner except for fulfilling their underwriting obligations.
 - (e) in case of every underwritten issue, the lead manager(s) shall undertake minimum underwriting obligations as specified in the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992.
 - (f) where the issue is required to be underwritten, the underwriting obligations should at least to the extent of minimum subscription.

MONITORING AGENCY

Regulation 41

If the issue size, excluding the size of offer for sale by selling shareholders, **exceeds one hundred crore rupees**, the issuer shall make arrangements for the use of proceeds of the issue to be monitored by a public financial institution or by a scheduled commercial bank named in the offer document as bankers of the issuer:

MANNER OF CALLS

Regulation 48

If the issuer proposes to receive subscription monies in calls, it shall ensure that the outstanding subscription money is called within twelve months from the date of allotment in the issue and if any applicant fails to pay the call money within the said twelve months, the equity shares on which there are calls in arrears along with the subscription money already paid on such shares shall be forfeited:

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ALLOTMENT

Regulation 49

- (1) The issuer shall not make an allotment pursuant to a public issue if the number of prospective allottees is less than one thousand.
- (2) The issuer shall not make any allotment in excess of the specified securities offered through the offer document except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the designated stock exchange.
Provided that in case of oversubscription, an allotment of not more than one per cent. of the net offer to public may be made for the purpose of making allotment in minimum lots.
- (3) The allotment of specified securities to applicants other than to the retail individual investors and anchor investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed in the offer document:
- (4) The allotment of specified securities to each retail individual investor shall not be less than the minimum bid lot, subject to the availability of shares in retail individual investor category, and the remaining available shares, if any, shall be allotted on a proportionate basis.
- (5) The authorised employees of the designated stock exchange, along with the lead manager(s) and registrars to the issue, shall ensure that the basis of allotment is finalised in a fair and proper manner in accordance with the procedure as specified in **Part A of Schedule XIV**.

ALLOTMENT, REFUND AND PAYMENT OF INTEREST

Regulation 50

The issuer and lead manager(s) shall ensure that the specified securities are allotted and/or application monies are refunded or unblocked within such period as may be specified by the Board.

Where the specified securities are not allotted and/or application monies are not refunded or unblocked within the period stipulated above, the issuer shall undertake to pay interest at the rate of fifteen per cent. per annum to the investors

POST-ISSUE ADVERTISEMENTS

Regulation 51

- (1) The lead manager(s) shall ensure that an advertisement giving details relating to subscription, basis of allotment, number, value and percentage of all applications including ASBA, number, value and percentage of successful allottees for all applications including ASBA, date of completion of despatch of refund orders, as applicable, or instructions to self-certified syndicate banks by the registrar, date of credit of specified securities and date of filing of listing application, etc. is released within ten days from the date of completion of the various activities in at least one English national daily newspaper with wide circulation, one Hindi national daily newspaper with wide circulation and one regional language daily newspaper with wide circulation at the place where registered office of the issuer is situated.
- (2) Details shall also be placed on the websites of the stock exchange(s).

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POST-ISSUE RESPONSIBILITIES OF THE LEAD MANAGER(S)

Regulation 52.

- (1) The responsibility of the lead manager(s) shall continue until completion of the issue process and for any issue related matter thereafter.
- (2) The lead manager(s) shall regularly monitor redressal of investor grievances arising from any issue related activities.
- (3) The lead manager(s) shall continue to be responsible for post-issue activities till the applicants have received the securities certificates, credit to their demat account or refund of application monies and the listing agreement is entered into by the issuer with the stock exchange and listing or trading permission is obtained.
- (4) The lead manager(s) shall be responsible for and co-ordinate with the registrars to the issue and with various intermediaries at regular intervals after the closure of the issue to monitor the flow of applications from syndicate member(s) or collecting bank branches and/ or self-certified syndicate banks, processing of the applications including application form for ASBA and other matters till the basis of allotment is finalised, credit of the specified securities to the demat accounts of the allottees and unblocking of ASBA accounts/ despatch of refund orders are completed and securities are listed, as applicable.

SECURITY DEPOSIT

Regulation 135

- (1) The issuer shall, before the opening of the subscription list, deposit with the designated stock exchange, an amount calculated at the rate of one per cent. of the issue size available for subscription to the public in the manner specified by the Board and/or the stock exchange(s).
- (2) The amount specified in sub-regulation (1) shall be refundable or forfeitable in the manner specified by the Board.

RELEASE OF SUBSCRIPTION MONEY

Regulation 53

The lead manager(s) shall confirm to the bankers to the issue by way of copies of listing and trading approvals that all formalities in connection with the issue have been completed and that the banker is free to release the money to the issuer or release the money for refund in case of failure of the issue.

RESTRICTION ON FURTHER ISSUE

REGULATION 56

The company shall not make any further issue of capital in any manner whether by way of issue of bonus share, right share, public issue, etc. except ESOP **during the period** commencing from the **date of filing the draft prospectus** with SEBI till the securities have been **listed** or application moneys **refunded** on accounts of non- listing or under- subscription, **Unless** full disclosure is made regarding total capital to be raised in the offer document by the way of any further issue.

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IPO GRADING

IPO grading is a service aimed at facilitating the assessment of equity issues offered to public. The grade assigned to any individual issue represents a **relative assessment of the 'fundamentals'** of that issue in relation to the universe of other listed equity securities in India. Such grading is assigned on a **five-point scale** with a higher score indicating stronger fundamentals.

IPO grading is not an investment recommendation. Rather, it is one of the inputs to the investor to aiding in the decision making process.

As per SEBI Guidelines, an unlisted company making an IPO of equity shares or any other security which may be converted into or exchanged with equity shares **MAY** obtain grading for such an IPO from one or more credit rating agencies.

PROCEDURE FOR IPO GRADING

Credit Rating agencies (CRAs) registered with SEBI will carry out IPO grading.

The Credit Rating agencies would follow the following process in the course of IPO grading:-

1. Seek information required for the grading from the company.
2. On receipt of required information, have discussions with the company's management and visit the company's operating locations, if required.
3. Prepare an analytical assessment report.
4. Present the analysis to a committee comprising senior executives of the concerned grading agency. This committee would discuss all relevant issues and assign a grade
5. Communicate the grade to the company along with an assessment report outlining the rationale for the grade assigned.

MANDATORY COLLECTION CENTRES

The regulations require a minimum number of collection centres for an issue of capital to be at the four metropolitan centre viz. **Mumbai, Delhi, Kolkata and Chennai** and in the region in which the **registered office** of the company is situated. However the issuer company is free to appoint as many collection centres as it may deem fit in addition to the above minimum requirement.

The **Bankers to the issue** should be appointed in all the mandatory collection centres. In case of book building, the **brokers** so appointed accepting applications and application money are considered as collection centres.

PERMANENT ACCOUNT NUMBER

PAN is the sole identification number for all participants in the securities market. PAN has been made **mandatory** for all applicants, irrespective of the application value.

In order to strengthen the KYC norms and identify every participant in the securities market with their respective PAN ensures sound audit trail of all transactions.

ASBA (APPLICATION SUPPORTED BY BLOCKED AMOUNT)

ASBA (**Application Supported by Blocked Amount**) is an application for subscribing to an issue, containing an **authorization to block** the application money in bank account.

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The ASBA process is available in all public issues made through **book-building** route. If an investor is applying through ASBA, his application money shall be debited from the bank account **only** if his application is selected for allotment.

Eligibility of Investors

An Investor is eligible to apply through ASBA process, if he/she:-	(i) is a "Resident Retail Individual Investor";
	(ii) is bidding at cut-off, with single option as to the number of shares bid for;
	(iii) is applying through blocking of funds in a bank account with the SCSB;
	(iv) has agreed not to revise his/her bid;
	(v) is not bidding under any of the reserved categories.

SELF CERTIFIED SYNDICATE BANK

Self Certified Syndicate Bank (SCSB) is a bank which offers the facility of applying through the ASBA process.

A bank desirous of offering ASBA facility shall submit a certificate to SEBI as per the prescribed format for inclusion of its name in SEBI's list of SCSBs.

A SCSB shall identify its Designated Branches (DBs) at which an ASBA investor shall submit ASBA and shall also identify the Controlling Branch (CB) which shall act as a coordinating branch for the Registrar of the issue, Stock Exchanges and Merchant Bankers. The SCSB, its DBs and CB shall continue to act as such, for all issues to which ASBA process is applicable. The SCSB may identify new DBs for the purpose of ASBA process and intimate details of the same to SEBI, after which SEBI will add the DB to the list of SCSBs maintained by it.

The SCSB shall communicate the following details to Stock Exchanges for making it available on their respective websites; these details shall also be made available by the SCSB on its website:

(i) Name and address of all the SCSB.
(ii) Addresses of DBs and CB and other details such as telephone number, fax number and email ids.
(iii) Name and contacts details of a nodal officer at a senior level from the CB.

PUBLIC ISSUE BY BOOK BUILDING METHOD

BOOK BUILDING- DEFINITION

Book Building means a process undertaken to elicit demand and to assess the price for determination of the quantum or value of specified securities.

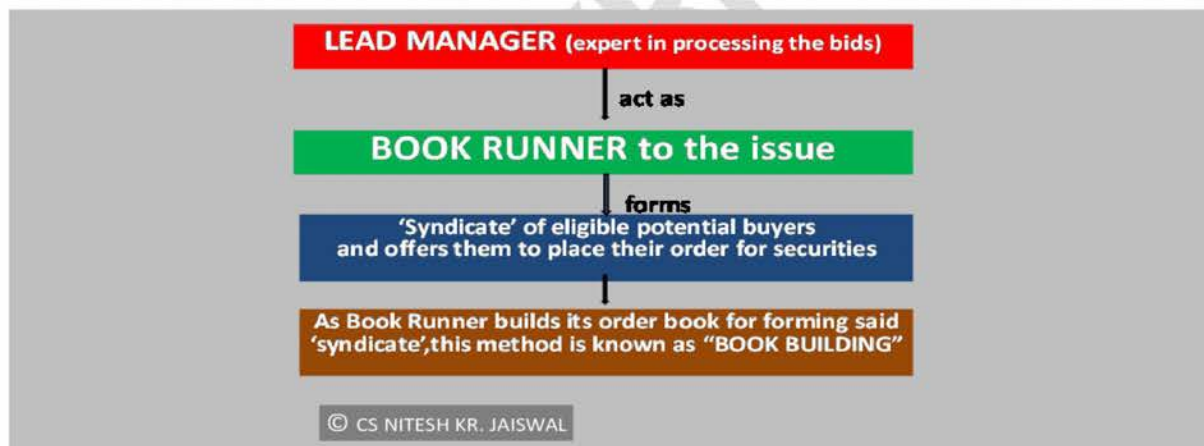
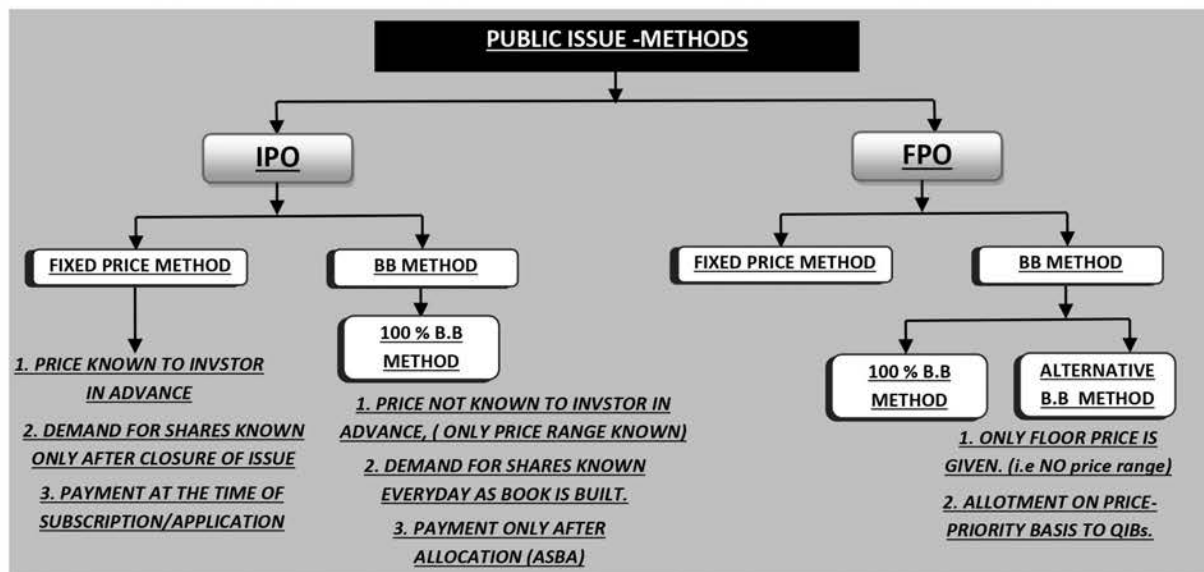
In Book Building or Price Discovery Method, final allotment price is discovered through the prospective investors, which means that prospective investors have a say in the determination of allotment price and hence called the **Price Discovery Method**.

<u>ADVANTAGES OF BOOK- BUILDING PROCESS</u>	(a) It helps the issuer company to discover the demand for securities.
	(b) It provides the flexibility to a company in fixing the final issue price.
	(c) The price at which the issue is likely to be subscribed may be ascertained.

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PROVISIONS OF SEBI (ICDR) REGULATIONS ON BOOK BUILDING

An issuer company may make an issue of securities to the public through Book Building Method in the following manner:-

1. The lead merchant banker shall act as a lead book runner and other eligible merchant bankers shall be termed as co- book runner.
2. The right, obligation, and responsibilities of the lead merchant bankers and the book runners shall be delineated.
3. Book runners shall act as underwriters for the entire issue, except QIBs portion.
4. The draft prospectus **excluding the price** and the **number of securities** to be offered to the public shall be filed by the lead merchant banker with the SEBI, **total size of the issue** shall however be stated in the draft prospectus.
5. The red herring prospectus shall disclose either the floor price of the Securities offered through it or a price band along with the range within which the price can move.
There are two types of price i.e., one the **Floor Price**, where only the **minimum bidding price** is mentioned and the other the **Price Band**, where the **minimum bidding price** (called the floor of the price band) as well as the **maximum bidding price** (called the **cap** of the price band) are mentioned. The cap of the **price band** shall not more than **20%** of the floor of the band. i.e., cap of the price band shall be less than or equal to 120% of the floor price of the band.
6. The price band may be revised during the bidding period. The maximum revision on either side shall not exceed 20% i.e., floor of the price band can be move up or down to the extent of 20 % of the price band disclosed in the red herring prospectus and the cap of the revised price band shall not be more than 20% of the revised floor.
However, any revision in the price band should be widely publicized by informing the stock exchange, issuing press release and also on the relevant website. In case any company revises the price band, the bidding period shall be extended by a further period of three days, subject to the condition that the total period shall not exceed 10 working days.
7. The SEBI may suggest modification to the draft prospectus within 30 days of its receipt. The lead merchant banker shall ensure compliance with the modification.
8. The company shall after receiving the final observation from SEBI make an advertisement in an English Daily with wide circulation, one Hindi National Newspaper and regional language newspapers with wide circulation at the place where the registered office of the company is situated.
9. The book runner and the company shall determine the issue price based on bids received through the syndicate members
10. On determination of the price, the number of the securities to be issued shall be determined.
11. Once the final price (cut off) is determined all those bidders whose bids have been found to be successful shall become entitled for allotment of the securities.
12. The final prospectus disclosing the price and the numbers of the securities to be issued shall be filed with the Registrar of Companies.

CUT- OFF PRICE

Those retail investors who do not want to take a change in quoting the bid price and wants assured allotment, have an option to bid at "**Cut-off**", which means they are eligible to have shares allotted at the final price decided through the book-building route, however , they are required to pay money, at the bid stage itself, at Cap Price.

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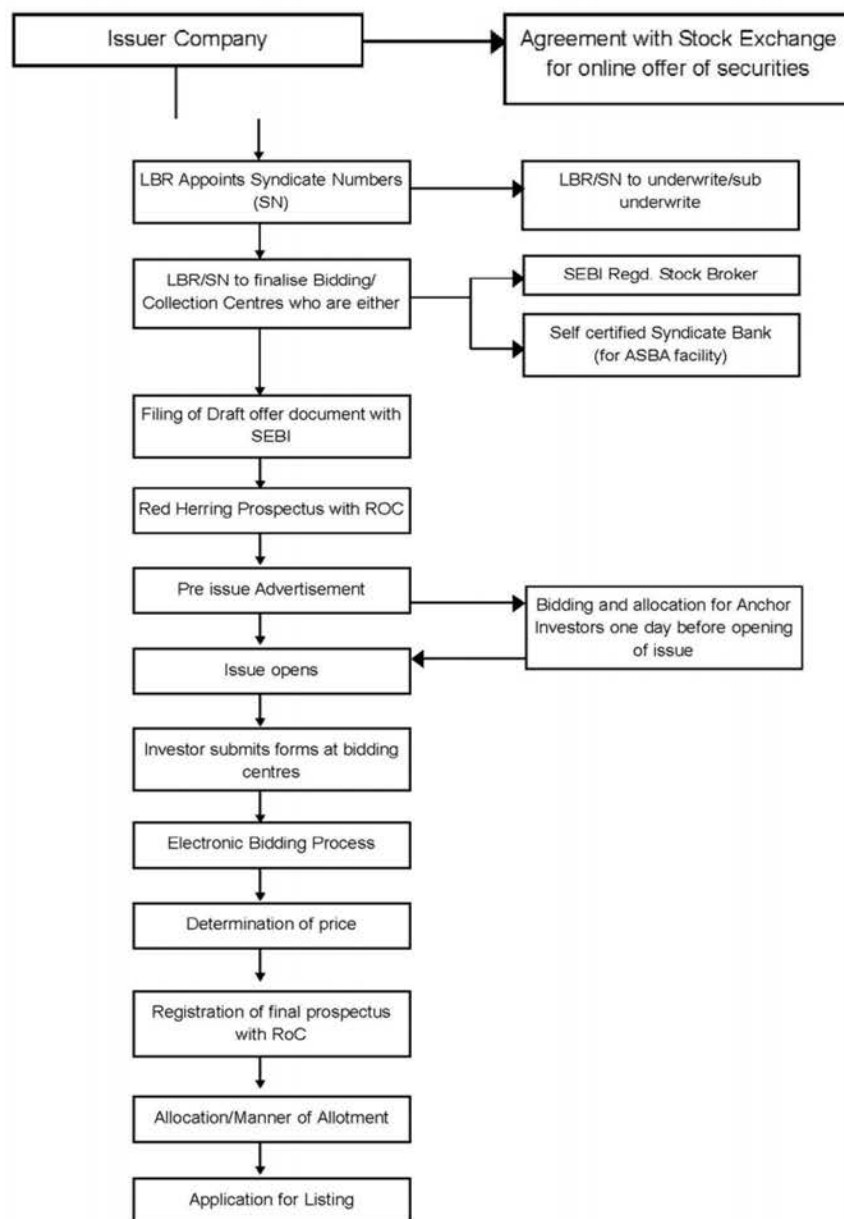
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BOOK BUILDING PROCESS THROUGH A FLOWCHART



ANCHOR INVESTOR

SCHEDULE XIII PART-A

ANCHOR INVESTOR-MEANING

“Anchor investor” means a **qualified institutional buyer** who makes an **application** for a value of **ten crore** rupees or more in a public issue made through the book building process in accordance with SEBI (ICDR) Regulations OR makes an application for a value of at least 2 crores rupees for an issue made in accordance with chapter IX (SME-IPO) of these regulations.

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PROVISIONS OF SEBI (ICDR) REGULATIONS ON ANCHOR INVESTORS

Out of the portion available for allocation to QIBs, allocation to Anchor Investors may be made subject to following condition:

- (a) An Anchor Investor shall make an application of a value of at least **₹10 crore** in the public issue;
- (b) Up to **60 %** of the portion available for allocation to QIBs shall be available to anchor investor(s) for allocation/allotment ("anchor investor portion");
- (c) **One-third** of the anchor investor portion shall be reserved for domestic **mutual fund**;
- (d) Allocation to the anchor investors shall be on a discretionary basis, subject to the following:

(I) In case of public issue on the main board, through the book building process:

(i) maximum of 2 such investors shall be permitted for allocation up to ten crore rupees
(ii) minimum of 2 and maximum of 15 such investors shall be permitted for allocation above ten crore rupees and up to two fifty crore rupees, subject to minimum allotment of five crore rupees per such investor;
(iii) in case of allocation above two fifty crore rupees; a minimum of 5 such investors and a maximum of 15 such investors for allocation up to two fifty crore rupees and an additional 10 such investors for every additional two fifty crore rupees or part thereof, shall be permitted, subject to a minimum allotment of five crore rupees per such investor.

(II) In case of public issue on the SME exchange, through the book building process:

(i) maximum of 2 such investors shall be permitted for allocation up to two crore rupees
(ii) minimum of 2 and maximum of 15 such investors shall be permitted for allocation above two crore rupees and up to twenty five crore rupees, subject to minimum allotment of one crore rupees per such investor;
(iii) in case of allocation above twenty five crore rupees; a minimum of 5 such investors and a maximum of 15 such investors for allocation up to twenty five crore rupees and an additional 10 such investors for every additional twenty five crore rupees or part thereof, shall be permitted, subject to a minimum allotment of one crore rupees per such investor.

- (e) The **bidding** for anchor investors shall be open **one day before** the issue opening date;
- (f) Anchor Investors shall pay a **margin** of at least **25 %** on **application** with the **balance** to be paid within **two days** of the **date of closure** of the issue;
- (g) Allocation to Anchor Investors shall be completed on the day of bidding by Anchor Investors;
- (h) If the price fixed as a result of Book Building is **higher than the price** at which the allocation is made to Anchor Investor, the **Anchor Investor shall bring in the additional amount**. However, if the price fixed as a result of book building is **lower than the price** at which the allocation is made to Anchor Investor, the excess amount shall **not be refunded** to the Anchor Investors and the Anchor investor shall take allotment at the price at which allocation was made to it;
- (i) The number of shares allocated to Anchor Investors and the price at which the allocation is made, shall be made available in public domain by the merchant banker before opening of the issue;
- (j) There shall be a **lock-in of 30 days** on the shares allotted to the Anchor Investors from the **date of allotment** in the public issue.

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PROVISIONS OF SEBI (ICDR) REGULATION ON ALTERNATIVE BOOK BUILDING

SCHEDULE III PART-D

In case of FPO, the issuer may opt for an alternative method of Book Building, subject to the following provision:

- (1) Issuer shall follow the same provisions as discussed above for book building except the following provisions;
- (2) The issuer may mention the floor price in the red herring prospectus or if the floor price not mentioned in the red herring prospectus, the issuer shall announce the floor price at least one working day before opening of the bid in all the newspaper in which the pre-issue advertisement was released;
- (3) QIBS shall bid at any price above the floor price;
- (4) The bidder who bids at the highest price shall be allotted the number of securities that he has bided for and then the bidder who has bided at the second highest price and so on, until all the specified securities on offer are exhausted. However where the number of specified securities bided for at a price is more than the available quantity, then allotment shall be done on proportional basis;
- (5) Allotment shall be on price priority basis for QIBS;
- (6) Allotment to retail individual investors, non-institutional investors and employee of the issuer shall be made proportionately;
- (7) RIIs, NIIs and employees shall be allotted specified securities at the floor price. However, the issuer may offer specified securities to its employees at a price lower than the floor price, provided that such difference shall not be more than 10 % of the floor price.

RIGHT ISSUE OF SHARES

APPLICABILITY OF REGULATION

SEBI guideline shall be applicable only if the issue size (including premium, if any) exceeds 10 . However requirement of filing draft letter of offer with SEBI shall be applicable even if the issue size (including premium, if any) is up to **10 CRORE**.

PROVISIONS OF SEBI (ICDR), REGULATIONS ON RIGHT ISSUE OF SHARE

ELIGIBILITY CONDITIONS

An issuer shall not be eligible to make a rights issue of specified securities:

- | |
|--|
| (a) if the issuer, any of its promoters, promoter group or directors of the issuer are debarred from accessing the capital market by SEBI; |
| (b) if any of the promoters or directors of the issuer is a promoter or director of any other company which is debarred from accessing the capital market by SEBI; |
| (c) if any of its promoters or directors is a fugitive economic offender. |

GENERAL CONDITIONS

The issuer making a rights issue of specified securities shall ensure that:

- (a) it has made an application to one or more stock exchanges to seek an in-principle approval for listing of its specified securities on such stock exchanges and has chosen one of them as the designated stock exchange,
- (b) all its existing partly paid-up equity shares have either been fully paid-up or have been forfeited

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RECORD DATE

A listed issuer making a rights issue shall announce a record date for the purpose of determining the shareholders eligible to apply for specified securities in the proposed rights issue for such period as may be specified in SEBI Listing Regulations, 2015

PRICING

The issuer shall decide the issue price, in consultation with the lead manager(s), before determining the record date, which shall be determined in accordance with the designated stock exchange.

The issue price shall not be less than the face value of the specified securities.

The issuer shall disclose the issue price in the letter of offer filed with SEBI and the stock exchanges.

ABRIDGED LETTER OF OFFER

The abridged letter of offer shall contain the disclosures as specified by SEBI and shall not contain any matter extraneous to the contents of the letter of offer.

Every application form distributed by the issuer or any other person in relation to the issue shall be accompanied by a copy of the abridged letter of offer.

ASBA

The issuer shall provide the ASBA facility in the manner specified by SEBI where not more than one payment option is provided.

AVAILABILITY OF LETTER OF OFFER AND OTHER ISSUE MATERIALS

The abridged letter of offer, along with application form, shall be dispatched through registered post or speed post or by courier service or by electronic transmission to all the existing shareholders at least three days before the date of opening of the issue.

The letter of offer shall also be provided by the issuer or lead manager(s) to any existing shareholder who makes a request in this regard.

CONDITIONS FOR MAKING APPLICATIONS ON PLAIN PAPER

Shareholders who have not received the application form may make an application in writing on a plain paper, along with the requisite application money.

SUBSCRIPTION PERIOD

A rights issue shall be open for subscription for a minimum period of fifteen days and for a maximum period of thirty days.

RESERVATIONS

1. The issuer shall make a rights issue of equity shares only if it has made reservation of equity shares of the same class in favour of the holders of outstanding compulsorily convertible debt instruments, if any, in proportion to the convertible part thereof.
2. The equity shares so reserved for the holders of fully or partly compulsorily convertible debt instruments shall be issued to the holder of such convertible debt instruments or warrants at the time of conversion of such convertible debt instruments, on the same terms at which the equity shares offered in the rights issue were issued.
3. Subject to other applicable provision of these regulations, the issuer may make reservation for its employees along with rights issue subject to the condition that the value of allotment to any employee shall not exceed two lakhs rupees.

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PROCEDURE FOR MAKING A RIGHTS ISSUE

The various steps involved for issue of rights share are enumerated below:

(a) Check whether the rights issue is within the authorised share capital of the company. If not, steps should be taken to increase the authorised share capital.
(b) Notify the stock exchange concerned the date of Board Meeting at which the rights issue is proposed to be considered at least 2 days in advance of the meeting.
(c) Convene the Board meeting and place before it the proposal for rights issue
(d) Immediately after the Board Meeting notify the concerned Stock Exchanges about particulars of Board of Directors decision.
(e) Appoint a merchant banker and file a draft letter of Offer with SEBI
(f) Obtain Observations and incorporate the same in the Letter offer
(g) Convene another Board Meeting which shall decide on the following matters: Quantum of issue and the proportion of rights shares. Alteration of share capital, if necessary, and offering shares to persons other than existing holders of shares in terms of Section 62 of the Companies Act, 2013. Fixation of record date. Appointment of merchant bankers and underwriters (if necessary). Approval of draft letter of offer or authorisation of managing director/ company secretary to finalise the letter of offer in consultation with the managers to the issue, the stock exchange and SEBI.
(h) Rights issue shall be kept open for at least 15 days and not more than 30 days
(i) File a copy of the letter of offer with the stock exchange where the shares of the company are listed.
(j) Despatch letters of offer and the Composite Application Form to shareholders by registered post.
(k) Check that an advertisement giving date of completion of despatch of letter of offer has been released in at least an English National Daily, one Hindi National Paper and a Regional Language Daily where registered office of the issuer company is situated and that the shareholder can apply on plain paper if he does not receive the application form.
(l) The advertisement should state that applications of shareholders who apply both on plain paper and also in a composite application form are liable to be rejected.
(m) Make arrangement with bankers for acceptance of share application forms.
(n) Finalise the allotment in consultation with Stock Exchange.
(o) Convene Board Meeting and make allotment of shares.
(p) Make an application to the Stock Exchange(s) where the company's shares are listed for permission of listing of new shares.

GENERAL OBLIGATIONS OF THE ISSUER AND THE INTERMEDIARY IN CASE OF PUBLIC ISSUE AND RIGHTS ISSUE

1. No person connected with the issue shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application for allotment of specified securities.
2. All public communications, publicity materials, advertisements and research reports shall comply with the requirements as specified in ICDR Regulations, 2018.
3. The lead manager and the Issuer Company shall ensure that the contents of the offer document as hosted on their web sites are the same as the printed versions filed with the Registrar of Companies and shall also ensure that the copies of the same are available to the public.

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4. The post-issue lead merchant banker shall actively associate himself with post-issue activities such as allotment, refund, despatch and giving instructions to syndicate members, Self Certified Syndicate Banks and other intermediaries and shall regularly monitor redressal of investor grievances arising there from.
5. The Issuer company shall appoint a Compliance Officer, who shall be responsible for monitoring the compliance of the securities laws and for redressal of investors' grievances

BONUS ISSUE OF SHARES

CHAPTER XI

A company may, if its Articles provide, capitalize its profits by issuing fully-paid bonus shares. The issue of bonus shares by a company is a common feature. When a company is prosperous and accumulates large distributable profits, it converts these accumulated profits into capital and divides the capital among the existing members in proportion to their entitlements. Members do not have to pay any amount for such shares.

CONDITIONS FOR A BONUS ISSUE

Regulation 293

Subject to the provisions of the Companies Act, 2013 or any other applicable law, a listed issuer shall be eligible to issue bonus shares to its members if:

- | |
|---|
| <p>(a) it is authorised by its articles of association for issue of bonus shares, capitalisation of reserves, etc.: Provided that if there is no such provision in the articles of association, the issuer shall pass a resolution at its general body meeting making provisions in the articles of associations for capitalisation of reserve;</p> |
| <p>(b) it has not defaulted in payment of interest or principal in respect of fixed deposits or debt securities issued by it;</p> |
| <p>(c) it has not defaulted in respect of the payment of statutory dues of the employees such as contribution to provident fund, gratuity and bonus;</p> |
| <p>(d) any outstanding partly paid shares on the date of the allotment of the bonus shares, are made fully paid-up;</p> |
| <p>(e) any of its promoters or directors is not a fugitive economic offender.</p> |

RESERVATIONS

1. The issuer shall make a rights issue of equity shares only if it has made reservation of equity shares of the same class in favour of the holders of outstanding compulsorily convertible debt instruments, if any, in proportion to the convertible part thereof.
2. The equity shares so reserved for the holders of fully or partly compulsorily convertible debt instruments shall be issued to the holder of such convertible debt instruments or warrants at the time of conversion of such convertible debt instruments, on the same terms at which the equity
3. shares offered in the rights issue were issued

COMPLETION OF A BONUS ISSUE

An issuer, announcing a bonus issue after approval by its board of directors and not requiring shareholders' approval for capitalisation of profits or reserves for making the bonus issue, shall implement the bonus issue within fifteen days from the date of approval of the issue by its board of directors:

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Provided that where the issuer is required to seek shareholders' approval for capitalisation of profits or reserves for making the bonus issue, the bonus issue shall be implemented within two months from the date of the meeting of its board of directors wherein the decision to announce the bonus issue was taken subject to shareholders' approval.

PREFERENTIAL ALLOTMENT OF SHARES

APPLICABILITY

"Preferential issue" means an issue of specified securities by a listed issuer to any select person or group of persons on a private placement basis in accordance with Chapter V of SEBI ICDR Regulations, 2018 and does not include an offer of specified securities made through employee stock option scheme, employee stock purchase scheme or an issue of sweat equity shares or depository receipts issued in a country outside India or foreign securities.

PROVISIONS OF SEBI (ICDR), REGULATIONS ON PREFERENTIAL ALLOTMENT

NON- APPLICABILITY

The provisions of Chapter V shall not apply where the preferential issue of equity shares is made pursuant to:

- | |
|--|
| (a) conversion of a loan or an option attached to convertible debt instruments in terms of sections 81 (3 & (4) of the Companies Act, 1956 or section 62 (3) & (4) of the Companies Act, 2013, whichever is applicable; |
| (b) a scheme approved by a High Court under section 391 to 394 of the Companies Act, 1956 or approved by a tribunal or the Central Government under sections 230 to 234 of the Companies Act, 2013, as applicable; However, the pricing provisions of preferential issue shall apply to the issuance of shares under schemes mentioned in clause (b) in case of allotment of shares only to a select group of shareholders or shareholders of unlisted companies pursuant to such schemes; |
| (c) a qualified institutions placement in accordance with Chapter VI of these regulations. |

CONDITIONS FOR PREFERENTIAL ISSUE

A listed issuer may make a preferential issue of specified securities, if:

- | |
|--|
| (a) all equity shares allotted by way of preferential issue shall be made fully paid up at the time of the allotment; |
| (b) a special resolution has been passed by its shareholders; |
| (c) all the equity shares, if any, held by the proposed allottees in the issuer are in dematerialised form; |
| (d) the issuer is in compliance with the conditions for continuous listing of equity shares as specified in the listing agreement with the recognised stock exchange where the equity shares of the issuer are listed, SEBI Listing Regulations, 2015 as amended, and any circular or notifications issued by SEBI thereunder; |
| (e) the issuer has obtained the Permanent Account Number of the proposed allottees. |

ISSUERS INELIGIBLE TO MAKE A PREFERENTIAL ISSUE

Preferential issue of specified securities shall not be made to any person who has sold or transferred any equity shares of the issuer during the six months preceding the relevant date.

An issuer shall not be eligible to make a preferential issue if any of its promoters or directors is a fugitive economic offender.

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PRICING FOR PREFERENTIAL ISSUE

If the company listed for
 ≥ 6 months

If the company listed for
 < 6 months

The price not less than higher of:-

A. $\frac{(26 \text{ weekly highest}) + (26 \text{ weekly lowest})}{2}$

52

B. $\frac{(10 \text{ days highest}) + (10 \text{ days lowest})}{2}$

20

The price not less than higher of:-

A. PRICE OF IPO / VALUE OF SHARE
COMPUTED FOR M/A u/s 391-394

B. ——— SAME ———

C. AVG. OF WEEKLY HIGH & LOW DURING
THE PERIOD SHARE HAS BEEN LISTED

COUNTING FROM 'RELEVANT DATE':- Relevant date means a date 30 days prior to the
date on which the general meeting of the company is held in terms of
Section 62(1)(c) of companies Act ,2013.

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PRICING

A. Listed for more than 26 weeks

the issue of share on a preferential basis can be made at a **price not less than the higher** of the following:-

- (a) The **average of the weekly high and low** of the volume weighted average price of the related equity shares quoted on the stock exchange **during the twenty six weeks** preceding the relevant date;
Or
- (b) The **average of the weekly high and low** of the volume weighted average price of the related equity shares quoted on a stock exchange during the **two weeks** preceding the relevant date.

Relevant date means a date 30 days prior to the date on which the **general meeting** of the company is held in terms of **Section 62(1)(c)** of companies act, 2013.

Stock exchange means the stock exchange in which the highest trading volume has been recorded during the six month preceding the relevant date.

B. Listed for less than 26 weeks

Where the equity shares of the company has been listed on a stock exchange for a period of **less than 6 months** as on the relevant date Preferential basis can be made at a price not less than the higher of the following:

- | |
|---|
| (a) The price at which shares were issued by the company in its IPO or the value per share arrived at the scheme of arrangement u/s 230-232 of companies Act, 2013 pursuant to which shares of the company were listed, as the case may be; |
| (b) The average of the weekly high and low of the <u>volume weighted average price</u> of the related shares quoted on the stock exchange during the two week preceding the relevant date; |
| (c) The average of the weekly high and low of <u>volume weighted average price</u> of the related shares quoted on the stock exchange during the period shares have been listed preceding the relevant date. |

However, on completion of six month, if the **price computed as above is less** than other computation as per six month average, then the **difference shall be paid by the allottee** to the company.

PRICING OF EQUITY SHARES – INFREQUENTLY TRADED SHARES

Where the shares are not frequently traded, the price determined by the issuer shall take into account valuation parameters including book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies. However, the issuer shall submit a certificate stating that the issuer is in compliance of this regulation, obtained from an independent merchant banker or an independent valuer to the stock exchange where the equity shares of the issuer are listed.

LOCK-IN

The securities allotted on preferential basis to the promoter/promoter group shall be subject to **lock-in of 3 years** from the date of their **allotment**. In any case, **not more than 20%** of the total **capital** of the company shall be subject to lock-in of 3 years from the date of allotment

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QUALIFIED INSTITUTIONAL PLACEMENT

MEANING

Qualified Institutions Placement' means allotment of eligible securities by a listed issuer to qualified institutional buyers on private placement basis and includes an offer for sale of specified securities by the promoters and/or promoters group on a private placement basis in terms of SEBI (ICDR) Regulations, 2018.

ELIGIBLE SECURITIES FOR THE PURPOSE OF QIP

Eligible Securities include equity shares, non-convertible debt instruments along with warrants and convertible securities other than warrants.

WHO CAN ISSUE THE SECURITIES

A company, satisfying the following condition, can issue the shares or convertible securities under the 'QIBS' scheme:-	1. The company is listed on stock exchange(s) having nationwide terminals for a period of at least one year .
	2. The securities should be of the same class as that of which are already listed on stock exchange.
	3. The approval of shareholders by way of special resolution Section 62(1)(c) of companies act, 2013 has been obtained.
	4. An issuer shall be eligible to make a qualified institutions placement if any of its promoters or directors is not a fugitive economic offender.
	5. The issuer shall not make any subsequent qualified institutions placement until the expiry of six months from the date of the prior qualified institutions placement made pursuant to one or more special resolutions.

WHO CAN BE INVESTOR

Only qualified institutional buyers (QIBS) can be investor. However, QIBS who is promoters or any persons related to the promoters cannot invest in the issue.

qualified institutional buyer who has any of the following rights shall be deemed to be a person related to the promoters of the issuer:-
(a) rights under a shareholders' agreement or voting agreement entered into with promoters or promoter group;
(b) veto rights; or
(c) right to appoint any nominee director on the board of the issuer

MINIMUM NUMBER OF ALLOTTEES

1. The minimum number of allottees for each placement of eligible securities shall at least be: (a) two, where the issue size is less than or equal to two hundred and fifty crore rupees; (b) five, where the issue size is greater than two hundred and fifty crore rupees;
2. No single allottee shall be allotted more than fifty per cent. of the issue size.
3. Qualified institutional buyers belonging to the same group or who are under same control shall be deemed to be a single allottee
4. minimum of ten per cent. of eligible securities shall be allotted to mutual funds. However, any unsubscribed portion of the said minimum percentage or any part thereof may be allotted to other qualified institutional buyers;

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PRICING OF ISSUE

The issue of share under the qip scheme can be made at a price not less than the average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during the **two week** preceding the relevant date.

Issuer may offer a discount of not more than five per cent. on the price so calculated, subject to approval of shareholders.

*Relevant date means the date of **board meeting** in which the board decides to open the proposed issue.*

RESTRICTION ON TRANSFERABILITY OF SECURITIES

The securities allotted to QIBS shall not be sold for a period of **one year** from the date of **allotment**, except on a recognized stock exchange.

LISTING ON THE INSTITUTIONAL TRADING PLATFORM

APPLICABILITY

To issuers seeking listing of their specified securities pursuant to an initial public offer or for only trading on a stock exchange of their specified securities without making a public offer.

The provisions of these regulations, in respect of the matters not specifically dealt or excluded under this Chapter, shall apply mutatis mutandis to any listing or trading of specified securities under this Chapter

IMPORTANT:- *The institutional trading platform shall be accessible only to institutional investors and non-institutional investors and not to retail individual investors*

ELIGIBILITY FOR LISTING

The following issuers are eligible for listing on the Institutional Trading Platform (ITP):-

- | |
|--|
| (i) an issuer which is intensive in the use of technology, information technology, intellectual property, data analytics, bio technology or nano technology to provide products, services or business platforms with substantial value addition, and in which at least 25% of the share capital is being held by QIBs as on the date of filing of draft information document or draft offer document with SEBI, as the case may be; or |
| (ii) any other issuer in which at least 50% of the share capital is being held by QIBs. |
| (iii) A person, individually or collectively with persons acting in concert, shall not hold 25% or more of the post-issue share capital in an entity. |
| (iv) An issuer shall be eligible for listing on the ITP, if none of the promoters or directors of the issuer company is a fugitive economic offender. |

LISTING WITHOUT PUBLIC ISSUE

An entity pursuing listing of its specified securities without making a public issue shall file a draft information document along with necessary documents with the SEBI along with prescribed fees.

The draft information document shall contain disclosures as specified for the draft offer documents in these regulations.

Procedure of listing without public issue

- | |
|---|
| 1. The issuer shall obtain in-principle approval from the recognised stock exchanges on which it proposes to get its specified securities listed. |
| 2. The provisions relating to minimum public shareholding shall not apply to entities listed on institutional trading platform without making a public issue. |

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3.	The entity shall list its securities within 30 days from the date of issuance of observations by SEBI; or from the expiry of the period stipulated in sub-regulation (4) of regulation 25, if SEBI has not issued any such observations.
4.	The issuer which has received in-principle approval discussed above, shall be deemed to have been waived by SEBI under sub-rule (7) of rule 19 from the requirement of clause (b) of sub-rule (2) of rule 19 of Securities Contracts (Regulation) Rules, 1957 for the limited purpose of listing on the institutional trading platform.
5.	The draft and final information document shall be approved by the Board Of Directors of the issuer and shall be signed by all directors, the Chief Executive Officer i.e. the Managing Director or Manager as per Companies Act, 2013 and the Chief Financial Officer i.e. the Whole-Time Finance Director or any other person heading the finance function and discharging that function..
6.	The signatories shall also certify that all disclosures made in the information document are true and correct.
7.	In case of mis-statement in the information document or any omission therein, any person who has authorized the issue of information document shall be liable in accordance with the provisions of the SEBI Act, 1992 and regulations made there under

LISTING PURSUANT TO INITIAL PUBLIC ISSUE

An entity seeking issue and listing of its specified securities shall file a draft offer document along with necessary documents with SEBI along with prescribed fees.

The offer document shall disclose the broad objects of the issue.

Procedure of listing pursuant to public issue

1.	The minimum application size shall be 10 lakh rupees. 2. The number of allottees shall be atleast 200.
2.	The allocation in the net offer to public category shall be as follows: • 75% to institutional investors; However, there shall be no separate allocation for Anchor Investors; • 25% to non-institutional investors;
3.	Any under-subscription in the non-institutional investor category shall be available for subscription under the institutional investors' category.
4.	The allotment to institutional investors may be on a discretionary basis whereas the allotment to non-institutional investors shall be on a proportionate basis.
5.	The mode of allotment to institutional investors, i.e., whether discretionary or proportionate, shall be disclosed prior to or at the time of filing of the Red Herring Prospectus.
6.	In case of discretionary allotment to institutional investors, no institutional investor shall be allotted more than 10% of the issue size.

LOCK-IN

The entire pre-issue capital of the shareholders shall be locked-in for a period of six months from the date of allotment in case of listing pursuant to public issue or date of listing in case of listing without public issue.

TRADING LOT

The minimum trading lot on the stock exchange shall be ten lakh rupees.

MIGRATION TO THE MAIN BOARD

An issuer that has listed its specified securities on a recognised stock exchange may at its option migrate to the main board of that recognised stock exchange after expiry of three years from the date of listing subject to compliance with the eligibility requirements of the stock exchange.

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FAST TRACK ISSUE

Regulation 99 (fast track-right issue) & Regulation 155 (fast track FPO)

The concept of “Fast Track Issue” enables well established and law complaint listed companies to access Indian primary market in a time effective manner through **follow-on public offerings** and **right issues**.

ELIGIBILITY

An Issuer Company need not file the draft offer document with SEBI and obtain observations from SEBI, or make a security Deposit with the Stock Exchanges if it satisfies the following conditions:

- (a) the equity shares of the issuer have been listed on any stock exchange for a period of at least three years immediately preceding the reference date;
- (b) entire shareholding of the promoter group of the issuer is held in dematerialised form on the reference date;
- (c) the average market capitalisation of public shareholding of the issuer is at least one thousand crore rupees in case of public issue and two hundred and fifty crore rupees in case of rights issue;
- (d) the annualised trading turnover of the equity shares of the issuer during six calendar months immediately preceding the month of the reference date has been at least 2% of the weighted average number of equity shares listed during such six months' period. However if the public shareholding is less than fifteen per cent of its issued equity capital, the annualised trading turnover of its equity shares has been at least two per cent of the weighted average number of equity shares available as free float during such six months' period;
- (e) annualized delivery-based trading turnover of the equity shares during six calendar months immediately preceding the month of the reference date has been at least ten per cent of the annualised trading turnover of the equity shares during such six months' period;
- (f) The issuer has been in compliance with the equity listing agreement or SEBI Listing Regulations, 2015, as applicable, for a period of at least three years immediately preceding the reference date.

However, if the issuer has not complied with the provisions of the listing agreement or SEBI Listing Regulations, 2015, as applicable, relating to composition of board of directors, for any quarter during the last three years immediately preceding the reference date, but is compliant with such provisions at the time of filing of letter of offer, and adequate disclosures are made in the letter of offer about such non-compliances during the three years immediately preceding the reference date, it shall be deemed as compliance with the condition;

Further, imposition of monitory fines by stock exchange on the issuer shall not be a ground for ineligibility for undertaking issuances under this regulations.
- (g) the issuer has redressed at least ninety five per cent of the complaints received from the investors till the end of the quarter immediately preceding the month of the reference date;
- (h) no show-cause notices have been issued or prosecution proceedings have been initiated by the Board and pending against the issuer or its promoters or whole-time directors as on the reference date;
- (i) issuer or promoter or promoter group or director of the issuer has not settled any alleged violation of securities laws through the consent or settlement mechanism with the Board during three years immediately preceding the reference date;
- (j) equity shares of the issuer have not been suspended from trading as a disciplinary measure during last three years immediately preceding the reference date;
- (k) There shall be no conflict of interest between the lead merchant banker(s) and the issuer or its group or associate company in accordance with applicable regulations.
- (l) impact of audit qualifications, if any and where quantifiable, on the audited accounts of the issuer in respect of those financial years for which such accounts are disclosed in the letter of offer does not exceed five per cent of the net profit or loss after tax of the issuer for the respective years.

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GREEN SHOE OPTION - PROCESS

STEP:- 1

STABILISING AGENT (SA) OPENS :-



STEP:- 2

SA BORROWS SHARES FROM PROMOTERS & PRE-ISSUE SHAREHOLDERS



SHARES
(Max. 15% of Issue size)



PROMOTERS & PRE-ISSUE SCH.

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STEP:- 3

SA ALLOTS SHARES TO UNSUCCESSFUL APPLICANTS (Of public issue) AND RECEIVES THE MONEY AGAINST THE ALLOTMENT IN GSO BANK A/C.



SHARES



APPLICANTS / INVESTORS



CASH

STEP:- 4

SA BUYS SHARES FROM STOCK MARKET & MAKES PAYMENT FROM BANK A/C.



SHARES



CASH



STOCK MARKET

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STEP:- 5

SA RETURNS SHARES TO PROMOTERS & PRE-ISSUE SHAREHOLDERS WITHIN 2 DAYS OF CLOSURE OF STABILIZATION PERIOD



SHARES



PROMOTERS & PRE-ISSUE SCH.

STEP:- 6

AFTER RETURNING OF SHARES SA CLOSES BOTH A/C. THE COMPANY THEN MAKES FINAL LISTING APPLICATION FOR OVER-ALLOTTED SHARES.

STABILISING AGENT (SA) CLOSES :-



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“Average Market Capitalisation of Public Shareholding” means the sum of daily market capitalisation of public shareholding for a period of one year up to the end of the quarter preceding the month in which the proposed issue was approved by the shareholders or the board of the issuer, as the case may be, divided by the number of trading days.

REFERENCE DATE

For FPO= the date of filing of RHP/Prospectus with ROC

For Right issue= the date of filing of letter with Designated stock exchange,

GREEN SHOE OPTION

REGULATION 57/152

GREEN SHOE OPTION- MEANING

Green shoe option means an option of allocating shares in excess of the share included in the public issue and operating a post listing price stabilizing mechanism in accordance with the provision of SEBI (ICDR) Regulations, 2018, which is granted to a company to be exercised through a stabilizing agents.

Green shoe option is available both in initial public offering by an unlisted company as well as further public offering by a listed company, whether by fixed price method (i.e., traditional method) or price discovery method (i.e., book building method).

GREEN SHOE OPTION-ORIGIN



The term "green shoe" came from the Green Shoe Manufacturing Company (now called Stride Rite corporation) founded in 1919. It was the first company to implement the green shoe option

ICICI bank has used Green shoe Option first time in its public issue through book building mechanism in India

GREEN SHOE OPTION- PURPOSE

The basic purpose of 'green shoe option' is not to make available additional share capital to company, but to act as stabilizing agents, if issue is over subscribed. The share held by promoters or pre-issue shareholders are lent to stabilizing agents (SA). Such lending up to **15 % of issue** is permissible. These are returned to promoters or pre-issue shareholder, as the case may be. Promoters or Pre-issue shareholder do not get any profit in this transaction.

The idea is that due to excess supply of share (permitted up to 15 %) market price will not shoot up to abnormally high.

PROVISIONS OF SEBI (ICDR) GUIDELINE, 2018 ON GREEN SHOE OPTION

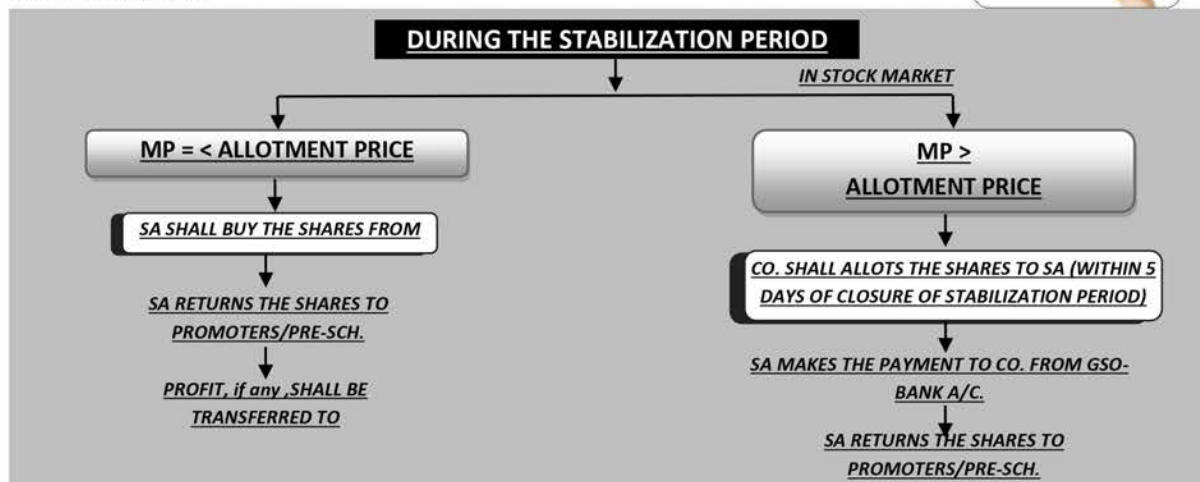
➤ OPTION TO COMPANY GREEN SHOE OPTION

In case an issuer company is making a public offer of equity share, the company can avail of green shoe option (GSO) for stabilizing the post listing price of its shares. For this purpose, shareholders approval by way of **ordinary resolution** is required.

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➤ **APPOINTMENT OF STABILIZING AGENTS**

The company shall appoint one of the **merchants bankers or books runners**, as the case may be, amongst the issue management team, as the “stabilizing agents” (SA) who will be responsible for the price stabilizing process, if required. The SA shall **enter into agreement** with the issuer company, **prior to filing of offer document** with SEBI, clearly stating all the terms and conditions relating to the option including fee charged / expenses to be incurred by SA for the purpose.

➤ **AGREEMENT WITH PROMOTERS OR PRE-ISSUE SHAREHOLDERS**

The SA shall also enter into an **agreement with the promoter(s) and pre-issue shareholders**, who will lend their shares, specifying the maximum numbers of shares that may be borrowed from the promoter(s) and pre-issue shareholders, which shall not be in excess of 15 % of the total issue size.

➤ **DISCLOSURE OF AGREEMENT**

The detail of the aforesaid agreement shall be disclosed in the draft red herring prospectus, draft prospectus, and the final prospectus.

➤ **BORROWING OF SHARES BY STABILIZING AGENTS AND ITS ALLOCATION**

The SA shall borrow the shares from the promoters or the pre-issue shareholders of the company to the extent of the proposed over-allotment. These shares shall be in **dematerialized form only**. In case of an **IPO** by an unlisted company the **promoters or the pre-issue shareholders** of the company may lend their shares. In case of public issue by a listed company (FPO), the **promoter and pre-issue shareholders holding more than 5 % shares** may lend the share. The allocation of these shares shall be pro-rata to all the applicants.

STABILIZING MECHANISM

The stabilizing mechanism shall be available for a period disclosed by the company in the prospectus, which shall not exceed **30 days** from the date when **trading permission** was given by stock exchange(s). The SA shall open a special account with bank (**GSO bank account**) and a special accounts for securities with depository participant (**GSO demat account**).

The **money received from the applicant** against the over-allotment in the green shoe option shall be kept in the **GSO bank account**, distinct from the issue accounts and shall be **used for the purpose of buying shares from the market**, during the stabilization period. The **share brought** from the market by SA, if any during the stabilization period, shall be credited to the **GSO demat account**.

The **share** brought from the market and lying in the GSO demat account shall be **returned** to the promoters immediately, in any case not later than **2 working days** after the **closure of stabilization period**.

The prime responsibility of the SA shall be to stabilize post issue listing price of the shares. To this end the SA shall determine the **timing of buying the shares**, the quantity to be bought, the price at which the shares are to be bought etc.

ALLOTMENT IF SA DOES NOT BUY ALL SHARES

On the expiry of that stabilization period, in case the SA does not buy shares to the extent of shares over-allotted by the company from the market, the **issuer company shall allot shares** to the extent of the shortfall in **dematerialization form** to the GSO demat account, within **5 days of the closure of the stabilization period** and the SA shall make that **payment** for the same out of **GSO bank account**. These **shares shall be returned to the promoters** by the SA in lieu of the shares borrowed from them and the GSO demat account shall be closed thereafter.

The company shall make a **final listing application** in respect of these shares to all the stock exchanges where the shares allotted in the public issue are listed.

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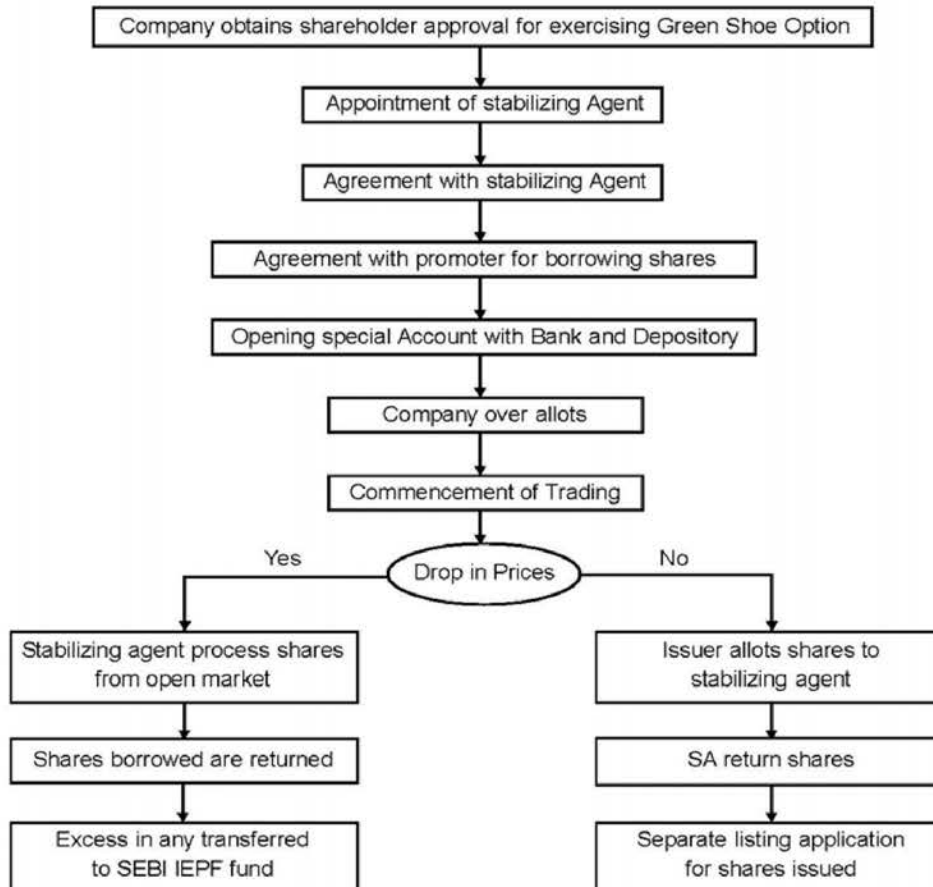


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EXCESS MONEY TO BE TRANSFERRED TO INVESTOR PROTECTION FUND

The amount left in GSO bank account, if any, after this remittance and deduction of expenses incurred by the SA for the stabilization mechanism shall be transferred to **the investor protection fund(s)** of the stock exchange(s). The GSO bank account shall be close soon thereafter.

GREEN SHOE OPTION PROCESS



EMPLOYEES' STOCK OPTION SCHEME

ESOP - MEANING

Employees' stock option scheme helps a company to enter into a strategic and **robust relationship with their employees** on a voluntary basis and in a gracious manner for their genuine benefit. It has now been accepted internationally that stock options are an effective instrument to align the interest of the employee with that of the company. It also provides an opportunity to **employees to participate in the growth of the company**, besides creating long term wealth in their hands.

According to **section 2(37) of Companies Act, 2013** "employees' stock option" means the option given to the directors, officers or employees of a company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a pre-determined price;

ESOSs means a scheme under which a company **grants option to employee**.

ESPSs means a scheme under which the **company offers shares to employee as part of a public issue or otherwise**.

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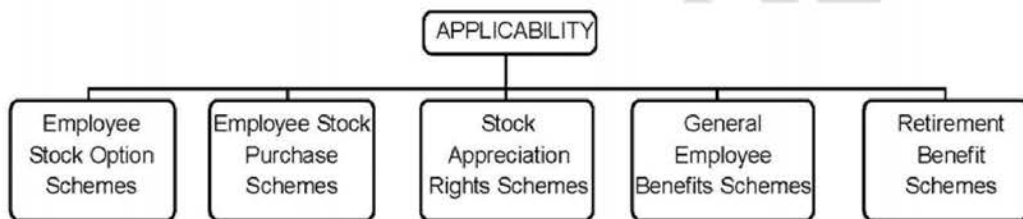


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SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014

Applicability

- A. The provisions of these regulations shall apply to any **company whose shares are listed on a recognised stock exchange in India, and has a scheme:**
- (i) for direct or indirect benefit of employees; and
 - (ii) involving dealing in or subscribing to or purchasing securities of the company, directly or indirectly; and
 - (iii) satisfying, directly or indirectly, any one of the following conditions:
 - (a) the scheme is set up by the company or any other company in its group;
 - (b) the scheme is funded or guaranteed by the company or any other company in its group;
 - (c) the scheme is controlled or managed by the company or any other company in its group.
- B. The provisions of these regulations shall apply to following:-
- (i) employee stock option schemes;
 - (ii) employee stock purchase schemes;
 - (iii) stock appreciation rights schemes;
 - (iv) general employee benefits schemes; and
 - (v) retirement benefit schemes.



Non Applicability

Shares issued to employees in compliance with the provisions pertaining to preferential allotment as specified in the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

Highlights of the Regulations

The highlights of the regulations are as follows:-

- (a) Company can implement schemes either **directly** or by **setting up an irrevocable trust(s)**.
- (b) No scheme shall be offered to employees of a company unless the shareholders of the company approve it by passing a **special resolution** in the general meeting.
- (c) Companies having employee stock option programmes are allowed to buy their own company shares subject to certain conditions.
- (d) Company shall constitute a **compensation committee** for administration and superintendence of the schemes.
- (e) Secondary acquisition in a financial year by the trust shall **not exceed two per cent of the paid up equity capital** as at the end of the previous financial year.
- (f) For undertaking secondary market acquisitions companies are required to take **shareholders' approval through special resolution**;
- (g) The trust shall be required to hold the shares acquired through secondary acquisition for a **minimum period of six months**.
- (h) Option, SAR (stock appreciation rights schemes) or any other benefit granted to an employee under the regulations **shall not be transferable to any person**.

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- (i) The employee **shall not have right to receive any dividend or to vote** or in any manner enjoy the benefits of a shareholder in respect of option granted to him, **till shares are issued upon exercise of option.**
- (j) The amount payable by the employee, if any, at the time of grant of option, may be forfeited by the company if the option is not exercised by the employee within the exercise period; or may be refunded to the employee if the options are not vested due to non-fulfillment of conditions relating to vesting of option as per the ESOS.

REQUIREMENTS SPECIFIED UNDER THE SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014

1. MINIMUM PROVISIONS IN A TRUST DEED

The SEBI requires certain provisions to be incorporated in the Trust Deed:-

1. Details of the Trust- its name, object, source of funds, its usage and details of scheme, settler, trustees;
2. Powers and Duties of trustee(s);
3. Provisions on dissolution of the Trust;
4. Provisions specifying that the trustee shall not act in any manner that would be detrimental to the interests of the beneficiaries;
5. Other clauses to safeguard the interests of the beneficiaries

2. COMPENSATION COMMITTEE

A company shall constitute a compensation committee, as per **section 178 of Companies Act, 2013**, for administration and superintendence of the schemes. As per the regulation, the **committee is required to formulate detailed terms and conditions regarding:-**

- (a) Quantum of the benefit;
- (b) Kind of benefits;
- (c) Conditions to avail the benefits;
- (d) Period within which the employee shall exercise the option;
- (e) Exercise period of the option in the event of termination or resignation of an employee;
- (f) Right of an employee to exercise all options at one time or at various points of time;

3. SHAREHOLDERS' APPROVAL

As per the provisions of regulations, no scheme shall be offered to the employees of a company unless the shareholders of the company approve it by passing a **special resolution**. The explanatory statement to the notice shall include the information as specified by SEBI in this regard.

4. LISTING REQUIREMENT

In case new issue of shares is made under the scheme, **it has to be listed immediately** on the stock exchange. A statement has to be filed by the company and obtain an in-principle approval from the stock exchange. Such statement shall include the description of the schemes in detail.

The company shall also notify the concerned stock exchange as and when an exercise of option/SAR is made.

5. DISCLOSURES BY BOARD OF DIRECTORS

The Board of Directors in their report shall disclose any material change in the scheme(s) and whether the scheme(s) is/are in compliance with the regulations.

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The following details shall be disclosed on the company's website and a web-link thereto shall be provided in the report of board of directors:

- (a) Relevant disclosures relating to the accounting standards;
- (b) Diluted EPS on issue of shares pursuant to all the schemes;
- (c) Details related to ESOS;
- (d) Details related to ESPS;
- (e) Details related to SAR;
- (f) Details related to General Employee Benefit Scheme/Retirement Benefit Scheme (GEBS/ RBS);
- (g) Details related to Trust;

6. **MANDATORY DISCLOSURES**

No ESOS/SAR shall be offered unless the disclosures, as specified by the SEBI in this regard, are made by the company to the prospective option/SAR grantees. The disclosure documents specified are:

- (a) Statement of Risks;
- (b) Information about the company;
- (c) Salient features of the scheme.

DISTINCTION BETWEEN ESOS & ESPS

Basis	Employee stock Option	Employee Stock Purchase Scheme
DEFINITIONS	Employee stock option scheme means the option given to the whole-time Directors, officers or employees of a company which gives such directors, officers or employees' the option or right to purchase equity shares at a future date at a predetermined price.	Employee stock purchase scheme (ESPS) means a scheme under which the company offers shares to employees as part of a public issue or otherwise
LOCK- IN PERIOD	Lock in period of 1 year	No Lock in period
PERIOD OF ISSUE	At any time by the Company	Under this Scheme , certain percentage of public issue shall be reserved for the employee
PRICING	The company is free to fix any price	Employee will be at the same price as like general public.
LISTING	If ESOs is being issued by the listed company, then it is required otherwise listing is not required	Listing is mandatory

EMPLOYEE STOCK PURCHASE SCHEME (ESPS)

Pricing and Lock-In

The company may determine the price of shares to be issued under an ESPS, provided they conform to the provisions of accounting policies under these regulation. Shares issued under an ESPS shall be locked-in for a minimum period of one year from the date of allotment.

However, in case where shares are allotted by a company under an ESPS in lieu of shares acquired by the same person under an ESPS in another company which has merged or amalgamated with the first mentioned company, the lock-in period already undergone in respect of shares of the transferor company shall be adjusted against the lock-in period.

If ESPS is part of a public issue and the shares are issued to employees at the same price as in the public issue, the shares issued to employees pursuant to ESPS shall not be subject to lock-in.

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EMPLOYEE STOCK OPTION SCHEME

Procedure for issuing ESOP by a Listed Company

- (a) Hold a Board Meeting to consider and approve ESOP and formation of Compensation Committee;
- (b) Compensation committee shall plan draft the scheme of ESOP;
- (c) Hold Board meeting to adopt the final scheme, appoint the Merchant banker and approve the notice of the General meeting for shareholders approval;
- (d) Hold General Meeting for approval of shareholders;
- (e) Make an application to the stock exchange for obtaining in-principal approval of the stock exchange;
- (f) Issue of letter of grant of option to the eligible employees along with the letter of acceptance of option;
- (g) On receipt of letter of acceptance of option along with upfront payment (if any), from the employee issue the option certificates;
- (h) After expiry of vesting period, not less than one year the options shall vest in the employee. At that time, the Company shall issue a letter of vesting along with the letter of exercise of options;
- (i) Receipt to letter of exercise from the employee;
- (j) Hold a Board Meeting at the suitable Interval during the exercise period for allotment of shares on options exercised by the optioness;
- (k) Dispatch of letter of allotment along with the share certificates or credit the shares so allotted with the Depositories;
- (l) Make an application to the Stock exchange for listing of the Shares so allotted; and
- (m) Receipt of Listing of the shares from the Stock exchange.

IMPLEMENTATION OF SCHEMES THROUGH TRUST

1. If a company has implemented the scheme through a trust and the same has to be decided upfront at the time of taking approval of the shareholders for setting up the schemes.
However, if the scheme involves secondary acquisition or gift or both, then it is mandatory for the company to implement such scheme(s) through a trust(s).
2. A company may implement several schemes as permitted under these regulations through a single trust.
However, such single trust shall keep and maintain-
 - (a) proper books of account,
 - (b) records and documents,for each such scheme so as to explain its transactions and to disclose at any point of time the financial position of each scheme and in particular give a true and fair view of the state of affairs of each scheme.
3. A person shall not be appointed as a trustee, if he-
 - (i) is a director, key managerial personnel or promoter of the company or its holding, subsidiary or associate company or any relative of such director, key managerial personnel or promoter; or
 - (ii) beneficially holds ten percent or more of the paid-up share capital of the company;However, where individuals or 'one person companies' as defined under the Companies Act, 2013 are appointed as trustees, there shall be a minimum of two such trustees, and in case a corporate entity is appointed as a trustee, then it may be the sole trustee.
4. The trustees of a trust, which is governed under these regulations, shall not vote in respect of the shares held by such trust, so as to avoid any misuse arising out of exercising such voting rights.

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5. The trustee should ensure that appropriate approval from the shareholders has been obtained by the company in order to enable the trust to implement the scheme(s) and undertake secondary acquisition for the purposes of the scheme(s).
6. The company may lend monies to the trust on appropriate terms and conditions to acquire the shares either through new issue or secondary acquisition, for the purposes of implementation of the scheme(s).
7. For the purposes of disclosures to the stock exchange, the shareholding of the trust shall be shown as 'non-promoter and non-public' shareholding.
8. Secondary acquisition in a financial year by the trust shall not exceed two percent of the paid up equity capital as at the end of the previous financial year.

ISSUE OF SECURITIES BY SMALL AND MEDIUM ENTERPRISES

An issuer making an initial public offer of specified securities shall satisfy the conditions of **Chapter IX of SEBI (ICDR) Regulations, 2018** as on the date of filing of the draft offer document with the SME Exchange and also as on the date of registering the offer document with the ROC.

APPLICABILITY

A company can issue specified securities if :

- (a) The post-issue face value capital does not exceed 10 crore rupees.
- (b) The post issue face value capital is more than 10 crore rupees and upto 25 crore rupees.

MINIMUM APPLICATION VALUE AND NUMBER OF ALLOTTEES

- (a) The minimum application size in terms of number of specified securities shall not be less than one lakh rupees per application.
- (b) The minimum number of prospective allottees should be less than fifty.

LISTING OF SPECIFIED SECURITIES

The specified securities issue in accordance with the provision of SEBI ICDR regulations will be listed on SME exchange.

MIGRATION TO MAIN BOARD

- (a) An company, whose specified securities are listed on a SME Exchange and whose post issue face value capital is more than 10 crore rupees and upto 25 crore rupees, can migrate its specified securities to Main Board –
 - (i) if its shareholders approve such migration by passing a special resolution through postal ballot to this effect and
 - (ii) if such issuer fulfils the eligibility criteria for listing laid down by the Main Board.

MARKET MAKING

- (a) The merchant banker ensure that there shall be compulsory market making through the stock brokers of SME exchange for a minimum period of three years from the date of listing of specified securities.

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NKJ-CLASSROOM PRACTICE



Q. 1. Technopoly Ltd., an unlisted public company, having a paid up equity share capital of Rs. 3.00 crore consisting of 30,00,000 equity shares of Rs. 10 each fully paid up, proposes to reduce the denomination of equity shares to less than Rs. 10 per share and make the initial public offer of equity shares at a premium. Whether it is possible for the company to issue shares at a denomination of less than Rs. 10? Based on the above facts, you are required to state the minimum issue price, with reference to the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

[Dec. 2018; 5 Marks]

Ans. As per Regulation 3 of SEBI(ICDR) Regulations, 2018, these regulations are applicable in following cases:

- (a) An initial public offer by an unlisted issuer;
- (b) A rights issue by a listed issuer; where the aggregate value of the issue is Rs. 10 crore or more;
- (c) A further public offer by a listed issuer;
- (d) A preferential issue by a listed issuer;
- (e) A qualified institutions placement by a listed issuer;
- (f) An initial public offer of Indian depository receipts;
- (g) A rights issue of Indian depository receipts;
- (h) An initial public offer by a small and medium enterprise;
- (i) A listing on the innovators growth platform through an issue or without an issue; and
- (j) A bonus issue by a listed issuer.

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METROPOLIS
The Pathology Specialist

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ENTIRE PUBLIC OFFERING OF UP TO 13,688,525 EQUITY SHARES OF FACE VALUE OF ₹ 2 EACH (THE "EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹ 10 PER EQUITY SHARE (AGGREGATING UP TO ₹ 136,885.25 MILLION) AND CONSISTING OF AN OFFER FOR SALE OF UP TO 6,272,335 EQUITY SHARES BY DR. SUSHIL KANUBIA/SHAN (THE "PROMOTER SELLING SHAREHOLDER") AGGREGATING UP TO ₹ 62,723.35 MILLION AND UP TO 41,746 EQUITY SHARES BY CAL LOTUS INVESTMENTS (THE "INVESTOR SELLING SHAREHOLDER") AGGREGATING UP TO ₹ 41,746 MILLION (THE "OFFER"). THE OFFER INCLUDES A RESERVATION OF UP TO 368,500 EQUITY SHARES AGGREGATING UP TO ₹ 3,685 MILLION, FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION IS HEREINAFTER REFERRED TO AS THE "NET OFFER" AND SUCH NET OFFER SHALL BE SUBSCRIBED BY THE INVESTOR SELLING SHAREHOLDER AND THE PROMOTER SELLING SHAREHOLDER ACTIVELY, IN THE ORDER OF THEIR RESPECTIVE RANKING IN THE OFFER.

Price Band: ₹ 877 to ₹ 880 per Equity Share of face value of ₹ 2 each.
The Floor Price is 438.50 times the face value and the Cap Price is 440.00 times the face value of the Equity Shares.
Bids can be made for a minimum of 17 Equity Shares and in multiples of 17 Equity Shares thereafter.

UPFI

Investors have to apply through the ASISA process. ASISA has to be endorsed by all the investors except other Investors. UPFI may be availed by retail individual Investors. For details on the ASISA and UPFI processes, please refer to the Details page in LGU Bank and additional prospectus available at www.upfi.com.ph. The prospectus is also available on the website of Association of Banks in the Philippines (ABP) and Investment Bankers of India (IBI) and Stock Exchanges and in the General Information Document. ASISA sub-application forms can be downloaded from the websites of BSE Limited and National Stock Exchange of India Limited and can be obtained from the list of banks that is displayed on the website of www.upfi.com.ph. List of banks supporting UPFI is also available on the website of SEBI (www.sebi.gov.in). In HGF Bank Limited, there are approximately 600 banks participating in the ASISA process. The list of the Self-Certified Syndicate Banks eligible as Sponsor Banks for UPFI, for further details kindly refer to the website of SEBI (www.sebi.gov.in/docs/default-document/collecteddoc/pse-issued-18-11-14.pdf). Allahabad bank, Andhra Pradesh, HFC Bank, ICICI Bank, Karvy Finance Bank, Punjab & Sind Bank, Federal Bank and YES Bank are the Self-Certified Syndicate Banks eligible to act as Saviour banks for UPFI. For further details kindly refer to the website of SEBI.

Now available in ASISA for retail Individual Investors

- Risks to Investors**
- I. The 5 Book Running Lead Managers associated with the Offer have handled 44 public issues in the past three years out of which 12 public issues closed below the issue price on listing date.
- II. The average cost of acquisition per Equity Share for our Selling Shareholders in the IPO is, ₹ 35.48 for Dr. Sushil Kanubhai Shah and ₹ 454.81 for CA Lotus Investments. The Offer Price at the upper end of the price band is ₹ 880 per Equity Share.

OPENS TODAY
CLOSES ON: FRIDAY, APRIL 5, 2019

of the following designated intermediaries, as applicable:

- **SEBI Registered Intermediaries (SEBI RI)** (including Regulatory) Rules, 2008 ("SEBI RI Rules") issued under the Securities and Exchange Board of India (SEBI) Act of 1992 (SEBI Act) and Securities and Exchange Board of India (SEBI) Regulations, 2009, as amended ("SEBI RI Regulations"). The offer is being made for at least 10% of the post-offer paid-up Equity Share capital of our Company. Further, if the offer is made through the SEBI RI, the offer is made through the SEBI RI in compliance with Regulation 20(2) of the SEBI RI Regulations, whereas at least 75% of the Net Offer shall be Allocated to a proportionate basis to the Qualified Institutional Buyers ("QIBs") or "QIB Portion", provided that the offer and the Selling Shareholders, in consultation with the SEBI RI, may allocate up to 10% of the QIB Portion to Investors, on a discretionary basis ("Anchor Investor Portion"), of which one-third shall be reserved for the Anchor Investor Portion. The Anchor Investor Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid bids being received from them at or above the Offer Price. At least 75% of the Net Offer cannot be Allocated to QIBs, the entire application money shall be refunded forthwith. Further, not more than 15% of the Net Offer will be available for allocation on a proportionate basis to Non-Institutional Investors and not more than 15% of the Net Offer will be available for allocation on a proportionate basis to Retail Investors.
- **Anchor Investor Portion** ("AIP") process and shall provide details of their respective bank account in which the Bid amount will be locked by the SEBIs or under the LPM Mechanism, as the case may be. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process.

[illegible]

The Company, The Memorandum of Association of the Company is a statement for inspection in relation to the Offer. For further details, please see the section titled "Material Contracts and Documents for Inspection" on page 72 of the RHP.

Liability of the members of the Company: Limited by shares.

Amount of share capital of the Company and capital structure: The authorised, issued, subscribed and paid up share capital of the Company as on the date of the RHP is as follows: The authorised share capital of the Company is ₹ 991,508,030 divided into 296,754,015 Equity Shares of ₹ 2 each.

The issued, subscribed and paid up share capital of the Company is ₹ 100,357,360 divided into 50,178,680 Equity Shares of ₹ 2 each. For details, please see the section titled "Capital Structure" beginning on page 96 of the RHP.

The issued, subscribed and paid-up share capital of the Company is ₹ 100,00,000 divided into 50,00,000 Equity Shares of ₹ 2 each. For details, please see the section titled "Capital Structure" beginning on page 90 of the RHP.

Names of signatories to the Memorandum of Association of the Company and the number of Equity Shares subscribed by them: The names of the signatories of the Memorandum of Association of our Company are Sunil Seth and Kamal Shahani, who subscribed to 1 equity share each of face value of ₹ 10 as initial subscription.

Listing: The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on BSE and NSE. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated October 12, 2018 and October 22, 2018, respectively. For the purposes of the Offer, the Designated Stock Exchange shall be BSE. Assigned copy of the Red Herring Prospectus has been and the Prospectus shall be delivered for registration to RoC in accordance with the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Red Offer Closing Date, see "Material Contracts and Documents for Inspection" on page 727 of the RHP.

Disclaimer Clause of the SEBI: SEBI only gives its observations on the Offer documents and this does not constitute approval of either the Offer or the specified securities or the offer document. The investors are advised to refer to page 563 of the RHP for the full text of the Disclaimer Clause of SEBI.

Disclaimer Clause of BSE (Designated Stock Exchange) : It is to be distinctly understood that the permission given by BSE, should not in any way be deemed or construed that the RHP has been cleared or approved by BSE, nor does it certify the correctness or completeness of any of the contents of the RHP. The investors are advised to refer to page 577 of the RHP for the full text of the Disclaimer Clause of BSE.

General Risks: Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI

THE CREDITORS OF THE COMPANY HAVE NO LIABILITY FOR THE CONTENTS OF THE PROSPECTUS. THE CREDITORS OF THE COMPANY HAVE NO LIABILITY FOR THE CONTENTS OF THE PROSPECTUS. THE CREDITORS OF THE COMPANY HAVE NO LIABILITY FOR THE CONTENTS OF THE PROSPECTUS.

BOOK LEARNING LEAD MANAGERS					REGISTER TO THE OFFER	
 JFM FINANCIAL 17th Floor, Green Apporosa Heights 100, Market Road, 400 025 Tel: (91) 227 8600 3000 Fax: (91) 227 9630 3330 Email: investor@jfmgroup.com Investor Grievance Email: complaints@jfmgroup.com investor@jfmgroup.com Contact Person: Prachee Churi SEBI Registration Number: RM0000013361	 CREDIT SUISSE Credit Suisse Securities (India) Private Limited 20th Floor, The Imperial, De Anza Service Road, Mumbai, 400 018 Tel: (91) 227 3771 3885 Fax: (91) 227 4777 3800 Email: info.mumbai@credit-suisse.com Investor Grievance Email: info.mumbai@credit-suisse.com Contact Person: Chinty Shah SEBI Registration Number: RM000001165	 Goldman Sachs (India) Securities Private Limited 10th Floor, 101-A, Aapostrophe, Peninsula Business Park, Lower Phase, Mumbai 400 025 Tel: (91) 227 5600 8233 Fax: (91) 227 6618 9000 Email: sebi-mumbai@goldmans.com Investor Grievance Email: india-client-opcs@goldmans.com Contact Person: Gaurav Garg SEBI Registration Number: RM000001060	 HDFC BANK Limited Investment Banking Group, Lower Phase, 10th Floor, 101-A, Aapostrophe, Peninsula Business Park, Lower Phase, Mumbai 400 025 Tel: (91) 227 5600 8233 Fax: (91) 227 3078 5050 Email: sebi-mumbai@hdfcbank.com Investor Grievance Email: investor.mumbai@hdfcbank.com Contact Person: Ram Dharma SEBI Registration No: RM000001060	 Kotak Bank Limited 27th Floor, 27B/C, Plot No. 27, G Block, Bandra Kurla Complex, Bandra East, Mumbai 400 050 Tel: (91) 227 4336 0000 Fax: (91) 227 4732 4447 Email: sebi.mumbai@kotak.com Investor Grievance Email: investor.mumbai@kotak.com Website: www.investorbanking.kotak.com Contact Person: Gaurav Garg SEBI Registration Number: RM000001060	 LINKIntime Link Intime India Private Limited C-101, 1st Floor, 247 Park, L S B Marg, Bandra West, Mumbai 400 050 Tel: (91) 227 4818 8200 Fax: (91) 227 4818 8185 Email: investor.mumbai@linkintime.com Investor Grievance Email: metropolis@linkintime.com Website: www.linkintime.com Contact Person: Shanti Gopalakrishnan SEBI Registration Number: RM000001058	Jayant Prahash 236 D Lying Bungalow, Hyde Circle West, Mumbai 400 050 Maharashtra, India Telephone: (91) 22 6256 2810 Email: investor@metropolisindia.com Website: www.metropolisindia.com Investors can contact the Company Secretary and Compliance Officer, Metropolis India Private Limited, at any pre-offer or post-offer related time for the receipt of the Offer in Acknowledgement, non-credit of Allotted Equity or non-credit of Funds by the Company account, non-credit of Allotted Equity or non-credit of Funds by the Company

^aIn compliance with the proviso to Regulation 21A(1) of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended, read with proviso to Regulation 5(3) of the SEBI ICDR Regulations, Credit Suisse Securities (India) Private Limited is involved as a merchant banker only in marketing of the Offer.

AVAILABILITY OF THE RHP: Investors are advised to refer to the RHP and the Risk Factors, contained therein before applying in the Offer. Full copy of the RHP is available on the website of SEBI at www.sebi.gov.in, website of the BRLMs, i.e. at www.jrfb.com, www.credit-suisse.com, www.adb.com, www.hdfcbank.com and www.investmentbank.kotak.com, respectively and on the websites of RBI and NSE at www.rbiindia.com and www.nseindia.com, respectively.

AVAILABILITY OF BID CUM APPLICATION FORMS: Bid cum Application Forms can be obtained from the Registered Office of Metropolis Healthcare Limited, Tel: (91 22) 6258 2810; Facsimile: Not available. BRLM - JM Financial Limited, Tel: (91 22) 6630 3030; Facsimile: (91 22) 6630 3330. Credit Suisse Securities (India) Private Limited, Tel: (91 22) 6777 3885; Facsimile: (91 22) 6777 3820. Goldman Sachs (India) Securities Private Limited, Tel: (91 22) 6616 9000; Facsimile: (91 22) 6616 8001. HDFC Bank Limited, Tel: (91 22) 3305 5233; Facsimile: (91 22) 3078 8504.

Greenwich Securities (India) Private Limited, Tel: (91 22) 6722 1111, Facsimile: (91 22) 6722 1100, Subordinate members (separate) securities Private Limited, Tel: (91 22) 6610 1000, Facsimile: (91 22) 6610 1001, M/s. H.N. Shanbhag & Co. Private Limited, Tel: (91 22) 3632 5632, Facsimile: (91 22) 3632 5633, Kotak Mahindra Capital Company Limited, Tel: (91 22) 4338 0000, Facsimile: (91 22) 6713 2447 & Syndicate Members: JM Financial Services Limited, Tel: +91 22 8126 3400 and Kotak Securities Limited, Tel: +91 22 6218 9470, Facsimile: +91 22 6601 7041 at the select locations of the Sub-syndicate Members (as given below). SCSEs, Registered Brokers, RTAs and CDPs participating in the Offer. ASEA Forms will also be available on the website of BSE and NSI and the Designated Branches of SCSEs, the list of which is available at website of the Stock Exchanges and SEBI.

[illegible]

Securities Limited, IDBI Capital Markets & Securities Limited, Inventive Merchant Banker Services Private Limited, Kany Stock Broking Limited, Kante Capital Limited, KAMC Capital Market Services Limited, LXP Securities Limited, Mark Corporate Advisors Private Limited, Monsoon Capital Limited, Monarch Network Capital Limited, Mofila Oswal Securities Limited, MPSE Securities Limited, Navrang Corporate Advisors Limited, Nirmal Bang Securities Private Limited, Parimath Securities Limited, Prathudaa Lifadhar Private Limited, Provin Rural Share & Stock Brokers Limited, Rathi Securities Limited, RIR Equity Brokers Private Limited, Saifron Capital Advisors Private Limited, Samh Capital Advisors Private Limited, SBI Cap Securities Limited, Shaanhan Limited, SMC Global Securities Limited, SPA Capital Advisors Limited, Sparia Securities Limited, Swastika Investment

Escrow Bank, Refund Bank, Public Offer Account Bank and Sponsor Bank: HDFC Bank Limited.

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the RHP.

Place: Mumbai


DATE: April 2, 2019 **COMPANY SECRETARY AND COMPLIANCE OFFICER:**

NETROPOLIS REALTICARE LIMITED is proposing, subject to, receipt of requisite approvals, market conditions and other considerations, to make a public offer of its Equity Shares and has registered the Red Herring Prospectus with ROC. The Red Herring Prospectus shall be available on the websites of SEBI, BSE, NSE at www.sebi.gov.in, www.bseindia.com and www.nseindia.com, respectively, and is available on the websites of the Book Running Lead Managers ("BRLMs"), i.e., JM Financial Limited, Credit Suisse Securities (India) Private Limited, Goldman Sachs India Securities Private Limited, HDFC Bank Limited and Kotak Mahindra Capital Company Limited at www.jmfi.com, www.credit-suisse.com, www.goldmansachs.com, www.hdfcbank.com and www.investmentbank.kotak.com, respectively. Potential investors should note that investment in equity shares involves

These materials are not for publication or distribution, directly or indirectly, in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia). These materials are not an offer of securities for sale into the United States, Canada or Japan. The securities offered in the Offering have not been and will not be registered under the 1933 Securities Act of 1933, as amended (1933 Securities Act) or any state securities laws in the United States, and unless an exemption may not be offered or sold within the United States, cannot be sold to investors in the United States.

Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("U.S. Securities Act") or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) outside of the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur; and (ii) to "qualified institutional buyers" (as defined in Rule 144A, "Rule 144A") under the U.S. Securities Act, pursuant to the private placement exemption set out in Section 4(x) of the U.S. Securities Act. No

SECURITIES OFFERED HEREIN ARE NOT BEING OFFERED IN THE UNITED STATES OF AMERICA, AND NO OFFERING MATERIALS ARE BEING DISTRIBUTED IN THE UNITED STATES OF AMERICA. IF YOU ARE A U.S. RESIDENT, YOU MAY NOT BE ABLE TO PURCHASE THE SECURITIES OFFERED HEREIN. THE PUBLIC OFFERING OF SECURITIES IS BEING MADE IN THE UNITED STATES.

193 SEBI Regulations, 2018  CORPORATE LAW ACADEMY

193 SEBI Regulations, 2019 NITESH KR. JAISWAL CS CLA

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CHART NO.

Live Lecture



Space for
Additional Writing
Live Lectures

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RAIL VIKAS NIGAM LIMITED

Our Company was incorporated in Delhi as a public limited company on January 24, 2003 as Rail Vikas Nigam Limited with the Registrar of Companies, National Capital Territory of Delhi & Haryana under the Companies Act, 1956. For further details in connection with change in name and registered office of our Company, see "History and Certain Corporate Matters" on page 130 of the red herring prospectus dated March 22, 2019 ("RHP" or "Red Herring Prospectus").

OUR PROMOTER: THE PRESIDENT OF INDIA, ACTING THROUGH THE MINISTRY OF RAILWAYS, GOVERNMENT OF INDIA

INITIAL PUBLIC OFFERING OF 253,457,280 EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF RAIL VIKAS NIGAM LIMITED (OUR "COMPANY" OR THE "ISSUER") THROUGH AN OFFER FOR SALE BY THE PRESIDENT OF INDIA, ACTING THROUGH THE MINISTRY OF RAILWAYS, GOVERNMENT OF INDIA (THE "SELLING SHAREHOLDER"), FOR CASH AT A PRICE OF ₹1 PER EQUITY SHARE, INCLUDING A SHARE PREMIUM OF ₹9 PER EQUITY SHARE (THE "OFFER PRICE"), AGGREGATING TO ₹2,534,572,800 (THE "OFFER"). OUR COMPANY HAS RESERVED 657,280 EQUITY SHARES FOR ALLOCATION AND ALLOTMENT TO ELIGIBLE EMPLOYEES ("EMPLOYEE RESERVATION PORTION"). THE OFFERLESS EMPLOYEE RESERVATION PORTION, IS REFERRED TO AS THE NET OFFER. THE OFFER WILL COMPOSE OF A NET OFFER OF 252,800,000 EQUITY SHARES AND THE EMPLOYEE RESERVATION PORTION OF 657,280 EQUITY SHARES. THE OFFER AND NET OFFER SHALL CONSTITUTE 12.16% AND 12.12% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY RESPECTIVELY.

*Discount of ₹0.50 per Equity Share to the Offer Price is being offered to Retail Individual Bidders ("Retail Discount") and a discount of ₹0.50 per Equity Share to the Offer Price is being offered to Eligible Employees bidding in the Employee Reservation Portion ("Employee Discount").

QIB Category: 50% of the Net Offer
Retail Category: Not less than 35% of the Net Offer
Non Institutional Investor Category: Not less than 15% of the Net Offer
Reserved Category: 657,280 Equity Shares for Eligible Employees

Price Band: ₹17 to ₹19 per Equity Share of face value of ₹10 each.

Retail Discount and Employee Discount: ₹0.50 and ₹0.50 per Equity Share on Offer Price.

The Floor Price is 1.7 times the face value of the Equity Shares and the Cap Price is 1.9 times the face value of the Equity Shares.

Bids can be made for a minimum of 780 Equity Shares and in multiples of 780 Equity Shares thereafter.

ASBA*

Simple, Safe, Smart way of Application!!!!



Now available in ASBA for Retail Individual Investors

*Applications Supported by Blocked Amount (ASBA) is a better way of applying to issues by simply blocking the fund in the bank account. For details, check section on ASBA below.
Mandatory in public issues. No cheque will be accepted.

ASBA is a better way of applying to issues by simply blocking the fund in the bank account. UPI may be availed by Retail Individual Bidders. For details on the ASBA and UPI process, please refer to the details given in Bid-cum-Application Forms and abridged prospectus and also please refer to the section "Offer Procedure" beginning on page 446 of the RHP. The process is also available on the website of AIF and Stock Exchanges in the general information document. Bid-cum-Application Forms can be downloaded from the websites of BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and can be obtained from the list of banks that is displayed on the website of SEBI at www.sebi.gov.in. List of banks supporting UPI is also available on the website of SEBI at www.sebi.gov.in. ICICI Bank has been appointed as Sponsor Bank for the Offer, in accordance with the requirements of the SEBI circular dated November 1, 2018. Authorized Banks: Andhra Bank, HDFC Bank, ICICI Bank, Karur Vysya Bank Limited, Punjab & Sind Bank, South Indian Bank, UCO Bank and YES Bank are the Self-Certified Syndicate Banks eligible to act as Issuer Banks for UPI. For further details kindly refer to the website of SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?do=RecognisedPrty&sebiid=40>).

Risks to Investors:

- The three Book Running Lead Managers associated with the Offer have handled 18 public issues in the past three years out of which 6 closed below the issue price on listing date.
- The average cost of acquisition per Equity Share for our Promoter and Selling Shareholder is ₹10 per Equity Share. The Offer Price at the upper end of the Price Band is ₹19.

BID/OFFER PROGRAMME

In case of any revision in the Price Band or in case of force majeure, banking strike or similar circumstances, the Bid/Offer Period shall be extended for at least three (3) additional Working Days after such revision of the Price Band, subject to the total Bid/Offer Period not exceeding ten (10) Working Days. Any revision in the Price Band and the extended Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the websites of the BRLMs and at the terminals of the Syndicate Member and by intimation to Self-Certified Syndicate Banks ("SCSBs"), the Sponsor Bank and other Designated Intermediaries, as applicable.

The Offer is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR"), and by intimation to Self-Certified Syndicate Banks ("SCSBs"). The Sponsor Bank and other Designated Intermediaries, as applicable, in accordance with Regulation 26(1) of the Securities and Exchange Board of India (Issue of Capital and Structuring) Regulations, 2009, as amended ("SEBI ICSR Regulations"), wherein 50% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIB Portion"), 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICSR Regulations, subject to valid Bids being received from them at or above the Offer Price. Further, 657,280 Equity Shares shall be offered for allocation to Eligible Employees on a proportionate basis to the Eligible Employees Bidding in the Employee Reservation Portion conditional upon valid Bids being received from them at or above the Offer Price. All Bidders shall participate in the Offer mandatorily through the Applications Supported by Blocked Amount ("ASBA") process by providing the amount ("ASBA Amount") in the respective ASBA form (including UPI ID, if applicable) in which the corresponding Bid Amount will be blocked by the SCSBs. For details, see "Offer Procedure" on page 446 of the RHP.

Bidders/Applicants should ensure that DP ID, PAN and the Client ID and UPI ID (if applicable, in case BRLMs are correctly filled in the Bid cum Application Form. The DP ID, PAN and Client ID provided in the Bid cum Application Form should match with the DP ID, PAN, Client ID available in the Depository database, otherwise, the Bid cum Application Form is liable to be rejected. Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active. Bidders/Applicants should note that on the basis of the PAN, DP ID and Client ID as provided in the Bid cum Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving Allotment Advice or unblocking of ASBA Account or for other correspondence(s) related to the Offer. Bidders/Applicants are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants' sole risk.

CONTENTS OF THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY AS REGARDS ITS OBJECTS: For information on the main objects of our Company, investors are requested to see "History and Certain Corporate Matters" on page 130 of the RHP and Clause III of the Memorandum of Association of our Company. The Memorandum of Association of our Company is a material document for inspection in relation to the Offer. For further details, see "Material Contracts and Documents for Inspection" on page 516 of the RHP.

Note to Investors: The tenure of our independent directors namely, Mr. Shiv Kumar Gupta (DIN: 0738107) and Mr. Vinayak Bhaskar Karanjikar (DIN: 0651820) has expired on March 31, 2018. The Company had submitted letters to the Railway Board, Ministry of Railways, Government of India, bearing no. RVNL/SEC/18-CORR1 dated June 12, 2018 and January 31, 2019 seeking approval for extension of their tenure by another three years and the response for the same is awaited.

BOOK RUNNING LEAD MANAGERS			
YES SECURITIES YES SECURITIES (INDIA) LIMITED Address: IFG Tower 1 & 2, Unit no. 502 A, 6th Floor, Senapati Bapat Marg, Ephraim Road, Mumbai-400 013, India Telephone: +91 22 2012 8019 Facsimile: +91 22 2012 4508 Email: nyipoo@yessecurities.in Website: www.yesinvest.in Investor Grievance ID: nyipoo@yessecurities.in Contact Person: Mukesh Garg/Pratik Padmakar SEBI Registration Number: INM00012227	ElaraCapital Elara Capital (India) Private Limited Address: Indusville Finance Centre, Tower 3, 1st Floor, Senapati Bapat Marg, Ephraim Road West, Mumbai - 400 013, India Telephone: +91 22 6164 8599 Facsimile: +91 22 6164 8599 Email: rnl.poo@elara-capital.com Investor Grievance ID: investorgrievance@elara-capital.com Contact Person: Kunal Saffari SEBI Registration Number: INM00011104	IDBI Capital IDBI CAPITAL MARKETS & SECURITIES LIMITED Address: 6th Floor, IDBI Tower, WTC Complex, Cuffe Parade, Mumbai - 400 005, India Telephone: +91 22 2217 1700 Facsimile: +91 22 2215 1787 Email: rnl.poo@idbicapital.com Website: www.idbicapital.com Investor Grievance ID: investorgrievance@idbicapital.com Contact Person: Asha Daga SEBI Registration Number: INM00010866	Alankit ALANKIT ASSIGNMENTS LIMITED Address: 205-208, Anarkali Complex, Jhandewalan Extension, New Delhi - 110055, India Telephone: +91 11 4254 1954/+91 224348 1293 Facsimile: +91 11 2365 2001 Email: sunanj@alankit.com Website: www.alankit.com Investor Grievance ID: rvnig@alankit.com Contact Person: Dr. Anurag Kataria/Anil Virender Sharma SEBI Registration Number: INR00002532

COMPANY SECRETARY AND COMPLIANCE OFFICER
Kajana Dubey
Rail Vikas Nigam Limited
1st Floor, August Kranti Bhawan, Bhikaji Cama Place, R. K. Puram, New Delhi - 110 066, India
Telephone: +91 11 2673 8105
Facsimile: +91 11 2673 2957
Email: kdubey@rvnl.org
Website: www.rvnl.org

Investors can contact the Company Secretary and Compliance Officer, the BRLMs, the Registrar to the Offer, in case of any pre-Offer or post-Offer related problems, such as non-receipt of Allotment Advice, non-cash of Allotted Equity Shares in the respective beneficiary account, and non-receipt or unblocking of funds by electronic mode.

AVAILABILITY OF RHP: Investors are advised to refer to the RHP and the "Risk Factors" beginning on page 18 of the RHP before applying in the Offer. A copy of the RHP is available on the website of the SEBI at www.sebi.gov.in, the websites of the BRLMs at www.yesinvest.in, www.elara-capital.com and www.idbicapital.com and the Stock Exchanges at www.bseindia.com and www.nseindia.com and the BRLMs at www.yesinvest.in, www.elara-capital.com and www.idbicapital.com. Investors should note that investment in equity shares involves a high degree of risk and for details relating to the same, see the section titled "Risk Factors" on page 18 of the Red Herring Prospectus. Potential investors should not rely on the Draft Red Herring Prospectus filed with SEBI, for any investment decision.

AVAILABILITY OF BID CUM APPLICATION FORM: Bid cum Application Form can be obtained from the Registered Office of our Company, RAIL VIKAS NIGAM LIMITED, Telephone: +91 11 2673 8299, Facsimile: +91 11 2618 2957. BRLMs: YES Securities (India) Limited, Telephone: +91 22 2012 8019, Facsimile: +91 22 2012 4508; Elara Capital (India) Private Limited, Telephone: +91 22 6164 8599, Facsimile: +91 22 6164 8599; IDBI Capital Markets & Securities Limited, Telephone: +91 22 2217 1700, Facsimile: +91 22 2215 1787.

Syndicate Member: Elara Securities (India) Private Limited, Telephone: +91 22 6164 8500, Facsimile: +91 22 6164 8500 and at selected locations of Sub-Syndicate Members (as given below), Registered Brokers, Designated RTA Locations and Designated CDP Locations for participating in the Offer. Bid cum Application Forms will also be available on the websites of the Stock Exchanges and at all the Designated Branches of SCSBs, the list of which is available on the websites of the Stock Exchanges and SEBI.

SUB-SYNDICATE MEMBERS: Eureka Stock & Share Broking Services Limited; SMC Global Securities Limited; Pravin Ratilal Share And Stock Brokers Limited; LKP Securities Limited; Centrium Broking Limited; Karvy Stock Broking Limited; JN Financial Services Limited; Kotak Securities Limited; IFSC Securities Limited; Mollat Oswal Financial Services Limited; SBI Cap Securities Limited; Anand Capital Limited; ICICI Securities Limited; HDFC Securities Limited; DB (International) Stock Brokers Limited; Keynote Capital Limited; RR Equity Brokers Private Limited; KBC Capital Markets Services Limited; Prithvish Ltd Private Limited; Anand Rathi Share and Stock Brokers Limited; Edelweiss Broking Limited; Anil Jeevan Financial Services Private Limited; Indusville Ventures Limited; Shankhan Limited; Rikhai Securities Limited; WAY2WEALTH Brokers Private Limited; MPSE Securities Limited; VCK Share and Stock Broking Limited and Jobanputra Fiscal Services Limited.

BANKERS TO THE OFFER/ESCROW COLLECTION BANK: ICICI Bank Limited and HDFC Bank Limited.

REFUND BANK: ICICI Bank Limited.

SPONSOR BANK: ICICI Bank Limited.

UPI: Retail Individual Bidders can also bid through UPI mechanism.

All capitalised terms used herein and not specifically defined shall have the same meaning as ascribed to them in the RHP.

Place: New Delhi
Date: April 01, 2019

RAIL VIKAS NIGAM LIMITED is proposing, subject to applicable statutory and regulatory requirements, market conditions and other considerations, to make an initial public offer of its Equity Shares and has filed a Red Herring Prospectus with the Registrar of Companies, National Capital Territory of Delhi & Haryana. The Red Herring Prospectus is available on the website of SEBI at www.sebi.gov.in, on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com and the BRLMs at www.yesinvest.in, www.elara-capital.com and www.idbicapital.com. Investors should note that investment in equity shares involves a high degree of risk and for details relating to the same, see the section titled "Risk Factors" on page 18 of the Red Herring Prospectus. Potential investors should not rely on the Draft Red Herring Prospectus filed with SEBI, for any investment decision.

The Equity Shares have not been and will not be registered under the United States Securities Act, 1933, as amended ("the Securities Act") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S promulgated under the Securities Act ("Regulation S")) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States and only to non-U.S. persons in reliance on Regulation S. Each purchaser of Equity Shares will be required to represent and agree, among other things, that such purchaser is a non-U.S. person acquiring the Equity Shares in an "offshore transaction" in accordance with Regulation S.

For RAIL VIKAS NIGAM LIMITED
On behalf of the Board of Directors
Sd/-
Company Secretary & Compliance Officer

CONCEPT

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NEOGEN
CHEMICALS LTD.

NEOGEN CHEMICALS LIMITED

Our Company was incorporated as 'Neogen Chemicals Private Limited' on March 7, 1988, at Thane, Maharashtra as a private limited company under the Companies Act, 1956 and received a certificate of incorporation from the Registrar of Companies, Mumbai, Maharashtra. Subsequently, pursuant to a special resolution passed by the shareholders of our Company on May 2, 1998, our Company was converted to a public limited company and the name of our Company was changed to 'Neogen Chemicals Limited', and a fresh certificate of incorporation dated July 2, 1998 was issued to our Company by the Registrar of Companies, Mumbai, Maharashtra. For further details, please refer to the chapter 'History and Certain Corporate Matters' on page 176 of the Red Herring Prospectus dated April 11, 2019 ('RHP').

Registered and Corporate Office: 1002, 10th Floor, Dey Corporate Bldg, Opp. Cadbury Junction, Off. Pokhran Road No. 2, Khopat, Thane - 400 801, Maharashtra, India;
Tel: +91 22 2549 7300; **Fax:** +91 22 2549 7399; **Corporate Identity Number:** U24200MH1989PLC050919; **Email:** investor@neogenchem.com; **Website:** www.neogenchem.com;
Contact Person: Lalit Ashok Karne, Company Secretary and Compliance Officer; **Tel:** +91 22 2549 7300; **Fax:** +91 22 2549 7399; **Email:** investor@neogenchem.com

PROMOTERS OF OUR COMPANY: HARIDAS THAKARSHI KANANI AND HARIN HARIDAS KANANI

INITIAL PUBLIC OFFER OF UP TO (4) EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH (EQUITY SHARES) OF NEOGEN CHEMICALS LIMITED (OUR COMPANY) FOR CASH AT A PRICE OF ₹ (4) PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ (4) PER EQUITY SHARE) AGGREGATING UP TO ₹ (4) MILLION (OFFER). THE OFFER COMPRISES OF A FRESH ISSUE OF UP TO (4) EQUITY SHARES AGGREGATING UP TO ₹ 700.00 MILLION BY OUR COMPANY (FRESH ISSUE) AND AN OFFER FOR SALE OF UP TO 1,699,600 EQUITY SHARES BY HARIDAS THAKARSHI KANANI (PROMOTER SELLING SHAREHOLDER) AND UP TO 1,200,400 EQUITY SHARES BY BEENA HARIDAS KANANI (PROMOTER GROUP SELLING SHAREHOLDER), AND ALONG WITH THE PROMOTER SELLING SHAREHOLDER COLLECTIVELY REFERRED TO AS THE 'SELLING SHAREHOLDERS' AGGREGATING UP TO ₹ (4) MILLION (OFFER FOR SALE). THE OFFER SHALL CONSTITUTE (4) PER CENT OF THE POST-OFFERED PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

• QIB Category: Not more than 50% • Retail Category: Not less than 35% • Non-Institutional Investor Category: Not less than 15%

Price Band: ₹ 212 to ₹ 215 per Equity Share of face value of ₹ 10 each.

The Floor Price is 21.20 times the face value and the Cap Price is 21.50 times the face value of the Equity Shares.

Bids can be made for a minimum of 65 Equity Shares and in multiples of 65 Equity Shares thereafter.

ASBA

(APPLICATION SUPPORTED BY BLOCKED AMOUNT)

Simple, Safe, Smart way of Application!!!

ASBA is a better way of applying to issues by simply blocking the fund in the bank account. For further details, check section on ASBA below. Mandatory in public issue. No cheque will be accepted.



Investors have to apply through the ASBA process. ASBA has to be availed by all the investors except anchor investors. UPI may be availed by Retail Individual Investors. For details on the ASBA and UPI process, please refer to the details given in ASBA form and abridged prospectus and also please refer to the section 'Offer Procedure' beginning on page 462 of the RHP. The process is also available on the website of Association of Investment Bankers of India and Stock Exchanges and in the General Information Document. ASBA bid-cum application forms can be downloaded from the website of BSE Limited and National Stock Exchange of India Limited and can be obtained from the list of banks that is displayed on the website of SEBI at www.sebi.gov.in. List of banks supporting UPI is also available on the website of SEBI at www.sebi.gov.in. HDFC Bank Limited has been appointed as Sponsor Bank for the Offer, in accordance with the SEBI Circular dated November 1, 2018.

Risk to Investors

- 1) Neogen Corporation has filed a commercial intellectual property suit against our Company which if determined against our Company may have an adverse effect on this Offer, our business and results of operations. Our Company is not in any manner associated with Neogen Corporation, a company registered in the USA.
- 2) This is the first public issue being handled by the BRLM. Further, the Co-BRLM has not handled any public issues during the last 3 financial years preceding the current financial year.
- 3) The average cost of acquisition of the Equity Shares for Haridas Thakarsahi Kanani (Promoter Selling Shareholder) and Beena Haridas Kanani (Promoter Group Selling Shareholder) in the Offer is ₹ 1.14 and ₹ 1.67, respectively, and the offer price at the upper end of the price band is ₹ 215 per Equity Share.
- 4) The Price/Earnings ratio based on the diluted EPS for Fiscal 2018 for the Issuer on a consolidated basis at the upper end of the price band is as high as 40.95, as compared to the average industry peer group ratio of 37.67.

BID/OFFER PROGRAMME

OPENS TODAY
CLOSES ON FRIDAY, APRIL 26, 2019

In case of any revisions in the Price Band, the Bid/Offer Period will be extended by at least 3 additional Working Days after such revision of the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the website of the BRLM and CBRM and the terminals of the Syndicate Members and Information to Self-Correlated Syndicate Banks (SCSBs), Registered Brokers, Collecting Depository Participants (CDP) and Registrar to the Offer and Share Transfer Agent (RTA) (and together with the SCSBs, Registered Brokers and CDPs the Registered Intermediary).

This Offer is being undertaken in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (SCRR) read with Regulation 41 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (SEBI ICDR Regulations). The Offer is being made through the Book Building Process in accordance with Regulation 26(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (QIBs) (QIB Portion), provided that our Company may, in consultation with the BRLM and CBRM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations (Anchor Investor Portion), out of which one-third shall be reserved for domestic Mutual Funds, subject to valid bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Offer shall be available for allocation on a proportionate basis to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid bids being received at or above the Offer Price. All Bidders, other than Anchor Investors, (including UPI ID for RIBs using UPI) shall participate in the Offer mandatorily through the Applications Supported by Blocked Amount (ASBA) process by providing the details of their respective bank accounts in which the corresponding Bid Amount will be blocked by the SCSBs, to the extent of respective Bid Amounts, to participate in the Offer. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, please refer to the chapter 'Offer Procedure' on page 462 of the RHP.

Bidders/Applicants should note that on the basis of the PAN, DP ID and Client ID and UPI ID if applicable, in case of RIBs as provided in the Bid cum Application Form, the Bidder/Applicant may be deemed to have authorised the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving Allotment Advice or unblocking of ASBA Account or for other correspondence(s) related to the Offer. Bidders/Applicants are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants' sole risk.

Contents of the Memorandum of Association of the Company as regards its objects: For information on the main objects of the Company, please see the section titled 'History and Certain Corporate Matters' on page 176 of the RHP and Clause III (A) 1 of the Memorandum of Association of the Company. The Memorandum of Association of the Company is a material document for inspection in relation to the Offer. For further details, please see the section titled 'Material Contracts and Documents for Inspection' on page 548 of the RHP.

Liability of the members of the Company: Limited by shares

Amount of share capital of the Company and capital structure: The authorised, issued, subscribed and paid up share capital of the Company as on the date of the RHP is as follows: The authorised share capital of the Company is ₹ 500 million divided into 25,000,000 Equity Shares of ₹ 10 each, 2,000,000 9.8% FRCPs of ₹ 100 each and 500,000 10% OCPs of ₹ 100 each. The issued, subscribed and paid up share capital of the Company is ₹ 307.79 million divided into 20,078,793 Equity Shares of ₹ 10 each, 1,070,000 9.8% FRCPs of ₹ 100 each. For details, please see the section titled 'Capital Structure' beginning on page 80 of the RHP.

Names of signatories to the Memorandum of Association of the Company and the number of Equity Shares subscribed by them: The names of the signatories to the Memorandum of Association of our Company are Haridas Thakarsahi Kanani and Beena H. Kanani, who subscribed to 5 Equity Shares each of face value of ₹ 100 as initial subscription.

Listing: The Equity Shares offered in the Offer through the Red Herring Prospectus are proposed to be listed on the BSE and the NSE. In-principle approvals of BSE and NSE for listing the Equity Shares have been received pursuant to letters dated December 6, 2018 and December 19, 2018, respectively. For the purposes of the Offer, the Designated Stock Exchange shall be BSE. Assigned copy of the Red Herring Prospectus has been and the Prospectus shall be delivered for registration to the RoC in accordance with the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/Offer Closing Date, please refer to the chapter 'Material Contracts and Documents for Inspection' on page 548 of the RHP.

Disclaimer Clause of the SEBI: SEBI only gives its observations on the offer documents and this does not constitute approval of either the Offer or the specified securities or the offer document. The investors are advised to refer to page 443 of the RHP for the full text of the Disclaimer Clause of SEBI.

Disclaimer Clause of BSE (Designated Stock Exchange): It is to be distinctly understood that the permission given by BSE should not in any way be deemed or construed that the RHP has been cleared or approved by BSE nor does it certify the correctness or completeness of any of the contents of the RHP. The investors are advised to refer to page 448 of the RHP for the full text of the Disclaimer Clause of BSE.

Disclaimer Clause of NSE: It is to be distinctly understood that the permission given by NSE should not in any way be deemed or construed that the Offer Document has been cleared or approved by NSE nor does it certify the correctness or completeness of any of the contents of the Offer Document. The investors are advised to refer to page 448 of the RHP for the full text of the Disclaimer Clause of NSE.

General Risks: Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares offered in the Offer have not been recommended or approved by the Securities and Exchange Board of India (SEBI), nor does SEBI guarantee the accuracy or adequacy of the contents of the RHP. Specific attention of the investors is invited to the section 'Risk Factors' on page 18 of the RHP.

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adequacy of the contents of the RHP. Specific attention of the investors is invited to the section 'Risk Factors' on page 19 of the RHP.

BOOK RUNNING LEAD MANAGER	CO-BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE OFFER	COMPANY SECRETARY AND COMPLIANCE OFFICER
 INGA ADVISORS PRIVATE LIMITED 1229, Hubtown Solaris, N.S. Phadke Marg, Opp. Teli Galli, Andheri (E) - 400 069, Mumbai, Maharashtra, India Tel.: +91 22 2681 6003; Fax: +91 22 2681 6020 Email: neogen ipo@ingaadvisors.com Investor Grievance Email: investors@ingaadvisors.com Website: www.ingaadvisors.com Contact Person Details: Kavita Shah SEBI Registration No.: INM000012573	 BATILVALA & KARANI SECURITIES INDIA PRIVATE LIMITED Ground Floor, City Ice Building, 298 Parin Nariman Street, Fort, Mumbai - 400001, India Tel.: +91 22 4031 7000; Fax: +91 22 2263 5020/30 Email: merchantbanking@bksec.com Investor Grievance Email: grievance.mbd@bksec.com Website: www.bksec.com Contact Person Details: Darshan Piyush Trivedi / Sujeet Gurav SEBI Registration No.: INM00010908	 LINK INTIME INDIA PRIVATE LIMITED C-101, 1 st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), 400 083, Mumbai, Maharashtra, India Tel.: +91 22 4918 6200; Fax: +91 22 4918 6195 E-mail: neogenchem.ipo@linkintime.co.in Investor Grievance E-mail: neogenchem.ipo@linkintime.co.in Website: www.linkintime.co.in Contact Person: Shanti Gopalakrishnan SEBI Registration No.: INR000004058	Lalit Ashok Karna 1002, 10 th Floor, Dev Corona Building, Opp. Cadbury Junction, Off Pokhran Road No 2, Khopat, Thane West - 400 601, Maharashtra, India Tel: +91 22 2549 7300; Fax: +91 22 2549 7339 Email: investor@neogenchem.com Investors can contact the Company Secretary and Compliance Officer, the Lead Managers or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of Allotment Advice, non-credit of Allotted Offered Shares in the respective beneficiary account, refund orders, unblocking of funds and non-receipt of funds by electronic mode.

AVAILABILITY OF THE RHP: Investors are advised to refer to the RHP and the "Risk Factors" beginning on page 19 of the RHP, contained therein before applying in the Offer. Full copy of the RHP is/will be available on websites of the SEBI at www.sebi.gov.in, BRLM, i.e. Inga Advisors Private Limited at www.ingaadvisors.com and the CBRLM, i.e. Batilwala & Karani Securities India Private Limited at www.bksec.com and on the websites of BSE and NSE at www.bseindia.com and www.nseindia.com, respectively.

AVAILABILITY OF BID CUM APPLICATION FORMS: Bid cum Application Forms can be obtained from the Registered Office of NEOGEN CHEMICALS LIMITED, Tel: +91 22 2549 7300; Fax: +91 22 2549 7399; BRLM : Inga Advisors Private Limited, Tel.: +91 22 2681 6003; Fax: +91 22 2681 6020; CBRLM: Batilwala & Karani Securities India Private Limited, Tel.: +91 22 4031 7000; Fax: +91 22 2263 5020/30; Syndicate Members : Batilwala & Karani Securities India Private Limited, Tel.: 022 4031 7000; Hem Securities Limited, Tel.: 01414051000; Bonanza Portfolio Limited, Tel.: 022 30963700/62735500, at the select locations of the Sub-syndicate Members (as given below), SCSBs, Registered Brokers, RTAs and CDPs participating in the Offer. ASBA Forms will also be available on the websites of BSE and NSE and the Designated Branches of SCSBs, the list of which is available at websites of the Stock Exchanges and SEBI.

Sub-Syndicate Members: Centrum Broking Limited; Eureka Stock & Share Broking Services Ltd; Greshma Shares & Stocks Limited; ICICI Securities Limited; Keynote Capital Limited; KJMC Financial Services Ltd; Kotak Securities Ltd.; LKP Securities Limited; Matalia Stock Broking Private Limited; Motilal Oswal Financial Services Limited; Prabhudas Lilladher Pvt Ltd; Pravin Ratilal Share And Stock Brokers Limited and Sharekhan Limited

Escrow Collection Bank, Public Offer Bank, Refund Bank and Sponsor Bank: HDFC Bank Limited

UPI: Retail Individual Bidders can also bid through UPI mechanism.

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the RHP.

Place: Thane

Date: April 23, 2019

For NEOGEN CHEMICALS LIMITED

On behalf of the Board of Directors

Sd/-

Company Secretary and Compliance Officer

NEOGEN CHEMICALS LIMITED is proposing, subject to applicable statutory and regulatory requirements, receipt of requisite approvals, market conditions and other considerations, to make an initial public offering of its equity shares and has registered the RHP dated April 11, 2019 with the RoC. The RHP is/will be available on the website of SEBI at www.sebi.gov.in, website of stock exchanges i.e. BSE at www.bseindia.com and NSE at www.nseindia.com, respectively, and is/will be available on the website of the of the BRLM, i.e. Inga Advisors Private Limited at www.ingaadvisors.com and CBRLM i.e. Batilwala & Karani Securities India Private Limited at www.bksec.com, respectively. Investors should note that investment in equity shares involves a high degree of risk and for details relating to the same, please see "Risk Factors" beginning on page 19 of the RHP. Potential investors should not rely on the DRHP for making any investment decision.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable U.S. state securities laws. The Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdictions where such offers and sales are made. There will be no public offering in the United States.

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IRCON INTERNATIONAL LIMITED

Our Company was incorporated as "Indian Railway Construction Company Private Limited" on April 26, 1976 in Delhi, as a private limited company under the Companies Act, 1956 and was granted a certificate of incorporation by the then Registrar of Companies, Delhi and Haryana. Our Company became a public limited company with effect from November 20, 1976 and a certificate of incorporation consequent upon conversion to public limited company was issued by the then Registrar of Companies, Delhi and Haryana in the name of "Indian Railway Construction Company Limited". Subsequently, the name of our Company was changed to its present name "Iron International Limited" and a fresh certificate of incorporation consequent upon change of name dated October 17, 1995 was issued by the Registrar of Companies, N.C.T. of Delhi and Haryana. For further details of changes in the name and registered office of our Company, see "History and Certain Corporate Matters" on page 185 of the Red Herring Prospectus dated August 31, 2018 ("RHP").

Registered Office: Plot no. C-4, District Centre, Saket, New Delhi - 110017, India. Contact Person: Ritu Arora, Company Secretary and Compliance Officer. Telephone: +91 11 2656 5666; Fax: +91 11 2652 2000 / 2655 4000
E-mail: comsec@ircon.org; Website: www.iron.org; Corporate Identity Number: U45200DL1976GO000171

OUR PROMOTER, THE PRESIDENT OF INDIA ACTING THROUGH THE MINISTRY OF RAILWAYS

INITIAL PUBLIC OFFERING OF UPTO 8,965,157 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF IRCON INTERNATIONAL LIMITED (OUR "COMPANY" OR THE "ISSUER") THROUGH AN OFFER FOR SALE BY THE PRESIDENT OF INDIA, ACTING THROUGH THE MINISTRY OF RAILWAYS, GOVERNMENT OF INDIA (THE "SELLING SHAREHOLDER"), FOR CASH AT A PRICE OF ₹ (-) PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ (-) PER EQUITY SHARE) (THE "OFFER PRICE"), AGGREGATING TO ₹ (-) MILLION (THE "OFFER"). THE OFFER INCLUDES A RESERVATION OF UP TO 500,000 EQUITY SHARES AGGREGATING TO ₹ (-) MILLION FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (AS DEFINED HEREIN) ("EMPLOYEE RESERVATION PORTION"). THE OFFER LESS EMPLOYEE RESERVATION PORTION IS REFERRED TO AS THE NET OFFER. THE OFFER AND THE NET OFFER WILL CONSTITUTE 10.53% AND 10.00% RESPECTIVELY OF THE POST OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

*A discount of ₹ 10 per Equity Share on the Offer Price shall be offered to Retail Individual Bidders ("Retail Discount") and a discount of ₹ 10 per Equity Share on the Offer Price shall be offered to Eligible Bidders in the Employee Reservation Portion ("Employee Discount").

Price Band: ₹ 470 to ₹ 475 per Equity Share of face value of ₹ 10 each.

Retail Discount and Employee Discount ₹ 10 per Equity Share on Offer Price.

The Floor Price is 47 times the face value and the Cap Price is 47.5 times the face value.

Bids can be made for a minimum of 30 Equity Shares and in multiples of 30 Equity Shares thereafter.

Risks to Investors

- The three Book Running Lead Managers associated with the Offer have handled 54 public offers in the past three years, out of which 20 offers closed below the offer price on listing date.
- There are no comparable listed companies in India engaged in the same line of business as the Company, hence comparison with industry peers are not applicable.
- Average cost of acquisition of Equity Shares for the Selling Shareholder in Offer is ₹ (19.83) per Equity Share and Offer Price at upper end of the Price Band is ₹ 475.

BID/OFFER PROGRAMME

OPENS TODAY

CLOSES ON WEDNESDAY, SEPTEMBER 19, 2018

ASBA*

Simple, Safe, Smart way of Application - Make use of it!!!

Mandatory in public issue from January 1, 2016. No cheque will be accepted.

*Applications supported by blocked amount (ASBA) is a better way of applying to issues by simply blocking the fund in the bank account. For further details, check section on ASBA below.

In case of any revision in the Price Band, the Bid Offer Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid Offer Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the website of the BRLMy and at the terminals of the Syndicate Members and by intimation to Self-Certified Syndicate Banks, Registered Brokers, Registrar and Transfer Agents, and Collecting Depository Participants.

The Offer is being made in terms of Rule 192(1)(ii) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 41 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("SEBI ICDR Regulations"), wherein at least 10% of the post-offer paid-up Equity Share capital of our Company will be offered to the public. The Offer is being made through the Book Building Process in accordance with Regulation 26(1) of the SEBI ICDR Regulations, wherein 50% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIB Portion"). Such number of Offered Shares representing 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, the balance Offered Shares available for allocation in the Mutual Fund Portion will be added to the remaining QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. Further, upto 5,00,000 Equity Shares shall be offered for allocation and allotment to the Eligible Employees Bidding in the Employee Reservation Portion, conditional upon valid Bids being received from them at or above the Offer Price. All Bidders shall participate in the Offer mandatorily through the Applications Supported by Blocked Amount ("ASBA") process by providing the details of their respective ASBA Accounts in which the corresponding Bid Amount will be blocked by the Self-Certified Syndicate Banks ("SCSBs"). For details, see "Offer Procedures" on page 767 of the RHP.

Bidders/Applicants should note that on the basis of PAN, DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Bidders/Applicants may be deemed to have authorised the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidders/Applicants as available on the records of the depositories. These Demographic Details may be used, among other things, for unblocking of ASBA Account or for other correspondence related to the Offer. Bidders/Applicants are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants' sole risk. Bidders/Applicants should ensure that PAN, DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The PAN, DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the PAN, DP ID and Client ID available in the depository database, otherwise, the Bid cum Application Form is liable to be rejected. Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active.

Contents of the Memorandum of the Company as regards its Objects: For information on the main objects and other objects of the Company, see "History and Certain Corporate Matters" on page 185 of the RHP and Clause II of the Memorandum of Association of the Company. The Memorandum of Association of the Company is a material document for inspection in relation to

the Offer. For further details, see the section "Material Contracts and Documents for Inspection" on page 862 of the RHP.

Liability of the members of the Company: Limited by shares.

Amount of share capital of the Company and Capital Structure: The authorised share capital of our Company is ₹ 4000 million divided into 400,000,000 Equity Shares of face value ₹ 10 each. The issued, subscribed and paid up share capital of our Company is ₹ 940.52 million divided into 94,051,574 Equity Shares of face value ₹ 10 each. For further details, see "Capital Structure" on page 105 of the RHP.

Names of signatories to the Memorandum of Association of the Company and the number of Equity Shares subscribed by them: The signatories of the Memorandum of Association were the President of India and Mr. M. H. Bery, the then Chairman, Railway Board and K. T. Mirchandani, Additional Member Finance, Railway Board, who subscribed to 1,000 and 1 Equity Shares as members of the President of India, respectively, of face value of ₹ 10 each of our Company. The liability of the members of the Company is limited. For details of the main objects of the Company as contained in the Memorandum of Association, see "History and Certain Corporate Matters" on page 185 of the RHP.

Listing: The Offered Shares are proposed to be listed on BSE and NSE. Our Company has received in-principle approvals from BSE and NSE for listing of the Equity Shares pursuant to their letters dated April 12, 2018 and April 11, 2018, respectively. For the purposes of this Offer, BSE Limited shall be the Designated Stock Exchange. A signed copy of the Red Herring Prospectus has been and the Prospectus shall be delivered for registration to the Registrar of Companies, National Capital Territory of Delhi & Haryana ("RoC") in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents which shall be available for inspection from the date of registration of the Red Herring Prospectus with the RoC, until the Bid Offer Closing Date, see "Material Contracts and Documents for Inspection" on page 862 of the RHP.

Disclaimer Clause of SEBI: SEBI only gives its observations on the offer documents and this does not constitute approval of either the Offer or the specified securities or the offer document. The investors are advised to refer to page 762 of the RHP for the full text of the disclaimer clause of SEBI.

Disclaimer Clause of BSE (the Designated Stock Exchange): "It is to be distinctly understood that the permission given by BSE should not in any way be deemed or construed that the RHP has been cleared or approved by BSE nor does it certify the correctness or completeness of any of the contents of the RHP. The investors are advised to refer to page 772 of the RHP for the full text of the disclaimer clause of BSE."

Disclaimer Clause of NSE: "It is to be distinctly understood that the permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE nor does it certify the correctness or completeness of any of the contents of the offer document. The investors are advised to refer to page 773 of the RHP for the full text of the disclaimer clause of NSE."

General Risks: Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 20 of the RHP.





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BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE OFFER	
 <p>IDBI Capital Markets & Securities Limited 3rd Floor, Mahatma Centre, National Point Mumbai 400 021, Maharashtra, India Telephone: +91 22 4332 1212 Fax: +91 22 2265 0789 Email: iron ipo@idbicapital.com Investor grievance E-mail: investor@idbicapital.com Website: www.idbicapital.com Contact Person: Anshu Daga SEBI Registration No.: INM000010866</p>	 <p>Axis Capital Limited 1st Floor, Axis House, C-2, Wadia International Centre, Pandurang Building Marg, Worli, Mumbai 400 025 Maharashtra, India Telephone: +91 22 4325 2183 Fax: +91 22 4325 3000 E-mail: iron.ipo@axiscap.in, Website: www.axiscapital.co.in Investor Grievance E-mail: complaints@axiscap.in Contact Person: Kamika Sarin / Alagat Aggarwal SEBI Registration Number: INM00012023</p>	 <p>SBI Capital Markets Limited 202, Marar Tower "E", Cuffe Parade, Mumbai 400 005, Maharashtra, India Telephone: +91 22 2217 8300 Fax: +91 22 2218 8332 E-mail: iron.ipo@sbiicap.com Investor grievance E-mail: investor.relations@sbiicap.com Website: www.sbiicap.com Contact Person: Oshin Varganekar / Karan Savardekar SEBI Registration No.: INM00003037</p>	 <p>Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District Hitechampada, Hyderabad 500 032, Telangana, India Telephone: +91 40 6716 2222, Facsimile: +91 40 2343 1551 Email: anward.n@karvy.com Investor Grievance e-mail: anward.n@karvy.com Website: www.karvy.com Contact Person: M. Muralikrishna SEBI Registration No. INR00000221</p>
<p>COMPANY SECRETARY AND COMPLIANCE OFFICER Rohit Arora, Company Secretary and Compliance Officer Registered Office: Plot no. C-4, District Centre, Saket, New Delhi -110017, India Telephone: +91 11 2658 5688, Fax: +91 11 2652 2000 / 2658 4000 E-mail: cs@iron.org, Website: www.iron.org, Corporate Identity Number: U45203DL1916G0008171</p>			
<p>Availability of RHP: Investors are advised to refer to the RHP, and the "Red Herring", beginning on page 29 of the RHP, before applying in the Offer. Full copy of the RHP is available on the website of SEBI at www.sebi.gov.in, website of the BRLM at www.brlm.com, website of Iron International Limited at www.ironinternational.com and the website of BSE and NSE i.e. www.bseindia.com and www.nseindia.com, respectively.</p> <p>Availability of Bid-cum-Application Forms: Bid-cum-Application Forms can be obtained from the Registered Office of the Company: Iron International Limited, Tel: +91 11 2656 5666, Fax: +91 11 2652 2000 / 2658 4000. The BRLM, IDBI Capital Markets & Securities Limited, Tel: +91 22 4332 1212, Fax: +91 22 2265 0789; Axis Capital Limited, Tel: +91 22 4325 2183, Fax: +91 22 4325 3000; SBI Capital Markets Limited, Tel: +91 22 2217 8300, Fax: +91 22 2218 8332; the Syndicate Member: SBICAP Securities Limited, Marathia Futures, A&S Wing, 12th Floor, N. M. Joshi Marg, Lower Panel, Mumbai-400 013, Tel: +91 22 42273300, Fax: +91 22 42273300, at selected location of the sub-Syndicate Members (as given below), Registered Brokers, RTAs and COFs participating in the Offer. Bid-cum-Application Forms will also be available on the websites of BSE and NSE and the Designated Branches of SCSEs, the list of which is available at website of the Stock Exchanges and SEBI.</p> <p>Sub-Syndicate Members: Axis Securities Limited, Apcon Global Services Limited, Almond Global Securities Limited, Ansh Jassal Financial Services Pvt Limited, Annapati Capital & Finance Services Limited, Anand Rathi Share & Stock Brokers Limited, Anand Share Consulting, Anil Dhruv, ANS Pvt Limited, Ashika Stock Broking Limited, Ashwani Dandia & Co, Centrium Broking Limited, Edelweiss Securities Limited, Eureka Stock & Share Broking Services Limited, G Raj & Co. (Consultants) Limited, HOPC Securities Limited, ICICI Securities Limited, India Infra Limited, Induslark Ventures Limited, Jivraj Securities, JRF Financial Services Ltd, Jyoti Securities Pvt Ltd, Kalyanrao Multitask Limited, Kamlesh D Joshi, Karvy Stock Broking Limited, KMC Capital Market Services Limited, Kotak Securities Limited, Lakshminarayana Investment & Securities Pvt Limited, LXP Securities Limited, Mayward Shares & Finance, Molnar Oswal Securities Limited, MPSE Securities Limited, MUM Enterprise, Mahesh D Joshi, Om Securities, Patel Wealth Advisory Pvt Limited, Prabhudas Lbadhar Private Limited, Pravin Reddy Share & Stock Brokers Limited, Rikavi Securities Ltd., RR Equity Brokers Pvt Ltd., Sati Capital (India) Limited, SBICAP Securities Limited, Shantekhan Ltd, SMC Global Securities Ltd., SPA Securities Limited, Tanna Financial Services, Trafalgar Securities (P) Limited, VCK Share & Stock Broking Services Limited, VIREN M SHAH, VSE Stock Services Limited, Way2wealth Brokers Pvt Limited.</p> <p>APPLICATIONS SUPPORTED BY BLOCKED AMOUNT (ASBA): Investors have to apply through the ASBA process. ASBA has to be enabled by all the investors except Anchor Investors. For details on the ASBA process, please refer to the details given in ASBA Form and Abridged Prospectus and also please refer to the section "Offer Procedure" on page 787 of the RHP. ASBA Forms can also be downloaded from the websites of BSE and NSE. ASBA Form can be obtained from the list of banks that is available on the website of SEBI at www.sebi.gov.in.</p> <p>Banks to the Offer: Public Offer Account Bank/Refund Bank: HOPC Bank Limited and State Bank of India.</p> <p>All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the RHP.</p> <p>Date: December 14, 2018 Place: New Delhi</p> <p>For Iron International Limited On behalf of Board of Directors Sd/- Company Secretary and Compliance Officer</p>			
<p>Iron International Limited is processing, subject to applicable statutory and regulatory requirements, receipt of requisite approvals, market conditions and other considerations, to make an initial public offer of its Equity Shares and has filed the Red Herring Prospectus dated August 31, 2018 ("RHP") with the RoC, National Capital Territory of Delhi & Haryana. The RHP will be available on the websites of SEBI, BSE, NSE at www.sebi.gov.in, www.bseindia.com, www.nseindia.com, respectively and is available on the website of the BRLM at www.brlm.com, website of Iron International Limited at www.ironinternational.com, website of Axis Capital Limited at www.axiscapital.co.in and website of SBI Capital Markets Limited at www.sbiicap.com, respectively. Any potential investors should note that investment in equity shares involves a high degree of risk and for details relating to the same, refer to the Section titled "Risk Factors" of the Red Herring Prospectus. Potential investors should not rely on the RHP filed with the SEBI for making any investment decision.</p> <p>The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws. The Equity Shares are being offered and sold only (1) in the United States to persons reasonably believed to be "qualified institutional buyers" as defined in Rule 144A, and (2) outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of each jurisdiction where such offers and sales occur.</p>			

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RITES LIMITED

Our Company was originally incorporated at New Delhi on April 28, 1974 under the Companies Act, 1956 as a private limited company under the name of 'Rail India Technical and Economic Services Private Limited'. The word 'private' was deleted from the name of our Company pursuant to section 43A of the Companies Act, 1956 on February 17, 1978. Subsequently, in accordance with section 21 of the Companies Act, 1956, the name of our Company was changed to our present name, RITES Limited, consequent to which the Registrar of Companies, Delhi and Haryana issued a fresh certificate of incorporation dated March 28, 2006. Subsequently, our Company was converted into a public limited company pursuant to a fresh certificate of incorporation dated February 5, 2008 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. For further details of change in name and registered office of our Company, please refer to 'History and Certain Corporate Matters' on page 158 of the Red Herring Prospectus which shall be read along with the Corrigendum dated June 11, 2018 (together the Red Herring Prospectus and the Corrigendum are referred to as the 'RHP').

Registered Office: RITES Limited, Scope Minar, Laxmi Nagar, Delhi - 110 052, India; Corporate Office: RITES Bhawan, No. 1, Sector 29, Gurgaon, Haryana, India - 122001. Contact Person: Mr. Ashish Kumar Srivastava, Company Secretary and Compliance Officer
Registered Office: Telephone: +91 11 22024610; Fax: +91 11 22024600; Corporate Office: Telephone: +91 124 2571665; Fax: +91 124 2571187; E-mail: cs@rites.com; Website: www.ritesltd.com; Corporate Identification Number: U74899DL1974GO007227

OUR PROMOTER: THE PRESIDENT OF INDIA, ACTING THROUGH THE MINISTRY OF RAILWAYS, GOVERNMENT OF INDIA

INITIAL PUBLIC OFFERING OF 25,200,000 EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF RITES LIMITED (OUR "COMPANY" OR THE "ISSUER") THROUGH AN OFFER FOR SALE BY THE PRESIDENT OF INDIA, ACTING THROUGH THE MINISTRY OF RAILWAYS, GOVERNMENT OF INDIA (THE "SELLING SHAREHOLDER"), FOR CASH AT A PRICE OF ₹11 PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹1) (THE "OFFER PRICE"), AGGREGATING TO ₹277 MILLION (THE "OFFER"). 1,200,000 EQUITY SHARES HAVE BEEN RESERVED FOR ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION"). THE OFFER LESS EMPLOYEE RESERVATION PORTION IS REFERRED TO AS THE NET OFFER. THE OFFER WILL COMPRISE OF A NET OFFER OF 24,000,000 EQUITY SHARES AND THE EMPLOYEE RESERVATION PORTION OF 1,200,000 EQUITY SHARES. THE OFFER AND NET OFFER SHALL CONSTITUTE 12.60% AND 12% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY RESPECTIVELY.

*A discount of ₹6 per Equity Share on the Offer Price shall be offered to Retail Individual Bidders ("Retail Discount") and a discount of ₹6 per Equity Share on the Offer Price shall be offered to Eligible Employees Bidding in the Employee Reservation Portion ("Employee Discount").

Price Band: ₹ 180 to ₹ 185 per Equity Share of Face Value of ₹ 10 each.
Retail Discount and Employee Discount: ₹ 6 per Equity Share on Offer Price.
The Floor Price is 18.0 times the face value of the Equity Shares
and the Cap Price is 18.5 times the face value of the Equity Shares.
Bids can be made for a minimum of 80 Equity Shares and in multiples of 80 Equity Shares thereafter.

Risks to Investors:

- The four Book Running Lead Managers associated with the Offer have handled 31 public offers in the past three years, out of which 10 Issues closed below the offer price on listing date.
- There are no comparable listed companies in India engaged in the same line of business as the Company, hence comparison with industry peers are not applicable.
- Average cost of acquisition of Equity Shares for the Selling Shareholder in Offer is ₹0.005 per Equity Share and Offer Price at upper end of the Price Band is ₹185.

BID/OFFER PROGRAMME

BID/OFFER OPEN

BID/OFFER CLOSES ON FRIDAY, JUNE 22, 2018

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by simply blocking the fund in the bank account. For details, check section on ASBA below.

Bidders/Applicants should ensure that DP ID, PAN and the Client ID are correctly filled in the Bid Card Application Form. The DPID, PAN and Client ID provided in the Bid Card Application Form should match with the DP ID, PAN and Client ID available in the Depository database, otherwise, the Bid Card Application Form is liable to be rejected. Bidders/Applicants should ensure that the Beneficiary account provided in the Bid Card Application Form is active. Bidders/Applicants should note that on the date of submission of the Bid Card Application Form, the Bidder/Applicant must have been authorized by the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for linking of ASBA Account or for other correspondence(s) related to the Offer. Bidders/Applicants are advised to ensure any change to the Demographic details of the Bidder/Applicant in the records of the Depositories/Participant is duly updated by the Bidder/Applicant before the closing of the Bid Card Application Form. The Bidder/Applicant is requested to update the Demographic details and the Beneficiary account details of the Bidder/Applicant in the records of the Depositories/Participant before the closing of the Bid Card Application Form. **CONTENTS OF THE MEMORANDUM OF ASSOCIATION OF OUR CORPORATIONS REGARDING ITS OBJECTS:** For the information on the main objects of our Corporation, investors are requested to see "History and Certain Corporate Matters" on page 158 of the RHP and Clause 11 of the Memorandum of Association of our Company. The Memorandum of Association of our Company is a material document for inspection available to the Offer. For further details, see "Material Contracts and Documents for Investors" on page 162 of the RHP.

NAMES OF THE SIGNATORIES TO THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY AND THE NUMBER OF EQUITY SHARES SUBSCRIBED BY THEM: The Presidents of India and the members signed our Memorandums of Association, following which an initial allotment of 1,002 Equity Shares of Face Value of ₹ 100 each was made to the President of India including allotments to Mr. M. N. Bery, Chairman, Railway Board and ex-officio Principal Secretary to Government of India in the Ministry of Railways and K.S. Bhambhani, Principal Commissioner, Railway Board and ex-officio secretary to Government of India in the Ministry of Railways, being nominees of the Promoter

DISCLAIMER CLAUSE OF SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI"): SEBI only gives its observations on the offer documents and this does not constitute approval of either the Offer or the specified securities or the offer document. Investors are advised to refer to page 563 of the BSR form for full text of the Disclaimer Clause of SEBI.

DISCLAIMER CLAUSE OF BSE: It is to be distinctly understood that the permission given by BSE Limited should not in any way be deemed or construed that the Offer Document has been deemed or approved by BSE Limited nor does it certify the correctness or completeness of any of the contents of the Offer Document. The investors are advised to refer the Offer Document for the full text of the Disclaimer Clause of the BSE Limited on issue BSE of the BSRP.

REGISTER TO THE OFFER

Figure 1

Elara Capital (India) Private Ltd.

2000. *Journal of Management Education*, 24(1), 10-20.

DBI Capital Markets & Securities

1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 2679, 2680, 26

DFC Bank Limited

ANY SECRETARY AND COMPTROLLER

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Link Intime India Private Limited

Hyderabad, Hyderabad, India-123 001. Tel: +91 124 267 1665. Fax:

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AN ABU ITV CG Suite: Insurance was obtained in order to the RAG and the "Risk Transfer" becoming an item 18 of the RAG terms, before and also in the Offer. A copy of the RAG is available on the website of the SEBI at www.sebi.gov.in; the website of the RAG

AVAILABILITY OF BID CUM APPLICATION FORM: Bid cum Application Form can be obtained from the Registered Office of Company, **RTES LIMITED** Telephone: +91 11 22324610; Fax: +91 11 22324680; BRLMe: Elara Capital (India) Private Limited, Telephone:

Services Pvt. Ltd., Karvy Stock Broking Ltd, Keynote Capital, Ltd, KJM Capital Market Services Ltd, Kios Securities Ltd, KP Securities Ltd, Mittal Oriel Securities Ltd, Nirmal Bang Securities Pvt Ltd, Prithvi Securities Pvt. Ltd., Pravin Rajani Share & Stock Brokers Ltd, SBI Equity Brokers Pvt Ltd, SMC Capital Securities Ltd, Standard Chartered Securities (India) Limited, VCK Share & Stock Brokers Services Ltd, Vijay M Shah, Vijay Wealth Brokers Private Limited.

obtained from Syndicate Member, Registered Brokers, RTAs and CAs, the list of which is available on the website of SEBI at <http://www.sebi.gov.in/aboutweb/other/OtherAction.do?toRecognized=yes>. For more details on the ASBA process, please refer to section titled "Offer Document" on page 806 of the DRHP.

For RITES LIMITED
On behalf of the Board of Directors

BITES LIMITED is a company, subject to receipt of requisite approvals, market conditions and other considerations, to make an initial public offer of its equity shares and has filed a Red Herring Prospectus dated June 04, 2018 with the Registrar of Companies, National

Investors should note that investment in equity shares involves a high degree of risk and for details relating to the same, see the section titled 'Risk Factors' of the Red Herring Prospectus. Potential investors should not rely on the Draft Red Herring Prospectus filed with SEBI. No representation or warranty is made.

these offers and sales occur. There will be no public offering in the United States.

SEBI Regulations, 2018


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NSE
NATIONAL STOCK EXCHANGE OF INDIA LIMITED
Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai-400 051

PUBLIC NOTICE

Public Notice for compulsory delisting of equity shares of companies in terms of Regulation 22 (2) of SEBI (Delisting of Equity Shares) Regulations, 2009.

The following companies have been issued a show cause notice as to why the equity shares of the company should not be delisted from the Exchange as trading in the equity shares has been discontinued due to non-compliance with various provisions of erstwhile listing agreement/Listing Regulations.

Sr. No.	Company Name	Registered Office Address of the Company*	Sr. No.	Company Name	Registered Office Address of the Company*
1	Acropetal Technologies Limited	474/75, 3rd Cross, 1st Main N.S. Road, Bannerghatta Road, Bangalore, Karnataka - 560 076.	21	Indoventive Impexes Limited	Gate No. 56/3, 4, 5, Village Pimpri Jagtap, Tal. Shirur, Dist. Pune - 412 305.
2	Atek Limited	16K, Second Floor, Prabhadevi Industrial Estate, The Enterprise Co-operative Society Ltd., 408, Veer Savarkar Marg, Prabhadevi, Dadar, Mumbai - 400 025.	22	Karnick Industries and Exports Limited	Village Aeri, Vadodara- Halol Express Way, Tal. Waghodia, Dist. Vadodra - 391 512.
3	Agro Dutch Industries Limited	S.C.O. 30, 2nd Floor, Sector 33-D, Chandigarh - 160 020.	23	Lynax Automotive Systems Limited	62-64, Dakhshin Street, Chennai - 110064.
4	Arvind Remedies Limited	180 Poonamallee High Road, Chennai - 600 084.	24	Muni Industries Limited	101, Sak Bhawan Society, Wardman Nagar, Nagpur - 440 028.
5	Asari Electronics Limited	107, 1st Floor, Sumer Kante Building, P.B. Marg, Behind Mahindra Towers, Worli, Mumbai - 400 015.	25	Nissan Chopar Limited	Survey No. 155/2/1, Village Rudra, Gram. Kharvel, Buxar - 236 220.
6	Beta Power Solutions Limited	Industry House, 3rd Floor, 159, Church Gate Road, Mumbai - 400 020.	26	Paramount Packaging Limited	A/09, TTC Industrial Estate, MIDC, Opp. Electronic Bazaar, Melapur, New Mumbai - 400 701.
7	Broadhorizon Retail Limited	82, 5th Floor, Marathia NestGen, Off G.K. Marg, Lower Panel, Mumbai - 400 013.	27	Parash Aluminium Limited	601, Auto Commerce House, Jawahar Nagar, Near Chyok, Madurai - 625 007.
8	Broadcast Initiative Limited	101, Sumer Kante Society, Prabhadevi Industrial Estate, Behind Mahindra & Mahindra Towers, Worli, Mumbai - 400 015.	28	Plethico Pharmaceuticals Limited	A.B. Road, Mangalot, Indore (M.P.) - 453 771.
9	C. Mahindra Exports Limited	Shrihar Diamond Bourse, Tower 'C', Office No. 6D-801/802/803, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051.	29	Prime International Solutions Limited	Prithvi House, 9-2-56/218, Kharavel, Madhapur, Hyderabad - 500 081.
10	Classic Diamonds (India) Limited	101, Magnolia Shopping Centre, Prakash Co-op Soc. Ltd., 144, J.B.S. Road, Gurgaon, Mumbai - 400 094.	30	Risurgens Mines & Minerals Limited	16, Muri House, 1st Floor, 29/50, Guss Street, Ballard Estate, Mumbai - 400 038.
11	Clash Auto Limited	2E/14, (First Floor) Jhandewalan Extension, New Delhi - 110 055.	31	Shri Auler Silicates Limited	Plot No. 831, B.H. J.M. Huber Chemicals, Jagadla GIDC, Jagadla, Dist. Bhavnagar, Gujarat - 363 110.
12	CORE Education & Technologies Limited	Block No. 1-4, Building No. 4, Sector 8, Millennium Business Park, Mohali, New Mumbai - 400 710.	32	Shri Lakshmi Cereals Limited	190-1, Krishnapuram, G.T. Road, Kargur - 208 007.
13	Dandara Industries Limited	Dandara House, 31, Nang, Subbar Road, Kolkata - 700 001.	33	Spectacle Ventures Limited	Office No. 1, 22/24/26, Shipping House, 1st Floor, Kumbha Street, Fort, Mumbai - 400 001.
14	Elder Pharmaceuticals Limited	'Elder House', Plot No. C-9, Datta Industrial Estate, Off Venna Canal Road, Andheri (W), Mumbai - 400 052.	34	Sudar Industries Limited	Plot No. 27 & 28, Village Peud, Madgaon Road, Kharapur Taluka, Raigarh District, Maharashtra - 410 222.
15	Emegra Limited	606, 6th Floor, Wanga Chambers, Free Press Journal Marg, Nariman Point, Mumbai - 400 021.	35	Eurye Pharmaceuticals Limited	1/6B, 1st Floor, Bhadrachal Parvati, Chandra Chowk, Delhi - 110 006.
16	Eva Infra Engineering Limited	B-292, Chandra Kanta Complex, Shop No. 2 & 3, Near Metro Pillar No. 181, New Asok Nagar, New Delhi - 110 006.	36	Shriyoti Spinning Mills Limited	Burgul Village, Farooqnagar, Marolli, Maharashtra District - 400 352.
17	First Leasing Company of India Limited	P.O. Box 2747, 745, Anna Salai, Chennai - 600 052.	37	SVGL Oil Gas And Energy Limited	Tower-1, 8th Floor, NRCC Plaza, Sector V, Puri Vihar, Saket, New Delhi - 110 017.
18	GCI Industrial Systems Limited	25-A, Industrial Area, Gokindpuram, Bhopal - 462 023.	38	Tegris Systems Limited	106, Viharwadi Tower, Plot No. 4, District Centre, Janki Park, New Delhi - 110 002.
19	Goodyne Technologies Limited	801, Sakinaka, Bandra Kurla Complex, Bandra (E), Mumbai - 400 061.	39	The Signet Paper Mills Limited	5-6-22/1/1, 1st Floor, Ashoka Chambers, Adarsh Nagar, Hyderabad - 500 063.
20	Indus File Limited	Survey No 234/285, 37th K.M. Stone From Bangalore, Tumkur Road N.H. 4, T. Bagul, Kasaba Hobli, Tumkur, Maharashtra - 502 123.	40	Tello Telecom Limited	C-160, Okhla Industrial Area Phase-1, New Delhi - 110 026.
			41	VB Engineering Limited	Satyarth Garden, Tikli Road, Pune - 411 030.
			42	Vijay Industries Limited	13, Shreshtheshwar Dargah, A.G. Power Cross Lane, Dhyula (E), Mumbai - 400 027.

*Address available as per the records of the Ministry of Corporate Affairs (MCA) / Exchange.

The consequences of compulsory delisting include the following:-

- The above companies will be ceased to be listed on the Stock Exchange. They will be moved to the dissemination board of the Stock Exchange.
- In terms of Regulation 24 of Delisting Regulations, the delisted company, its whole-time directors, promoters and group companies shall be debarred from accessing securities market for a period of 10 years from the date of compulsory delisting.
- The issue of giving exit to the public shareholders and providing information to the stock exchanges for fair valuation is on the promoters of the company. In case exit is not provided by the promoters, appropriate action would be taken against them.

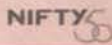
Any person who may be aggrieved by the proposed delisting may make representation, if any, to Delisting Committee of the Exchange in writing on or before March 22, 2015.

The representation(s) with complete contact details of the person(s) making representation(s) should be addressed to:-

Delisting Committee,
Listing Compliance Department,
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block-G,
Bandra-Kurla Complex, Bandra (East),
Mumbai-400 061.
Contact no: +91 22 26595231/36, 26594939
E-mail ID: delisting@nse.co.in

Notice is also given to the above companies regarding the show cause notice issued with respect to proposed delisting. The companies are directed to update the details of the promoter/director of the above companies on or before March 23, 2015. The promoter/director of the above listed companies are also called upon to contact the Exchange immediately on the above telephone nos. and email address.

Place: Mumbai Date: February 26, 2015



NIFTY Stock of the nation

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COMMON BID CUM APPLICATION FORM FOR ASBA / NON-ASBA		PNC INFRA TECH LIMITED INITIAL PUBLIC OFFER - R		FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS	
TO, THE BOARD OF DIRECTORS PNC INFRA TECH LIMITED		100% BOOK BUILDING OFFER ISIN : INE195J01011		Bid cum Application Form No.	
MEMBER OF SYNDICATE'S / SCSP'S / REGISTERED BROKER'S STAMP & CODE		BROKER'S / AGENT'S STAMP & CODE		1. NAME & CONTACT DETAILS OF SOLE / FIRST APPLICANT	
ESCHROW BANK / SCSP BRANCH STAMP & CODE		SUB-BROKER / SUB-AGENT'S STAMP & CODE		Mr./Ms.	
BANK BRANCH SERIAL NO.		REGISTRAR'S / SCSP SERIAL NO.		Address	
				Email	
				Tel. No (with STD code) / Mobile	
				2. PAN OF SOLE / FIRST APPLICANT	
<p>The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act, 1933 ("U.S. Securities Act") or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold outside of the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.</p>					
3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL					
For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID					
4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")					
Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			5. CATEGORY
		Bid Price	Retail Discount*	Net Price	
Option 1					<input type="checkbox"/> Retail <input type="checkbox"/> Individual <input type="checkbox"/> Non-Institutional <input type="checkbox"/> QIB
OR) Option 2					
OR) Option 3					
6. INVESTOR STATUS					
<input type="checkbox"/> Individual(s) - IND <input type="checkbox"/> Hindu Undivided Family* - HUF <input type="checkbox"/> Bodies Corporate - CO <input type="checkbox"/> Banks & Financial Institutions - FI <input type="checkbox"/> Mutual Funds - MF <input type="checkbox"/> Non-Resident Indians - NRI (Non-Repatriation basis) <input type="checkbox"/> National Investment Fund - NIF <input type="checkbox"/> Insurance Funds - IF <input type="checkbox"/> Insurance Companies - IC <input type="checkbox"/> Venture Capital Funds - VC <input type="checkbox"/> Alternative Investment Funds - AIF <input type="checkbox"/> Others (Please specify) - OTH					
* HUF should apply only through Karra (Application by HUF would be treated on par with Individual)					
7. PAYMENT DETAILS (PLEASE TICK (✓) ANY ONE OF PAYMENT OPTION A OR B BELOW) : PAYMENT OPTION : FULL PAYMENT					
Amount Paid (₹ in figures)					
(₹ in words)					
<input type="checkbox"/> (A) CHEQUE/ DEMAND DRAFT (DD)					
Cheque/DD No.					
Dated					
Drawn on (Bank Name & Branch)					
<input type="checkbox"/> (B) ASBA					
Bank A/c No.					
Bank Name & Branch					
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABBRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.					
8A. SIGNATURE OF SOLE / FIRST APPLICANT		8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) (FOR ASBA OPTION ONLY) I/We authorize the SCSP to do all acts as are necessary to make the Application in the Offer		BROKER'S / SCSP BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)	
(Date :) 2015		1) 2) 3)			

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PNC INFRA TECH LIMITED INITIAL PUBLIC OFFER - R		Acknowledgement Slip for member of Syndicate / SCSP/Registered Broker		Bid cum Application Form No.	
DPID / CLID		PAN of Sole / First Applicant			
Amount Paid (₹ in figures)		Bank & Branch		Stamp & Signature of Banker	
Cheque / DD/ASBA Bank A/c No.					
Received from Mr./Ms.					
Telephone / Mobile		Email			
TEAR HERE					
PNC INFRA TECH LIMITED INITIAL PUBLIC OFFER - R		Acknowledgement Slip for Bidder		Bid cum Application Form No.	
No. of Equity Shares		Option 1		Option 2	
Bid Price		Option 3			
Amount Paid (₹)		Stamp & Signature of member of Syndicate / SCSP / Registered Broker		Name of Sole / First Applicant	
Cheque / DD/ASBA Bank A/c No.					
Bank & Branch					

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COMMON BID CUM APPLICATION FORM FOR ASBA / NON-ASBA

ENGINEERS INDIA LIMITED

FURTHER PUBLIC OFFER - R

FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS



TO,
THE BOARD OF DIRECTORS
ENGINEERS INDIA LIMITED

BOOK BUILDING OFFER
ISIN : INE510A01028

Bid cum
Application
Form No.

MEMBER OF SYNDICATE'S / SCSB / REGISTERED BROKER'S STAMP & CODE	BROKER'S / AGENT'S STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE / FIRST APPLICANT
ESCBROW BANK / SCSB BRANCH STAMP & CODE	SUB-BROKER'S / SCSB-AGENT'S STAMP & CODE	Mr. / Ms. _____
RANK BRANCH SERIAL NO.	REGISTRAR'S / SCSB SERIAL NO.	Address _____
		Email _____
		Tel. No (with STD code) / Mobile _____
		2. PAN OF SOLE / FIRST APPLICANT _____

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("Securities Act"), or any state securities laws in the United States, and, unless so registered, may not be offered or sold within the United States, or to, or for the account or benefit of, U.S. persons (as defined in Regulation S of the Securities Act "Regulation S"), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be "Qualified Institutional Buyers" (as defined in Rule 144A under the Securities Act "Rule 144A"), in transactions except from the registration requirements of the Securities Act and (b) outside the United States in offshore transaction in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales occur. No public offering of securities is contemplated in the United States or any other jurisdiction outside India.

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS		6. INVESTOR STATUS																												
<input type="checkbox"/> NSDL <input type="checkbox"/> CDSL For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID		<input type="checkbox"/> Individual(s) - IND <input type="checkbox"/> Hindu Undivided Family* - HUF <input type="checkbox"/> Bodies Corporate - CO <input type="checkbox"/> Banks & Financial Institutions - FI <input type="checkbox"/> Mutual Funds - MF <input type="checkbox"/> Non-Resident Indians - NRI (Non-Repatriation basis) <input type="checkbox"/> National Investment Fund - NIF <input type="checkbox"/> Insurance Funds - IF <input type="checkbox"/> Insurance Companies - IC <input type="checkbox"/> Venture Capital Funds - VC <input type="checkbox"/> Others (Please specify) - OTH * HUF should apply only through Karta (Application by HUF would be treated on par with Individual)																												
4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")		5. CATEGORY																												
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Bid Options			No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			"Cut-off" (Please tick)																							
	Bid Price	Discount, if any		Net Price																										
Option 1					<input type="checkbox"/>																									
(OR) Option 2					<input type="checkbox"/>																									
(OR) Option 3					<input type="checkbox"/>																									

7. PAYMENT DETAILS (PLEASE TICK (✓) ANY ONE OF PAYMENT OPTION A OR B BELOW)		PAYMENT OPTION : FULL PAYMENT	
Amount Paid (₹ in figures) _____ (₹ in words) _____			
<input type="checkbox"/> (A) CHEQUE/ DEMAND DRAFT (DD) Cheque/DD No. _____ Dated DD/MM/YYYY Drawn on (Bank Name & Branch) _____		<input type="checkbox"/> (B) ASBA Bank A/c No. _____ Bank Name & Branch _____	

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED FORM 2A AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/We (on behalf of joint applicants, if any) hereby confirm that I/We have read the Instructions for filling up the Bid Cum Application Form given overleaf.

8A. SIGNATURE OF SOLE / FIRST APPLICANT	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) (FOR ASBA OPTION ONLY)	BROKER'S / SCSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)
	I/We authorize the SCSB to do all acts as are necessary to make the Application in the Offer	
	1) _____ 2) _____ 3) _____	
Date: _____, 2014		

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ENGINEERS INDIA LIMITED FURTHER PUBLIC OFFER - R	Acknowledgement Slip for Member of Syndicate / SCSB/Registered Broker	Bid cum Application Form No.
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DPID / CLID	PAN of Sole / First Applicant
-------------	-------------------------------

Amount Paid (₹ in figures)	Bank & Branch	Stamp & Signature of Banker
Cheque / DD/ASBA Bank A/c No.		
Received from Mr./Ms.		
Telephone / Mobile	Email	

TEAR HERE

ENGINEERS INDIA LIMITED FURTHER PUBLIC OFFER - R	Option 1	Option 2	Option 3	Stamp & Signature of Member of Syndicate / SCSB / Registered Broker	Name of Sole / First Applicant
No. of Equity Shares					
Bid Price					
Amount Paid (₹)					
Cheque / DD/ASBA Bank A/c No.					
Bank & Branch					

Bid cum
Application
Form No.



Q. 1. What do you understand by “Application Supported by Blocked Amount (ASBA)”?

How does it work in Initial Public Offer (IPO)? Describe.

[June 2018]

Ans. “applications Supported by Blocked Amount (ASBA)” is an application for subscribing to an issue, containing an authorization to block the application money in a bank account. In its continuing Endeavour to make the existing public issue process more efficient, SEBI introduced a supplementary process of applying in public issues, viz., the ASBA process. The ASBA process is available in all public issues made through the book building route.

Process

- (a) An ASBA investor submits an ASBA physically or electronically through the internet banking facility, with whom the bank account to be blocked is maintained, then the SCSB blocks the application money in the bank account specified in the ASBA
- (b) The application money remains blocked in the bank account till finalization of the basis of allotment in the issue or till withdrawal/failure of the issue or till withdrawal/rejection of the application, as the case may be.
- (c) The application data shall thereafter be uploaded by the SCSB in the electronic bidding system through a web enabled interface provided by the Stock Exchanges.
- (d) Once the basis of allotment of finalized, the Registrar to the issue sends an appropriate request to the SCSB for unblocking the relevant bank accounts and for transferring the requisite amount to the issuer’s account. In case of withdrawal/failure of the issue, the amount shall be unblocked by the SCSB on receipt of information from the pre-issue merchant bankers.

Q. 2. “A Company can raise funds from the primary market through different methods, different types of issues and by means of offer document and red herring prospectus”. Enumerate..

[June 2018]

Ans. A company can raise funds from the primary market through different method:

- (a) **Public issue:** When an issue/offer of securities is made to new investors for becoming part of shareholders’ family of the issuer it is called a public issue. Public issue can be further classified into Initial public offer (IPO) and Further public offer (FPO).
- (b) **Right issue (RI):** When an issue of securities is made by an issuer to its shareholders existing as on a particular date fixed by the issuer (i.e. record date), it is called a right issue.
- (c) **Bonus issue :** When an issuer makes an issue of securities to its existing shareholders as on a record date, without any consideration from them ,it is called a bonus issue.
- (d) **Private placement :** When an issuer makes an issue of securities to a select group of persons not exceeding 49, and which is neither a rights issue nor a public issue, it is called a private placement ,Private placement of shares or convertible securities by listed issuer can be of various types:
 - (i) **Preferential Allotment:** When a listed issuer issues shares or convertible securities, to a select group of persons in terms of provisions of Chapter VII of SEBI (ICDR) Regulations in addition to the requirements specified in the Companies Act,2013,it is called a preferential allotment.
 - (ii) **Qualified Institutions Placement (QIP):** When a listed issuer issues equity shares or securities convertible into equity shares to Qualified Institutional buyers (QIBs) only in terms of provisions of Chapter VIII of SEBI (ICDR) Regulations, it is called a QIP.
 - (iii) **Institutional Placement Programmers (IPP):** When a listed issuer makes a further public offer of equity shares,or offer for sale of shares by promoter/promoter group of listed issuer in which, the offer allocation and allotment of such shares is made only to QIBs in terms of chapter VIIIA of SEBI (ICDR) Regulations, 2009 for the purpose of achieving minimum public shareholding it is called an IPP.

Offer Document

“Offer document” means Prospectus in case of a public issue or offer for sale and Letter of Offer in case of a right issue, which is filled with Registrar of Companies (ROC) and Stock Exchanges. An offer document covers all the relevant information to help an investor to make his/her investment decision.

Red Herring Prospectus (RHP)

“Red Herring Prospectus” is a prospectus, which does not have details of either price or number of shares being offered, or the amount of issue. This means that in case price is not disclosed, An RHP for an Further Public Offer (FPO) can be filed with the ROC without the price band and the issuer, in such a case will notify the floor price or a price band by way of an advertisement one day prior to the opening of the issue. In the case of book-built issues, it is a process of price discovery and the price cannot be determined until the bidding process is completed. Hence, such details are not shown in the Red Herring prospectus filed with ROC in terms of the provisions of the Companies Act, 2013.

Q. 3. "The book building process is very transparent. All investors including small investors can see on an hourly basis where the book is being built before applying". Explain the offer to public through Book Building Process. [June 2018]

Ans. Offer to public through Book Building Process

Regulation 43 of the SEBI(ICDR) Regulations, 2009 provides that a person shall not make an application in the net offer to public category for that number of specified securities which exceeds the number of securities which exceeds the number of specified securities offered to public.

(a) In an issue made through the book building process under regulation 26(1), the allocation in the net offer to public shall be as follows:

- (i) not less than thirty five percent to retail individual investors;
- (ii) not less than fifteen per cent to non-institutional investors; and
- (iii) not more than fifty per cent to qualified institutional buyers, five per cent of which shall be allocated to mutual funds.

(b) In an issue made through the book building process under regulation 26(2),:

- (i) not more than ten per cent to retail individual investors;
- (ii) Not more than fifteen per cent to non institutional investors; and
- (iii) not less than seventy five per cent to qualified institutional buyers, five per cent of which shall be allocated to mutual funds.

Provided that in both cases as mentioned above, in addition to five per cent allocation available in terms of sub-point 3 as mentioned above, mutual funds shall be eligible for allocation under the balance available for qualified institutional buyers.

(c) The issuer may allocate upto sixty percent of the portion available for allocation to QIBs to an anchor investor.

Q. 4. "Right issue as identified in the SEBI Regulations is an issue of capital under Section 62 of the Companies Act, 2013 to be offered to the existing shareholders of the company through a letter of offer". Enumerate the steps involved in issue and listing of rights shares. [June 2018]

Ans. The various steps involved for issue & listing of rights share are enumerated below:

- (a) Check whether the rights issue is within the authorised share capital.
- (b) In case of a listed company, notify the stock exchange concerned the date of Board Meeting at which the rights issue is proposed to be considered at least 2 days in advance of the meeting .
- (c) Rights issue shall be kept open for at least 15 days and more than 30 days .
- (d) Convene the Board meeting and place before it the proposal for rights issue.
- (e) The Board of directors should decide on the following matters:
 - (i) Quantum of issue and the proportion of rights shares.
 - (ii) Alteration of share capital, if necessary, and offering shares to persons other than existing holders of shares in terms of section 62 of the Companies Act, 2013.
 - (iii) Fixation of record date.
 - (iv) Appointment of merchant bankers and underwriters (if necessary).
 - (v) Approval of draft letter of offer or authorisation of managing director/company secretary to finalise the letter of offer in consultation with the managers to the issue, the stock exchange and SEBI.
- (f) Immediately after the Board Meeting notify the concerned Stock Exchanges about particulars of Board of Director's decision.
- (g) If it is proposed to offer shares to persons other than the shareholders of the company, a General Meeting has to be convened and a resolution is to be passed for the purpose in terms of section 62 of the Companies Act, 2013.
- (h) Forward 6 sets of letter of offer to concerned Stock Exchange(s).
- (i) Dispatch letters of offer to shareholders by registered post.
- (j) Check that an advertisement giving date of completion of dispatch of letter of offer has been released in at least an English National Daily, one Hindi National Paper and a Regional Language Daily where registered office of the issuer company is situated.
- (k) Check that the advertisement contains the list of centers where shareholders or persons entitled to rights may obtain duplicate copies of composite application forms in case they do not receive original application form along with the prescribed format on which application may be made.
- (l) The applications of shareholders who apply both on plain paper and also in a composite application form are liable to be rejected.
- (m) Make arrangement with bankers for acceptance of share application forms.
- (n) Convene Board Meeting and make allotment of shares.
- (o) Make an application to the Stock Exchange(s) where the company's shares are listed for permission of listing of new shares.

Ans. Fast Track Issues

In Fast Track Issue (FT) well established listed companies are able to access Indian primary market in a time effective manner through follow-on public offerings and rights issues, by filing a copy of the Red Herring Prospectus (in case of book built issues)/Prospectus (in case of fixed price issue) registered with the Registrar of Companies or the letter of offer filed with Designated Stock Exchange, as the case may be, with SEBI and stock exchanges. According to the Regulation 10 of SEBI (CDR) Regulations, 2009, filing of offer document are not applicable to public issue/right issue by a listed issuer company for making fast track issue, where the aggregate value of such securities, including premium, if any, exceeds Rs. Lakhs, upon fulfilling certain conditions as prescribed under SEBI (ICDR) Regulation, 2009.

SELF TEST QUESTIONS

FROM PAST CS EXAMS



- Write notes on the following:
 - Anchor investor
 - Employees' Stock Purchase Scheme.
 - Self certified syndicate bank
 - Employee stock option
 - Fast track issues.
 - Lock-in period
 - Subscription list
 - ASBA
 - 'Promoter' contribution
 - Basis of allotment
 - Promoters' minimum contribution
 - Qualified institutional buyers (QIBs)
 - Employee stock purchase scheme (ESPS)
 - Different methods of raising funds by a company from primary market
 - Draft offer document.
 - Compliance officer
 - Anchor investor
- What is 'green shoe option'? Explain its significance.
- What is meant by the following in a public issue:
 - Subscription list
 - Issue operating date
 - Mandatory collection centre
- What do you understand by 'fast track issues'?
- Explain in brief the provisions related to fast track issues.
- What is 'price stabilization fund'?
- Write a note on 'due diligence' in the process of public issue of securities.
- Discuss the various formalities to be complied with for the issue of bonus shares under the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009.
- Define 'fast track issue'. List out the conditions to make a fast track issue.
- What are the eligibility norms for public issues by an unlisted company?
- What is due diligence in the process of public issue of securities? Explain its scope and significance.
- You are the Company Secretary of Great India Ltd. Prepare a Board note outlining various requirements of SEBI guidelines for rights issue and list out the major steps involved in rights issue.
- Can an issuer company offer specified securities at different prices? What are the conditions laid down under the SEBI investor protection guidelines with regard to differential pricing of securities?
- What is 'book building'? What is the difference between 'fixed price process' and 'book building process'?
- State briefly the requirements or bidding process related to public issue of equity shares.
- Elaborate the various steps involved in the issue of rights shares.

FROM ICSI MODULE



Answer the following:

- What is a prospectus? Discuss broadly the disclosures to be made in prospectus.
- Explain the various legal provisions to be complied with for further issue of capital.
- Write a note on the work involved in making an issue of share open to the public.
- State the Regulations relating to Issue of Bonus Shares.
- What do you understand by Book Building? Explain briefly SEBI's Regulations for 100% book building.
- Explain briefly about the ASBA process. Who are the eligible investors? State.
- What are the criteria for issue specified securities by a SME?
- Write short notes on –
 - Minimum subscription
 - Anchor Investor
 - Minimum promoters' contribution and lock-in-period
 - Preferential allotment
 - Green Shoe Option
 - Employee Stock Option Scheme
 - Self Certified Syndicate Bank.
- What are the conditions for making Qualified Institutions placement under SEBI ICDR Regulations?
- What is Institutional Placement Programme (IPP)? Briefly explain the restrictions on making IPP.



17. Explain briefly the following statements:
- (i) "Public issue aims at selling and marketing of shares to public".
18. Discuss the rules for preferential issue of share by existing listed companies.
- (i) Explain briefly the SEBI Regulations for book building.
19. Explain the following statements:
- (i) "Pre-marketing is a tool through which syndicate member evaluate the prospects of the issue".
 - (ii) "Market making is compulsory public issues".
20. What are the eligibility conditions for making a fast track issue (FTI) ?
- (i) What do you understand by Qualified Institutional Placement (QIP)?
 - (ii) State the SEBI regulations relating to issue of rights shares.
21. Explain the following terms associated with public offering of equity shares.
- (i) Price band
22. Comment on the following statements.
- (i) Book-building process of determining price of a public issue is preferred case of initial public offer (IPO) while fixed price process is used for further public offer (FPO)
 - (ii) The option to participate in ESOP/ESPS scheme is not open for all employees of the company.
 - (iii) A company cannot offer shares at different prices to different sets of people in a particular public issue.
 - (iv) Every institutional buyer is a qualified institutional buyer (QIB).
23. What is a 'bonus share'? What are the conditions to be satisfied before issuing bonus shares?
24. What do you mean by 'reservation on competitive basis'? Who are the persons eligible in case of issue made through book building process?



Answers to be analysed in Classroom

Q. 1.

Answer to Question No. 1:-

CS NITESH KR. JAISWAL



Answers to be analysed in Classroom

Q. 2.

Answer to Question No. 2:-

CS NITESH KR. JAISWAL

CHAPTER

6

DELISTING OF SECURITIES

Covering-

- Delisting of Securities
- Difference between compulsory and voluntary delisting
- SEBI (Delisting of equity shares) Regulations, 2009
- Voluntary delisting
- Distinction between voluntary and compulsory delisting
- Exit opportunity to dissenting shareholders
 - From Past CS Examination Questions
 - From ICSI Module

**EXPECTED
MARKS COVERAGE
(10 to 30)**

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DELISTING OF SECURITIES

The term “delisting” of securities means permanent removal of securities of a listed company from a stock exchange. As a consequence of delisting, the securities of that company would no longer be traded at that stock exchange.

Delisting can be

- | |
|-----------------|
| 1. Voluntary or |
| 2. Compulsory. |

DIFFERENCE BETWEEN COMPULSORY AND VOLUNTARY DELISTING

Compulsory delisting refers to permanent removal of securities of a listed company from a stock exchange as a penalizing measure at the behest of the stock exchange for not making submissions/comply with various requirements set out in the Listing agreement within the time frames prescribed.

In voluntary delisting, a listed company decides on its own to permanently remove its securities from a stock exchange.

SEBI (DELISTING OF EQUITY SHARES) REGULATIONS, 2009

APPLICABILITY

Delisting of equity shares of a company from all or any of the recognised stock exchanges where such shares are listed.

NON-APPLICABILITY

1. These regulation shall not be applicable in case of delisting Under a scheme sanctioned by the Board for Industrial and Financial Reconstruction under the Sick Industrial Companies (Special Provisions) Act, 1985 or by the Tribunal under section 262 of the Companies Act, 2013.
2. Nothing in these regulations shall apply to any delisting of equity shares of a listed entity made pursuant to a resolution plan approved under section 31 of the Insolvency and Bankruptcy Code, 2016, if such plan, –

(a) lays down any specific procedure to complete the delisting of such share; or
--

(b) provides an exit option to the existing public shareholders at a price specified in the resolution plan:
--

CIRCUMSTANCES WHERE DELISTING IS NOT PERMISSIBLE

- | |
|---|
| 1. Buy back of equity shares by the company; or |
| 2. Preferential allotment made by the company; or |
| 3. Unless a period of three years has elapsed since the listing of that class of equity shares; or |
| 4. Instruments which are convertible into the same class of equity shares that are sought to be delisted are outstanding. |

VOLUNTARY DELISTING

1. DELISTING FROM ALL RECOGNISED STOCK EXCHANGES

A company may delist its equity shares from all or from the only recognised stock exchange where they are listed. However, all public shareholders holding equity shares of the class which are sought to be delisted are given an exit opportunity in accordance with these regulations.

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2. DELISTING FROM ONLY SOME OF THE RECOGNISED STOCK EXCHANGES

A company may delist its equity shares from one or more recognised stock exchanges where they are listed and continue their listing on one or more other recognised stock exchanges, if after the proposed delisting the equity shares would –

- (a) remain listed on any recognised stock exchange which has nationwide trading terminals, no exit opportunity needs to be given to the public shareholders; and,
- (b) not remain listed on any recognised stock exchange having nationwide trading terminals, exit opportunity shall be given to all the public shareholders holding the equity shares sought to be delisted.

PROCEDURE FOR VOLUNTARY DELISTING

- (1) Obtain the prior approval of the board of directors of the company in its meeting;
- (2) Obtain the prior approval of shareholders of the company by special resolution passed through postal ballot.
- (3) Make an application to the concerned recognised stock exchange for in-principle approval of the proposed delisting.
- (4) An application shall be disposed of by the recognised stock exchange within a period not exceeding thirty working days from the date of receipt of such application complete in all respects

COMPULSORY DELISTING

Compulsory Delisting means permanent removal of securities of a listed company from a stock exchange as a penalizing measure at the behest of the stock exchange for not making submissions/ complying with various requirements set out in the Listing agreement within the time frames prescribed.

PROCEDURE FOR DELISTING BY STOCK EXCHANGE

- (1) A recognised stock exchange may, by order, delist any equity shares of a company on any ground prescribed in the rules made under section 21A of the Securities Contracts (Regulation) Act, 1956. However, no order shall be made under this sub-regulation unless the company concerned has been given a reasonable opportunity of being heard.
- (2) The decision on delisting shall be taken by a panel to be constituted by the recognised stock exchange consisting of –

(a) two directors of the recognised stock exchange (one of whom shall be a public representative);
(b) one representative of the investors;
(c) one representative of the Ministry of Corporate Affairs or Registrar of Companies;
(d) the Executive Director or Secretary of the recognised stock exchange.

- (3) Before making an order the recognised stock exchange shall give a notice in one English national daily with wide circulation and one regional language newspaper of the region where the concerned recognised stock exchange is located, of the proposed delisting, giving a time period of not less than fifteen working days from the notice, within which representations may be made to the recognised stock exchange by any person who may be aggrieved by the proposed delisting and shall also display such notice on its trading systems and website.
- (4) The recognised stock exchange shall while passing any order consider the representations, if any, made by the company as also any representations received in response to the notice given and shall comply with the criteria specified in Schedule III

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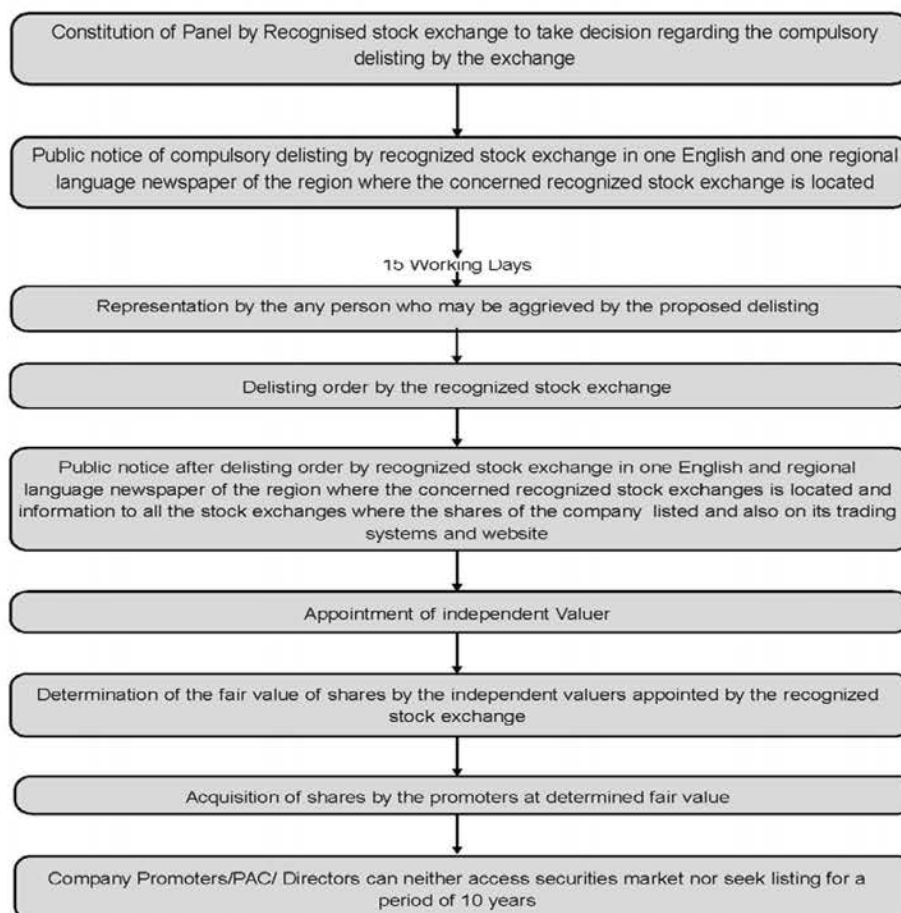
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PROCESS FLOW CHART FOR COMPULSORY DELISTING



DISTINCTION BETWEEN VOLUNTARY AND COMPULSORY DELISTING

Voluntary Delisting	Compulsory delisting
Voluntary delisting is a wish of a company for permanent removal of trading of its shares from the stock market.	Compulsory delisting is a penalty imposed on company which has complied with provisions of listing agreement requirement.
It is an action taken by the company on its own to permanently remove its securities trading from a stock exchange.	Compulsory delisting means permanent removal of securities trading on of listed company from stock exchange penalizing measure at behest of stock exchange for not making submissions/comply with requirements set out in the listing agreement within prescribed time frames.
In Voluntary delisting, a company has to follow SEBI (Delisting of equity shares) Regulations, 2009.	The Stock Exchanges have power under the provision of the Securities Contracts (Regulation) Act, 1956 to delist the trading of any securities of a listed company.

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EXIT OPPORTUNITY TO DISSENTING SHAREHOLDERS

SCHEDULE XX OF SEBI (ICDR) REG, 2018

The provisions of this Chapter shall apply to an exit offer made by the promoters or shareholders in control of an issuer to the dissenting shareholders in terms of section 13(8) and section 27(2) of the Companies Act, 2013, in case of change in objects or variation in the terms of contract referred to in the prospectus.

However, the provisions of this Chapter shall not apply where there are neither identifiable promoters nor shareholders in control of the listed issuer.

WHAT IS DISSENTING SHAREHOLDERS

“*Dissenting Shareholders*” mean those shareholders who have voted against the resolution for change in objects or variation in terms of a contract, referred to in the prospectus of the issuer.

CONDITIONS FOR EXIT OFFER

The promoters or shareholders in control shall make the exit offer in accordance with the provisions of this Chapter, to the dissenting shareholders, if:

- | |
|--|
| ➤ the public issue has opened after April 1, 2014; and |
| ➤ the proposal for change in objects or variation in terms of a contract, referred to in the prospectus is dissented by at least 10 per cent of the shareholders who voted in the general meeting; and |
| ➤ the amount to be utilized for the objects for which the prospectus was issued is less than 75 % of the amount raised (including the amount earmarked for general corporate purposes as disclosed in the offer document). |

ELIGIBILITY OF SHAREHOLDERS FOR AVAILING THE EXIT OFFER

Only those dissenting shareholders of the issuer who are holding shares as on the relevant date shall be eligible to avail the exit offer.

EXIT OFFER PRICE

The ‘exit price’ payable to the dissenting shareholders shall be the highest of the following:

- the volume-weighted average price paid or payable for acquisitions, whether by the promoters or shareholders having control or by any person acting in concert with them, during the fifty-two weeks immediately preceding the relevant date;
- the highest price paid or payable for any acquisition, whether by the promoters or shareholders having control or by any person acting in concert with them, during the twenty-six weeks immediately preceding the relevant date;
- the volume-weighted average market price of such shares for a period of sixty trading days immediately preceding the relevant date as traded on the recognised stock exchange where the maximum volume of trading in the shares of the issuer are recorded during such period, provided such shares are frequently traded;
- where the shares are not frequently traded, the price determined by the promoters or shareholders having control and the merchant banker taking into account valuation parameters including book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such issuers.

MANNER OF PROVIDING EXIT TO DISSENTING SHAREHOLDERS

- The notice proposing the passing of special resolution for changing the objects of the issue and varying the terms of contract, referred to in the prospectus shall also contain information about the exit offer to the dissenting shareholders.

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- (b) In addition to the disclosures required under the provisions of section 102 of the Companies Act, 2013 read with applicable rules, a statement to the effect that the promoters or the shareholders having control shall provide an exit opportunity to the dissenting shareholders shall also be included in the explanatory statement to the notice for passing special resolution.
- (c) After passing of the special resolution, the issuer shall submit the voting results to the recognised stock exchange(s), in terms of the provisions of regulation 44(3) of SEBI (LODR) Regulations, 2015.
- (d) The issuer shall also submit the list of dissenting shareholders, as certified by its compliance officer, to the recognised stock exchange(s).
- (e) The promoters or shareholders in control, shall appoint a merchant banker registered with SEBI and finalize the exit offer price in accordance with these regulations.
- (f) The issuer shall intimate the recognised stock exchange(s) about the exit offer to dissenting shareholders and the price at which such offer is being given.
- (g) The recognised stock exchange(s) shall immediately on receipt of such intimation disseminate the same to public within one working day.
- (h) To ensure security for performance of their obligations, the promoters or shareholders having control, as applicable, shall create an escrow account which may be interest bearing and deposit the aggregate consideration in the account at least two working days prior to opening of the tendering period.
- (i) The tendering period shall start not later than seven working days from the passing of the special resolution and shall remain open for ten working days.
- (j) The dissenting shareholders who have tendered their shares in acceptance of the exit offer shall have the option to withdraw such acceptance till the date of closure of the tendering period.
- (k) The promoters or shareholders having control shall facilitate tendering of shares by the shareholders and settlement of the same through the recognised stock exchange mechanism as specified by SEBI for the purpose of takeover, buy-back and delisting.
- (l) The promoters or shareholders having control shall, within a period of ten working days from the last date of the tendering period, make payment of consideration to the dissenting shareholders who have accepted the exit offer.
- (m) Within a period of two working days from the payment of consideration, the issuer shall furnish to the recognised stock exchange(s), disclosures giving details of aggregate number of shares tendered, accepted, payment of consideration and the post-offer shareholding pattern of the issuer and a report by the merchant banker that the payment has been duly made to all the dissenting shareholders whose shares have been accepted in the exit offer.

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Answers to be analysed in Classroom

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Answer to Question No. 1:-

CS NITESH KR. JAISWAL



Answers to be analysed in Classroom

Q. 2.

Answer to Question No. 2:-

CS NITESH KR. JAISWAL

CHAPTER

7

DEBT MARKET

Covering-

- Debt Market in India – Regulatory Framework
- Investors in Debt Market
- Simplified listing agreement for debt securities
- Debt Market Instruments
- Self Test Questions
 - From Past CS Examination Questions
 - From ICSI Module

**EXPECTED
MARKS COVERAGE
(1 to 5)**

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DEBT MARKET

Debt markets are markets for the issuance, trading and settlement in fixed income securities of various types and features. **Fixed income securities** can be issued by almost any legal entity like central and state governments, public bodies, statutory corporations, banks and institutions and corporate bodies.

The debt market in India comprises mainly of two segments, namely:-	(a) Government securities market consisting of Central and State Governments securities, Zero Coupon Bonds (ZCBs), Floating Rate Bonds (FRBs), T-Bills and
	(b) Corporate securities market consisting of FI bonds, PSU bonds, and Debentures/Corporate bonds. Government securities form the major part of the market in terms of outstanding issues, market capitalization and trading value.

DEBT MARKET IN INDIA – REGULATORY FRAMEWORK

Reserve Bank of India controls and regulates the G-Secs Market. SEBI controls bond market and corporate debt market in cases where entities raise money from public through public issues. Apart from the two main regulators, the RBI and SEBI, there are several other regulators specific for different classes of investors

Issue and listing of non-convertible debt securities are required to be made in accordance with the provisions of the **SEBI (issue and listing of Debt securities) Regulations, 2008**.

Issue of debt securities that are convertible into equity shares shall be guided by the **SEBI (ICDR) Regulations, 2009**.

SEBI (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008 deals with public offer and listing of securitized debt instrument.

SEBI has also issued listing agreement for debt instruments.

INVESTORS IN DEBT MARKET

The investors in debt market are generally Banks, Financial Institutions, Mutual Funds, Insurance companies, Provident Funds etc. The individual investors invest to a great extent in Fixed Income products.

SIMPLIFIED LISTING AGREEMENT FOR DEBT SECURITIES

Continuing with rationalization of disclosure norms for listing of debt issuances, SEBI has put in place a simplified Listing Agreement for debt securities.

The Listing Agreement has two parts:

1. **Part A** is applicable where equity shares of the issuer are already listed on the exchange and continues to comply with the listing agreement for equity.
2. **Part B** is applicable for issuers who do not have their equity shares already listed on the exchange.

An issuer complying with Part B would move to compliance with Part A in case its equity shares listed at a future date. Similarly, an issuer delisting equity need to comply with Part B.

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ROLE OF COMPANY SECRETARY IN SIMPLIFIED DEBT LISTING AGREEMENT

- (a) Clause 2 and 13 of the Debt Listing Agreement authorises Company Secretaries to issues half yearly certificate regarding maintenance of 100% security cover in respect of listed secured debt securities.
- (b) Clause 22 of the Debt Listing Agreement requires the issuer to designate Company Secretary or any other person as Compliance Officer responsible for ensuring compliance with the regulatory provisions applicable to such issuance of debt securities, reporting to various authorities etc.

DEBT MARKET INSTRUMENTS

1. CORPORATE DEBENTURE

A Debenture is a debt security issued by a company, which offers to pay **interest** in lieu of the money borrowed for a certain period. In essence it represents a loan taken by the issuer who pays an agreed rate of interest during the lifetime of the instrument and repays the principal normally, unless otherwise agreed, on maturity.

These are long-term debt instruments issued by private sector companies, in denominations as low as ₹1000 and have maturities ranging between **one and ten years**. Unlike other fixed income instruments such as Fixed Deposits, Bank Deposits, Debentures can be transferred from one party to another.

2. PASS THROUGH CERTIFICATES

When **mortgages are pooled together and undivided interest in the pool are sold, pass-through securities are created**. The pass-through securities promise that the cash flow from the underlying mortgages would be passed through to the holders of the securities in the form of monthly payments of interest and principal.

3. INFLATION LINKED BONDS

A bond is considered indexed for inflation if the payments on the instrument are indexed by reference to the change in the value of a general price or wage index over the term of the instrument. The options are that either the interest payments are adjusted for inflation or the principal repayment or both.

4. BENCHMARKED INSTRUMENTS

There are certain debt instruments wherein the fixed income earned is based on a benchmark. For instance, the Floating Interest rate Bonds are benchmarked to either the LIBOR, MIBOR etc.

5. INTER-CORPORATE DEPOSITS

An ICD is an **unsecured loan** extended by **one corporate to another**. This market allows funds surplus corporates to lend to other corporates. As the cost of funds for a corporate is much higher than a bank, the rates in this market remain higher than those in the other markets. As ICDs are unsecured, the risk inherent is high.

6. FIXED INCOME PRODUCT:

Fixed income products: These are investment vehicles which provide for fixed income returns on investment s. Fixed Income Products includes bank fixed deposits, corporate fixed deposits, public Provident fund, Kisan Vikas Patra, National Savings Certificate etc.

A bank basically has three types of deposits, i.e. time deposits, savings deposit and current account. NBFCs also accept various types of deposits.

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Indiabulls Consumer Finance Limited

(100% Subsidiary of Indiabulls Ventures Limited)

**Public Issue of Secured
Redeemable NCDs**



Indicates high degree
of safety regarding
timely servicing of
financial obligations.

- Effective yield ranging from 10.00% to 10.60% p.a.
- Monthly, annual and cumulative payout options
- Tenor: 400 days, 24 months, 36 months and 60 months
- Minimum application of ₹10,000/-
- For Retail Investors (Category IV), the maximum application amount is upto ₹10 lakhs
- No Tax Deduction at Source on interest on NCDs

**Yield Upto
10.60%
p.a.***

**Allotment on first come
first serve basis***

Lead Managers/ LMs

Edelweiss Financial Services Limited, A. K. Capital Services Limited,
Axis Bank Limited and Trust Investment Advisors Private Limited

To invest, give a missed call at 810 810 0099

*For further details refer to section titled "Issue Related Information" on page 134 of Tranche I Prospectus dated May 27, 2019. Allotment in the public issue of debt securities should be made on the basis of date of receipt of each application into the electronic book of the stock exchanges. However, on the date of oversubscription, the allotments should be made to the applicants on proportionate basis.

*The Tranche II issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated above, except that the Tranche II issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company or duly constituted committee by it ("Bond Issue Committee"), subject to necessary approvals. In the event of an early closure or extension of the Tranche II issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a daily national newspaper with wide circulation on or before such earlier or initial date of Tranche II issue closure. For detailed terms and conditions please refer to the Shelf Prospectus dated January 30, 2019 and Tranche II Prospectus dated May 27, 2019. For further details please refer Shelf Prospectus dated January 30, 2019 and Tranche II Prospectus dated May 27, 2019.

DISCLAIMER CLAUSE OF BSE: It is to be distinctly understood that the permission given by BSE should not in any way be deemed or construed that the Prospectus has been cleared or approved by BSE nor does it certify the correctness or completeness of any of the contents of the Prospectus. The investors are advised to refer to the Prospectus for the full text of the Disclaimer Clause of the BSE.

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In case of partnership/proprietary concerns, the rating/outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo changes in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietors in addition to the financial performance and other relevant factors.

DISCLAIMER: Indiabulls Consumer Finance Limited, subject to market conditions and other considerations is proposing a public issue of secured, redeemable non-convertible debentures ("NCDs") and has filed the Shelf Prospectus dated January 30, 2019 and Tranche II Prospectus dated May 27, 2019 with the Registrar of Companies, NCT of Delhi and Ministry, BSE Limited, National Stock Exchange of India Limited and SEBI. The Shelf Prospectus dated January 30, 2019 and Tranche II Prospectus dated May 27, 2019 are available on the website of the Company www.indiabullconsumerfinance.com, on the website of the stock exchanges www.bseindia.com and www.nseindia.com, and the respective websites of the lead managers at www.edelweissfi.com, www.akgroup.co.in, www.axisbank.com and www.trustgroup.in. Investors proposing to participate in the issue, should invest only on the basis of the information contained in the Shelf Prospectus dated January 30, 2019 and Tranche II Prospectus dated May 27, 2019. Investors should note that investment in NCDs involves a high degree of risk and for details relating to the same, please refer to "Risk Factors" on page 15 of the Shelf Prospectus and page 16 of the Tranche II Prospectus.

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Q. 1. An issue may list its debt securities issued on private placement basis on a recognized stock exchange subject to specified conditions as per SEBI (Issue and Listing of Debt Securities) Regulation, 2008. Explain those conditions.. **[June 2018]**

Ans. Regulation 20 of the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 provides the conditions for listing of debt securities on a recognized stock exchange, issued on private placement basis which are as discussed below:

1. An issuer is required to fulfill the following:
 - (i) Is in compliance with the provisions of the Companies Act, 2013, rules prescribed there under and other applicable laws.
 - (ii) Credit rating has been obtained from at least one credit rating agency registered with SEBI.
 - (iii) Should be in dematerialized form.
 - (iv) The disclosures as provided in these regulation have been made.
2. Where application is made to more than one recognized stock exchange, the issuer shall choose one of them as the designated stock exchange.
3. The issuer shall comply with conditions of listing of such debt securities as specified in the Listing Agreement with the stock exchange where such debt securities are sought to be listed.
4. The issuer shall make disclosures in a disclosure document as specified in Schedule I of these regulations accompanied by the latest Annual Report of the issuer and the same shall be made on the website of the stock exchange where such securities are proposed to be listed.
5. The designated stock exchange shall collect a regulatory fee from the issuer at the time of listing of debt securities issued on private placement basis.

SELF TEST QUESTIONS

FROM PAST CS EXAMS



1. Write notes on the following:
 - (i) Debt securities
 - (ii) Fixed income products
2. Briefly Explain the following terms related to debt market:
 - (i) Pass through certificates
 - (ii) Benchmarked instruments
 - (iii) Inflation Linked bonds
3. What constitutes debt market in India? Describe the various investors in the debt market.
4. Explain briefly "Debt market in India comprises of two segments".
5. What is 'debt security'? Describe the different debt market participants.
6. Discuss how the debt market and its instrument help the companies in raising funds.
7. Discuss briefly the rules and regulations relating to redemption and rollover of debt securities.
8. Explain rollover of non-convertible portion partly convertible debentures under the SEBI (issue of Capital and Disclosure Requirements) Regulations, 2009.

FROM ICSI MODULE



Answer the following:

1. The debt market in India comprises mainly of two segments viz., the Government securities market and the corporate securities market – Discuss.
2. Explain rollover of non-convertible portion of partly convertible debt instruments under SEBI (ICDR) Regulations, 2009.
3. Explain the Regulatory Framework of Debt Market in India.
4. Briefly discuss the role of Company Secretary as Compliance Officer in Listing of Debt Securities.
5. Give an overview of various debt market instruments in India.



Answers to be analysed in Classroom

Q. 1.

Answer to Question No. 1:-

CS NITESH KR. JAISWAL



Answers to be analysed in Classroom

Q. 2.

Answer to Question No. 2:-

CS NITESH KR. JAISWAL

CHAPTER

8

RESOURCE MOBILIZATION IN INTERNATIONAL MARKET

Covering-

- ABC Analysis
- EURO Issues
- Regulatory Framework in India
- Global Depository Receipt (GDR)
- GDR Issue – Procedure
- Difference between ADR and GDR
- FCCB – Definition
- FCCB – Meaning
- Foreign Currency Exchangeable Bonds
- Difference between FCCB and FCEB
- Agencies Involved in Issuing GDRS/FCCBS
- Documentation Involved in Issuing GDRs/FCCBs
- Pre-Marketing
- Road Shows
- Offering Circulars
- Government Guidelines for EURO Issue
- External Commercial Borrowings (ECBs)
- Forms of ECB
- Government Guidelines for ECBs
- Conversion of ECB into Equity
- Self Test Questions
 - From Past CS Exam
 - From ICSI Module

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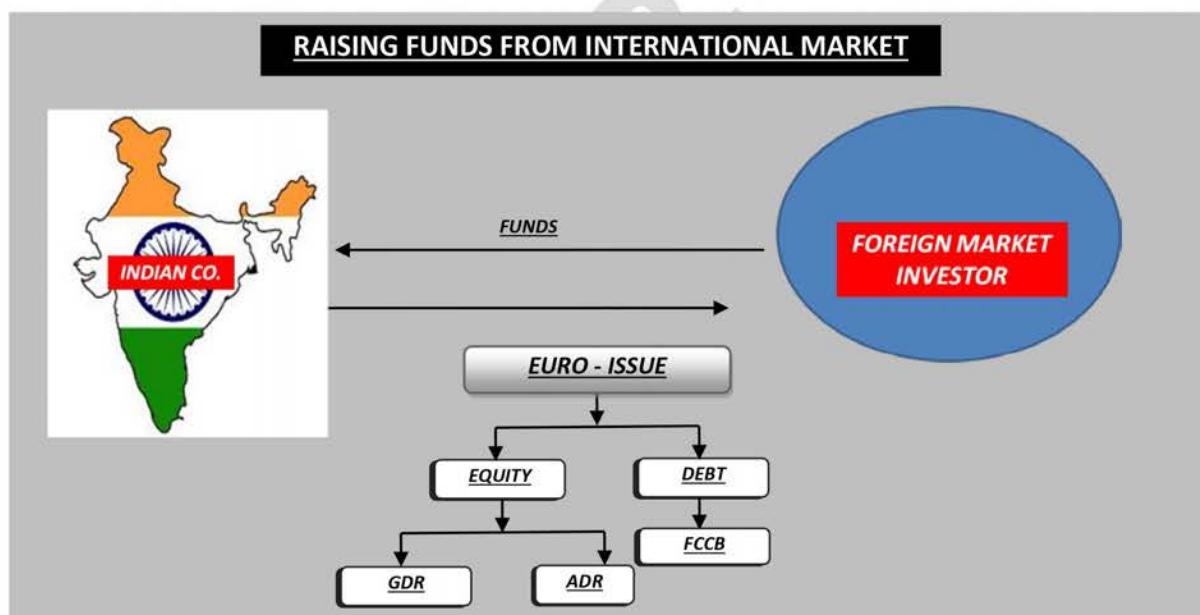


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RESOURCE MOBILIZATION IN INTERNATIONAL MARKET

ABC Analysis (IOSI -Exam Point of view)	
A	1. Regulatory Framework in India 2. Difference between ADR and GDR 3. FCCB – Definition
B	4. Difference between FCCB and FCEB 5. Government Guidelines for EURO Issue
C	6. Pre-Marketing 7. Road Shows 8. External Commercial Borrowings (ECBs)

The government has taken a no. of initiatives to allow Indian companies to raise funds from the international markets. Consequently raising funds through Euro issues has become popular with the companies and investor both.



EURO ISSUES

Euro Issue means modes of raising funds by an Indian company outside India in foreign currency. Indian companies are allowed to tap international capital markets for raising funds through Euro issues. Two major forms of international offering made by companies for tapping the international market are foreign currency convertible bonds (**FCCBs**) and equity shares through depository receipts (**ADR/GDR**).

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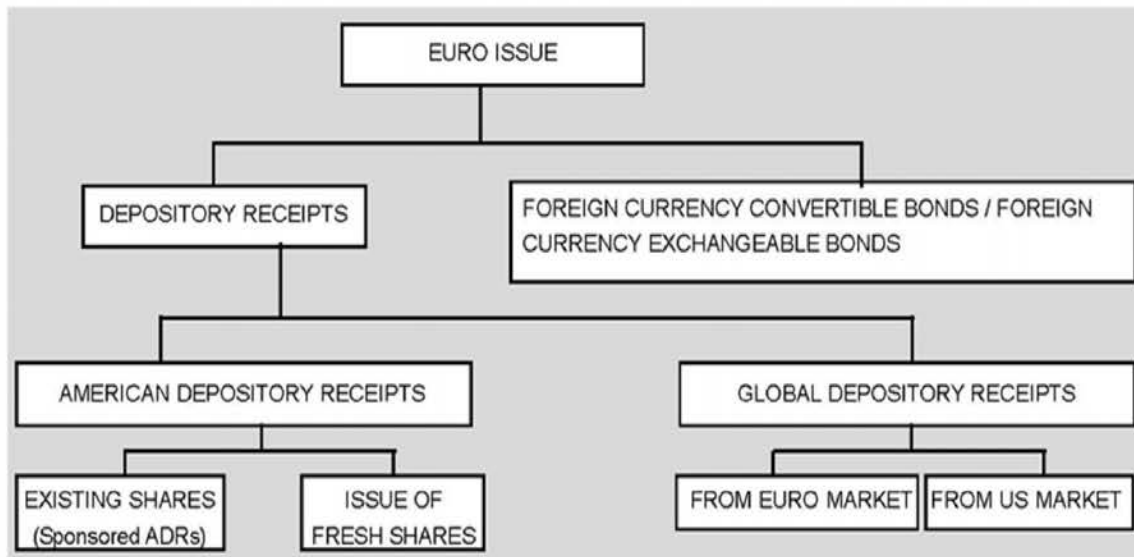
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There are different modes of Euro issue which is as follows:



REGULATORY FRAMEWORK IN INDIA

Issue of ADR/GDR/FCCBs/FCEBs are regulated by the following regulations in India:

- | |
|---|
| (a) The Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993. |
| (b) Foreign Currency Exchangeable Bonds Scheme, 2008. |
| (c) Depository Receipts Scheme, 2014. |
| (d) Notifications/Circulars issued by Ministry of Finance (MoF), GOI. |
| (e) Consolidated FDI Policy. |
| (f) RBI Regulations/Circulars. |
| (g) Companies Act and Rules thereunder. |
| (h) Listing Regulations. |

GLOBAL DEPOSITORY RECEIPT (GDR)

GDR - MEANING

Global Depository Receipt means any instrument in the form of a depository receipt or certificate created by the Overseas Depository Banks outside India and issued to non-resident investors against issue of ordinary share or FCCB of Indian Company.

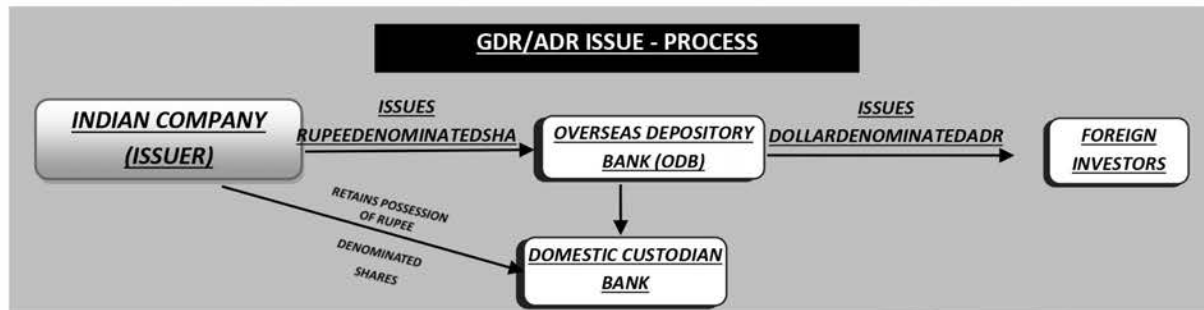
Overseas Depository Bank has been defined to mean a bank authorised by the issuing company to issue global Depository receipts against issue of Foreign Currency Convertible Bonds or ordinary shares of the issuing company;

A Global Depository Receipt represents a certain number of equity shares. Though Global Depository Receipt is **denominated in dollar terms**, the equity shares comprised in each Global Depository Receipt are denominated in Rupees.

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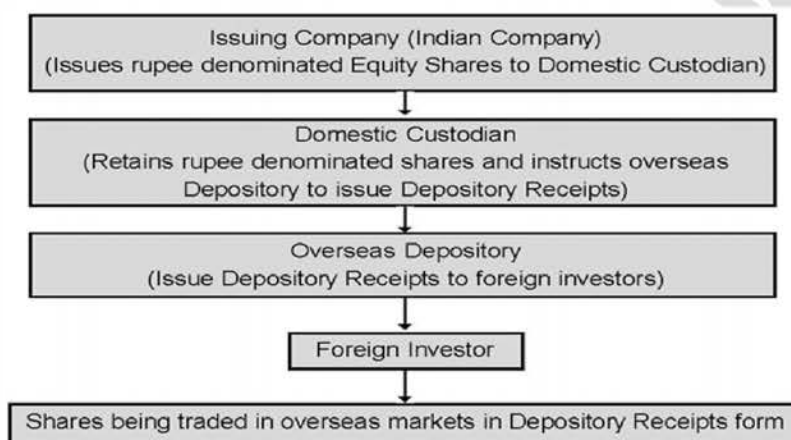
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GDR ISSUE - PROCEDURE

- (a) The securities are issued by the issuing company to an intermediary called **Overseas Depository Bank**. The equity shares are registered in the name of the depository who subsequently issues the Global Depository Receipt to foreign investors. The issuer and the depository enter into Depository agreement, dealing the terms and condition of the agreement between them.
- (b) The equity shares are in physical possession of another intermediary called the Domestic Custodian Bank, who is an agent of the Overseas Depository Bank. The Depository and the Custodian shall enter into an agreement themselves, known as the Custodian Agreement.

Domestic Custodian Bank has been defined to mean a banking company which acts as a custodian for the ordinary shares or foreign currency convertible bonds of an Indian Company which are issued by it against global Depository receipts or certificates;

PROCESS INVOLVED IN ISSUE OF DEPOSITORY RECEIPTS



However, it may be noted that, if a company wants to tap the retail investor of US, it can be done only through issue of American Depository Receipt (ADR).

SPONSORED GDR

GDR issue can be through sponsored GDR programme or through fresh issue of shares.

Through Sponsored GDRs the existing holders of shares in Indian Companies can sell their shares in the overseas market it is a process of disinvestment by Indian shareholders of their holding in overseas market. The concerned Company sponsors the GDRs against the shares offered for disinvestment. These shares are converted into GDRs and sold to foreign investors. The proceeds realized are distributed to the shareholders in proportion to the shares sold by them.

Thus, by sponsored GDR method an Indian Company is able to shift its shareholding base from India to foreign countries, without increasing its capital.

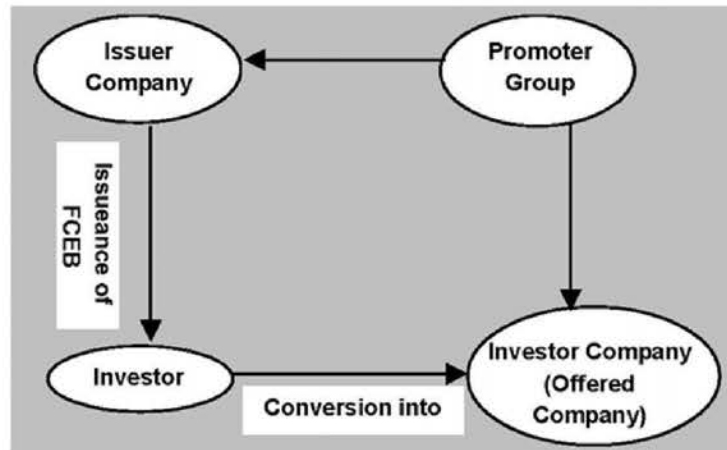
DIFFERENCE BETWEEN ADR AND GDR

American Depository Receipts	Global Depository Receipts
ADR are US \$ denominated and Traded	GDRs are traded in various places such as New York Stock Exchange, London Stock Exchange, etc.
Listing Of ADR may only take Place in the US stock markets like NYSE & NASDAQ etc.	Whereas listing of GDR may take place in US and UK as well
After listing, the issuer company shall comply with the requirements of SEC only.	After listing of GDR, the issuer company may comply with SEC requirements as well as EU directive.

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FOREIGN CURRENCY CONVERTIBLE BONDS (FCCB)

FCCB - DEFINITION

Foreign Currency Convertible Bonds means **bonds issued in accordance with the Government's Guideline and subscribed by non-resident in foreign currency and convertible into Ordinary Shares** of the Issuing Company, wholly or partly, based on any equity-linked warrants attached to debt instruments.

FCCB - MEANING

Foreign Currency Convertible Bonds are **unsecured borrowings**. They carry a **fixed rate of interest**. Foreign Currency Convertible Bonds are attached with an option for conversion into a fixed numbers of equity shares of the issuer company. Interest and Redemption price where conversion is not exercised, is payable in dollars. Interest rates are very low by Indian Domestic standards. Foreign Currency Convertible Bonds are denominated in any freely convertible foreign currency.

<u>ADVANTAGE OF FCCB / GDR</u>	1. It enables the tapping of the international capital possible;
	2. The cost of raising equity funds from international markets is generally lower than the cost of domestic issue;
	3. It will broaden the shareholder base and enhance investor quality;
	4. It is listed and traded in international Stock Exchange and hence are free from delivery and settlement problems;
	5. No dilution in control and management rights.
	6. It implies acceptance by sophisticated western investors, which in turn would help to enhance the image of the company and its product internationally.
	7. It is generally denominated in US \$ and hence reduces the foreign exchange risk;
	8. Investors in EURO issue are not required to comply with large numbers of complex formalities and regulations normally required for investment through domestic Stock Exchange;

FOREIGN CURRENCY EXCHANGEABLE BONDS

Foreign Currency Exchangeable Bond (FCEB) means a bond expressed in foreign currency, the principal and interest in respect of which is payable in foreign currency, issued by an Issuing company and subscribed to by a person who is a resident outside India, in foreign currency and exchangeable into equity share of a another company, to be called the offered Company, in any manner, either wholly, or partly or on the basis of any equity related warrants attached to debt Instruments. The FCEB may be denominated in any freely convertible foreign currency.

<u>FCEB- FEATURES</u>	(a) It is a bond expressed in foreign currency
	(b) The principal and the interest thereon is payable in foreign currency
	(c) This instruments can only be subscribed by a person resident outside India
	(d) It is exchangeable into equity shares of another group company, being offered company which is an Indian company.
	(e) This instrument can either wholly or partly on the basis of any equity related warrants attached to debt instruments.

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ELIGIBILITY CONDITION FOR ISSUING FCEBS

- (a) The issuing Company shall be part of the promoter group of the Offered Company and hold the equity shares/being offered at the time of issuance of Foreign Currency Exchangeable Bond.
- (b) The Offered Company shall be a listed company which is engaged in a sector eligible to receive Foreign Direct Investment and eligible to issue or avail of foreign currency Convertible Bond or External Commercial Borrowings.
- (c) An Indian Company, which is not eligible to raise funds from the Indian securities market, including a company which has been restrained from accessing the securities market by the SEBI shall not be eligible to issue foreign Currency Exchangeable Bond.
- (d) The subscriber to the Foreign Currency Exchangeable Bond shall comply with Foreign Director Investment policy and adhere to the sectoral caps at the time of issuance of Foreign Currency Exchangeable Bond.
- (e) Prior approval of foreign Investment promotion Board, wherever required under the foreign Direct Investment Policy, should be obtained.
- (f) Entities prohibited to buy, sell or deal in securities by SEBI will not be eligible to subscribe to foreign Currency exchangeable Bond.

DIFFERENCE BETWEEN FCCB AND FCEB

Foreign Currency Convertible Bond	Foreign currency Exchangeable bonds
FCCBs are issued by a company to non residents giving them an option to convert them into shares of the same company at a predetermined price	FCEBs are issued by the investment or holding company of a group to non-residents which are exchangeable for the shares of the specified group company at a predetermined price
FCCBs involve one company	FCEBs involve at least two group companies and the operating company must be listed

PPROVALS REQUIRED FOR ISSUING GDRs/FCCBS

1) Approval of Board of Directors

A meeting of Board of Directors is required to be held for approving the proposal to raise money from Euro capital market. A Board resolution is to be passed to approve the raising of finance by issue of GDRs/FCCBs.

2) Approval of Shareholders

A **special resolution** under **Section 62(1)(c)** of companies act, 2013 is required to be passed at a duly convened general meeting of the shareholders of the company.

3) Approval of Ministry of Finance

An eligible issuing company shall make an application to the Department of Economic Affairs, Ministry of Finance, Government of India for obtaining in-principal approval.

The Government of India will, if satisfied with the company's proposals, issue an approval in-principle granting permission to the company to mobilize foreign currency resources for a specified period.

On completion of finalization of issue structure in consultation with the Lead Merchant to issue, the company should obtain the final approval from the Government.

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4) **Approval of Reserve Bank Of India**

The issuer company has to obtain approvals from RBI under circumstance specified under the Guideline issued by the concerned authorities from time to time;

5) **Approval From Ministry Of Corporate Affairs**

The issuing company required approval from the Ministry Of Corporate Affairs, where the Convertible Bonds are being issued, which after such conversion, are likely to increase the subscribed capital of the Company.

6) **In principle consent of Stock Exchange for Listing of Underlying Shares**

The issuing company has to make a request to the domestic Stock Exchange for in-principle consent for listing of underlying shares, when released by the Custodian after cancellation of GDRs, are traded on Indian Stock Exchange like any other equity shares.

7) **In principle consent of Financial Institutions**

Where term loans have been obtained by the company from the financial institution and the agreement relating to the loan contains a stipulation that the consent of the financial institutions has to be obtained the company must obtain in-principle consent on the board terms of the proposed issue.

AGENCIES INVOLVED IN ISSUING GDRS/FCCBS

1. **Lead Manager**

The Company has to choose a competent lead manager to structure the issue and arrange for the marketing. The issue related to public or private placement, nature of investment, coupon rate on bonds and conversion price are to be decided in consultation with the lead manager.

2. **Co-Lead/ Co-manager**

In consultation with the lead manager the company has to appoint co-lead/co-manager to coordinate with the issuing company/lead manager to make the smooth launching of EURO issue.

3. **Overseas Depository Banks (ODB)**

It is the bank, which is authorized by the issuing company to issue Depository Receipt against issue of Ordinary Share of GDR/ADR of issuing company.

4. **Domestic Custodian Bank**

This is a banking company, which acts as custodian for the ordinary shares or FCCBs of an Indian Company, which are issued by it. The Domestic Custodian Bank functions in coordination with the depository bank. When the shares are issued by a company the same are registered in the name of the depository and the physical possession is handed over to the Custodian. The beneficial interest in respect of such shares however rests with the investors.

5. **Underwriters**

It is desirable to get the EURO Issue underwritten by Banks and Syndicate. Usually the underwriters subscribe for a portion of the issue with arrangements for tie-up for the balance with their clients. In addition, they will interest with the influential investors and assist the lead manager to complete the issue successfully.

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6. Auditors

The role of the issuer company's auditors is to prepare the Auditor's Report for inclusion in the offer document, provide requisite comfort letters and reconciliation of the issuer company's accounts between INDIAN GAAP/US GAAP.

7. Legal Advisor

The issuing company should appoint legal advisors who will guide the company and the lead manager to prepare offer document, depository agreement, indemnity agreement, and subscription agreement.

8. Listing Agent

One of the conditions of the Euro Issue is that it should be listed at one or more Overseas Stock Exchanges. The appointment of listing agent is necessary to coordinate with issuing company for listing the securities on Overseas Stock Exchange.

9. Printer

The issuing company should appoint printers of international repute for printing Offering Circulars.

DOCUMENTATION INVOLVED IN ISSUING GDRs/FCCBs

1. Subscription Agreement

Subscription Agreement provides that **lead manager and other managers agree, severally** and not jointly, with the company, subject to the satisfaction of certain condition, to subscribe for GDRs at the offering price set forth. It may provide that obligation of managers be subject to certain precedent.

2. Depository Agreement

Depository Agreement lays down the detailed arrangements entered into by the **company with the depository**, the forms and terms of the depository receipt, which are represented by the deposited shares. It also set forth the right and duties of the depository in respect of the deposited shares and all other securities, cash and other property received subsequently in respect of such deposited shares.

3. Custodian Agreement

This agreement is between the **Overseas Depository Bank and Custodian Bank**.

4. Trust deed

In the case of FCCBs, the company enters into Covenant (known as TRUST DEED) with the trustee for the holders of FCCBs, guaranteeing payment of principle and interest on such FCCBs and to comply with the obligations in respect of such FCCBs.

5. Agency Agreement

In the case of FCCBs, the company has to enter into an agency agreement with certain persons known as **conversion agents**. These agents are required to make the principle and interest payments to the holders of FCCBs from the funds provided by the company.

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PRE-MARKETING

Pre-marketing exercise is a tool through which the syndicate members **evaluate the prospects of the issue**. This is normally done closer to the issue. The research analysts along with the sales force of the syndicate members meet the prospective investors during pre marketing **roadshows**. This enables the syndicate members to understand the market and the probable response from the prospective investors.

The pre-marketing exercise helps in **assessing the depth of investors' interest in the proposed issue**, their view about the valuation of the share and the **geographical locations of the investors** who are interested in the issue. The response received during pre-marketing provides vital information for taking important decisions relating to **timing, pricing and size of the issue**. This would also help the syndicate members in evolving strategies for marketing the issue.

ROAD SHOWS

Road shows represent **meeting issuers, analysts and potential investors**. In road shows, series of information presentations are organized in selected cities around the world with analyst and potential institutional investors. Details about the company are presented in the road shows.

Details about company in road shows usually include the following information:-	(a) History;
	(b) Organizational Structure;
	(c) Principal Business;
	(d) Business Lines;
	(e) Position of the company in Indian and International markets;
	(f) Past performance of the company;
	(g) Future plans of the company;
	(h) Competition – Domestic as well as Foreign;
	(i) Financial results and operating performance;
	(j) Valuation of shares;
	(k) Review of Indian Stock Market and Economic situation.

OFFERING CIRCULARS

The offering circular should be very comprehensive to take care of the overall interests of the prospective investors.

The offering Circulars for Euro Issue offering should usually cover the following contents:-

(a) Background of the company and its promoters including days of incorporation and objects, past performance, production, sales, and distribution network, future plans etc;
(b) Capital structure of the company-existing, proposed and consolidated;
(c) Development of issue proceed;
(d) Group investments their performance including Subsidiaries, joint venture in India and Abroad;
(e) Financial data indicating track record of consistent Profitability of the company
(f) Investment consideration;
(g) Terms and Conditions of global depository receipt and other instruments issued along with it;
(h) Economic and regulatory policies of the Government of India;

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(i)	Details of Indian Securities market indicating Stock Exchange, listing requirement, foreign investment in Indian Securities;
(j)	Market price of Securities;
(k)	Tax aspect indicating analysis of tax consequence under Indian laws of Acquisition, membership and sale of share, treatment of capital gains tax, etc;
(l)	Status of approvals required to be obtained from Government of India;
(m)	Summary of significant difference in Indian GAAP, UK GAAP, and US GAAP and expert's opinion;
(n)	Report of Statutory Auditor;
(o)	Legal matters etc;
(p)	Other general information not forming part of any of the above.

GOVERNMENT GUIDELINES FOR EURO ISSUE

ELIGIBILITY

An Indian company seeking to raise foreign funds is required to obtain the prior approval of the Department of Economic Affairs, Ministry of Finance, Government of India. In some cases, Foreign Investment Promotion Board clearance is also required before the ministry approval.

LIMITATION ON EURO ISSUE

Global Depository Receipt/ Foreign Currency Convertible Bonds issued by an Indian company shall be treated as Foreign Direct Investment in the issuing company. The aggregate of foreign investment made, directly or indirectly, through Global Depository Receipt, mechanism shall not exceed **51 % of the issued and subscribed capital** of the issuing company. However, the investment made through off shore funds or foreign institutional investors will not form part of the limit indicated above.

ISSUE STRUCTURE OF GDRS

Global Depository Receipt must be denominated in terms of Dollars and Foreign Currency Convertible Bonds may be denominated in any freely Convertible Foreign Currency. The ordinary shares underlying the Global Depository Receipt and the shares issued upon the conversion of Foreign Currency Convertible Bonds will be denominated only in Indian Currency.

LISTING OF EURO ISSUE

Global Depository Receipts/Foreign Currency Convertible Bonds issues are generally listed on **Luxembourg Stock Exchange and London Stock Exchange**. The requirements for listing on Luxembourg Stock Exchange are less stringent than on the London Stock Exchange or New York Stock Exchange. The shares underlying the Global Depository Receipt are required to be listed on that Indian stock Exchange where the Share of the company is listed.

TRANSFER AND REDEMPTION

Non-Resident holders of Global Depository Receipt may transfer the Global Depository Receipt or may ask the Overseas Depository bank to redeem those receipts. In case of redemption, the Overseas Depository Bank shall request the Domestic Custodian Bank to get the corresponding underlying shares released in favor of non-resident investors for being sold directly on behalf of the non-resident investor or being transferred in the records of the issuing company in the name of the non-resident investor.

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TWO-WAY FUNGIBILITY OF GDRS/ADRS

A limited Two-way Fungibility scheme has been put in place by the Government of India for ADRs / GDRs, under this scheme, a stock broker in India, registered with SEBI. Can purchase shares, of an Indian company from the market for conversion into ADRs/GDRs/based on instructions received from overseas investors. Re-issuance of ADRs /GDRs would be permitted to the extent of ADRs / GDRs which have been redeemed into underlying shares and sold in the Indian market.

ENTITLEMENT OF GDRS/ADRS HOLDERS TO RIGHTS AND BONUS ISSUE

A Global Depository Receipt/American Depository Receipt holder is entitled to same Bonus and Rights issue of shares as any ordinary shareholders of the company. When Global Depository Receipt/American Depository Receipt holder have an entitlement to Bonus Or Rights shares in a company, the company would need to issue and place ordinary shares with the Domestic Custodian Banks against which the Overseas Depository Bank would issue corresponding Global Depository Receipt/American Depository Receipts to such existing Global Depository Receipt/American Depository Receipts holders.

EXTERNAL COMMERCIAL BORROWINGS (ECBs)

MEANING OF ECB

External Commercial Borrowing includes commercial Bank loans, Buyer's Credit, Suppliers Credit and Commercial Borrowing from Multi-National financial institutions such as Asian Development Bank, International Finance Corporation etc.

Generally any money that has been borrowed from foreign sources for financing the commercial activities in India is called External Commercial Borrowings.

The Government of India permits ECBs as a source of finance for Indian Corporates for expansion of existing capacity as well as for fresh investment

Objective of ECB

1. Government permits the ECBs as an additional source of financing for expanding the existing capacity as well as for fresh investments.
2. The ECB policy of the Government seeks to emphasize the priority of investing in the infrastructure and core sectors such as Power, telecom, Railways, Roads, Urban infrastructure etc.

ECB is different from FDI

1. ECB means any kind of funding other than Equity.
2. If the foreign money is used to finance the Equity Capital, it would be termed as Foreign Direct Investment.

FORMS OF ECB

The ECB Framework enables permitted resident entities to borrow from recognized non-resident entities in the following forms: -

1. Loans including bank loans;
2. Securitized instruments
3. Buyers' credit;
4. Suppliers' credit;
5. Foreign Currency Convertible Bonds (FCCBs);
6. Financial Lease;
7. Foreign Currency Exchangeable Bonds (FCEBs)

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Benefits to Borrower

1. For corporates, the ECB funding helps in many purposes such as paying other countries etc that may not be available in India.
2. The cost of funds borrowed from external sources at times is cheaper funds.
3. The borrower can diversify the investor base.
4. It opens the international market for the borrowers.

GOVERNMENT GUIDELINES FOR ECBs

SCHEDULE I of FOREIGN EXCHANGE MANAGEMENT (BORROWING AND LENDING) REGULATIONS, 2018

SCHEDULE I

[See Regulations 4(A)(iv), 4(B)(i), 4(B)(iv), 6(A), 6(B)(i), 6(B)(vii)]

Borrowings from outside India by a person resident in India

Eligible entities may raise External Commercial Borrowings (ECB) from outside India in accordance with the provisions contained in this Schedule.

1. Currency of borrowing

ECB can be raised in any freely convertible foreign currency as well as in Indian Rupees or any other currency as specified by the Reserve Bank in consultation with the Government of India.

2. Forms

ECB can be raised in the forms as prescribed by the Reserve Bank in consultation with the Government of India. Certain hybrid instruments, such as optionally convertible debentures, presently covered under ECB, would be governed by specific hybrid instruments' Regulations when notified by the Government of India.

3. Eligibility of borrowers

All entities eligible to receive foreign direct investment, in terms of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, notified vide Notification No. FEMA 20(R)/ 2017-RB dated November 07, 2017, as amended from time to time, including Start-ups. Further, Reserve Bank, in consultation with the Government of India may specify any other entity/sector eligible to raise ECBs or amend the existing eligibility norms.

4. Maturity

Minimum average maturity will be 3 years. However, Reserve Bank, in consultation with Government of India may prescribe minimum average maturity stipulation for ECBs raised by entities in certain sectors or for certain amount of ECB or for certain end uses or for borrowing from certain recognised lenders.

5. Lenders:

The lender should be resident of FATF or IOSCO compliant country as defined in the ECB policy, including on transfer of ECBs. However, Multilateral and Regional Financial Institutions where India is a member country will also be considered as recognised lenders. Further, Reserve Bank, in consultation with the Government of India may specify any other lender/set of lenders under the schedule or amend the existing provisions.

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Explanation: Foreign branches / subsidiaries of Indian banks are permitted as recognised lenders only for ECBs raised in foreign exchange.

6. All-in-cost

For ECBs raised in foreign exchange, the maximum spread over the benchmark of 6-month LIBOR or applicable benchmark for the respective currency will be 450 basis points per annum or as prescribed by the Reserve Bank in consultation with the Government of India.

For ECBs raised in Indian Rupees, the maximum spread will be 450 basis points per annum over the prevailing yield of the Government of India securities of corresponding maturity or as prescribed by the Reserve Bank in consultation with the Government of India.

7. End-uses

The proceeds of borrowing raised from outside India in terms of this Schedule can be used for all purposes except for those activities prescribed in the negative end-use list by the Reserve Bank in consultation with the Government of India.

8. Individual Limits of borrowing

All eligible borrowers/category of borrowers may raise ECB of up to USD 750 million or equivalent per financial year. For Startups the amount would be limited to USD 3 million or equivalent per financial year. However, Reserve Bank, in consultation with Government of India may prescribe higher limits for ECBs raised by entities in certain sectors or for certain end uses. The said individual limits may be subject to review by the Reserve Bank in consultation with the Government of India.

9. Security

The borrower covered in this Schedule may provide security to the lender / suppliers, as specified by the Reserve Bank from time to time in terms of these regulations or under any other Regulations framed under the Act. The borrower may also provide corporate and / or personal guarantee as security for the borrowing, subject to terms and conditions as specified by the Reserve Bank from time to time. However, banks, financial institutions and Non-Banking Finance Companies shall not provide (issue) any type of guarantee in favour of overseas lender on behalf of their constituents for their borrowings under this Schedule, except in accordance with specific stipulations made by the Reserve Bank.

10. Parking of loan amount abroad

The proceeds of borrowings under this Schedule may, pending utilisation for permissible end-uses, be parked abroad or in India as per the directions issued by the Reserve Bank from time to time.

11. Drawal of Loan

Draw-downs of borrowing under this Schedule shall be made only after obtaining the loan registration number from the Reserve Bank or from the ADs, as per the system put in place by the Reserve Bank. For non-adherence, the borrower may be required to pay penalty as specified by the Reserve Bank from time to time.

Provided that non-payment of penalty as above shall be treated as a contravention and shall be subject to compounding or adjudication as provided in the Act or Rules framed thereunder.

12. Reporting

The borrower shall adhere to the reporting procedure as specified by the Reserve Bank from time to time. For non-adherence, the borrower may be required to pay penalty as specified by the Reserve Bank from time to time.

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Provided that non-payment of penalty as above shall be treated as a contravention and shall be subject to compounding or adjudication as provided in the Act or Rules framed thereunder.

13. Debt Servicing

The designated AD shall have the general permission to make remittances of principal, interest and other charges in conformity with the guidelines on borrowing under this Schedule.

14. Hedging

Reserve Bank, in consultation with the Government of India, may stipulate hedging requirements for borrowings under this schedule.

15. Available routes for raising ECB

All ECBs can be raised under the automatic route if it conforms to the parameters prescribed under this Schedule and subject to specified reporting conditions. All other cases will be considered by RBI under the approval route.

ECB facility for Startups

AD Category-I banks are permitted to allow Startups to raise ECB under the automatic route as per the following framework:

- (a) **Eligibility:** An entity recognised as a Startup by the Central Government as on date of raising ECB.
- (b) **Maturity:** Minimum average maturity period will be 3 years.
- (c) **Recognised lender:** Lender / investor shall be a resident of a FATF compliant country. However, foreign branches/subsidiaries of Indian banks and overseas entity in which Indian entity has made overseas direct investment as per the extant Overseas Direct Investment Policy will not be considered as recognised lenders under this framework.
- (d) **Forms:** The borrowing can be in form of loans or non-convertible, optionally convertible or partially convertible preference shares.
- (e) **Currency:** The borrowing should be denominated in any freely convertible currency or in Indian Rupees (INR) or a combination thereof. In case of borrowing in INR, the non-resident lender, should mobilise INR through swaps/outright sale undertaken through an AD Category-I bank in India.
- (f) **Amount:** The borrowing per Startup will be limited to USD 3 million or equivalent per financial year either in INR or any convertible foreign currency or a combination of both.
- (g) **All-in-cost:** Shall be mutually agreed between the borrower and the lender.
- (h) **End uses:** For any expenditure in connection with the business of the borrower.
- (i) **Conversion into equity:** Conversion into equity is freely permitted subject to Regulations applicable for foreign investment in Startups.
- (j) **Security:** The choice of security to be provided to the lender is left to the borrowing entity. Security can be in the nature of movable, immovable, intangible assets (including patents, intellectual property rights), financial securities, etc. and shall comply with foreign direct investment / foreign portfolio investment / or any other norms applicable for foreign lenders / entities holding such securities. Further, issuance of corporate or personal guarantee is allowed. Guarantee issued by a non-resident(s) is allowed only if such parties qualify as lender under ECB for Startups. However, issuance of guarantee, standby letter of credit, letter of undertaking or letter of comfort by Indian banks, all India Financial Institutions and NBFCs is not permitted.

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CONVERSION OF ECB INTO EQUITY

(i) Conversion of ECB into equity is permitted subject to the following conditions:-

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| (a) The activity of the borrowing company is covered under the automatic route for Foreign Direct Investment (FDI) or approval from the Foreign Investment Promotion Board (FIPB), wherever applicable, for foreign equity participation has been obtained as per the FDI policy; |
| (b) The foreign equity holding after such conversion of debt into equity is within the applicable sectoral cap; |
| (c) Applicable pricing guidelines for shares are complied with. |

(ii) Partial or full Conversion of ECB may be reported to the RBI as follow:-

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| (a) For <u>partial conversion</u> , the converted portion is to be reported to the concerned Regional Office of the Foreign Exchange Department of RBI in Form FC-GPR prescribed for reporting of FDI flows, while monthly reporting to DSIM (<i>Department of Statistics and Information Management</i>) in ECB 2 Return will be with suitable remarks "ECB partially converted to equity". |
| (b) For <u>full conversion</u> , the entire portion is to be reported in Form FC-GPR , while reporting to DSIM in ECB 2 Return should be done with remarks —ECB fully converted to equity. Subsequent filing of ECB 2 Return is not required. |
| (c) For conversion of ECB into equity in <u>phases</u> , reporting through ECB 2 Return will also be in phases. |

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Q. 1. Indian companies are allowed to raise equity capital in the international market through the issue of ADR/GDR/FCCB/FCEB. Briefly discuss the regulatory framework of ADR & GDR in India.. [June 2018]

Ans. Regulatory framework of ADR in India

Indian companies are allowed to raise capital in the imitational market through issue of ADR, /GDR, which are regulated by the following legislation in India.

- (a) The Foreign Currency convertible Bonds and ordinary shares (Through Depository Receipt Mechanism) Scheme, 1993.
- (b) Depository Receipts Scheme, 2014
- (c) Notifications /Circulars issued by Ministry of Finance (MoF), GOI
- (d) Consolidated FDI Policy
- (e) RBI Regulations /Circulars
- (f) Companies Act, 2013 and there under
- (g) Listing Regulations.

Q. 2. Explain the Global Depository Receipt.. [June 2018]

Ans. **Global Depository Receipts**

According to Section 2(44) of the Companies Act, 2013 "Global Depository Receipt" means any instrument in the form of a depository receipt, by whatever name called, created by a foreign depository receipts. Section 41 of the Companies Act, 2013 authorizes a company to issue Global Depository Receipts after following the conditions as prescribed in Companies (Issue of Global Depository Receipts) Rules, 2014.

It is a form of depository receipt or certificate created by the Overseas Depository Bank outside India denominated in dollar and issued to non-resident investors against the issue of ordinary shares or foreign currency convertible bonds of issuing company. It is traded in Europe or the US or both.

SELF TEST QUESTIONS

FROM PAST CS EXAMS



- Write short notes on the following:
 - Foreign currency convertible bonds (FCCBs)
 - Overseas depository bank
 - Subscription agreement
 - Road show in EURO issues
 - External commercial borrowings
- Descriptive questions:
 - List out various approvals required for issuance of Global Depository Receipts; (GDRS) and the documentation required therefor.
- What do you understand by 'offering circular' for Euro-issue? Mention any five aspects which should be covered in the offering circular.
- Discuss the approvals required from various authorities in issuance of GDRs and FCCBs.
- Discuss the end use of external commercial borrowings under "Approval route".
- Explain the meaning of any two of the following in the context of international capital market:
 - Domestic custodian bank
 - Global depository receipts
 - Overseas depository bank
- "In issuance of GDRs/FCCBs, pre-making exercise is a fool through which the syndicate members evaluate the prospects of the issue," comment.
- Who can access 'external commercial borrowings' (ECBs) under automatic route as per Reserve Bank of India?
- Briefly explain the principal documents involved in issuance of Global depository receipts (GDRs and (GDRs) and foreign currency convertible bonds (FCCBs).
- What is offering circular? Explain the contents of offering circular for Euro Issue.
- List the approvals required for resource mobilization by a company in the international capital market.
- Explain briefly the following statement:
 - "FCCB and ECB are different modes for raising foreign capital"
 - "External commercial borrowing (ECBs) refers to the commercial loans."
- What are the approvals required for issuance of global depository receipt (GDRs)?
- "Roadshows are in fact, a conference by the issuer company with the potential/future/prospective investors. Elucidate.
- Describe the end use of external commercial borrowings (ECBs) through approval route.
- Explain briefly "Two-way Fungibility scheme".

FROM ICSI MODULE



Answer the following:

- What is FCCB? Briefly explain the benefits available to the investors by investing in FCCB.
- What do you mean by FCEB? What are the eligibility conditions for issuing FCEB?
- Differentiate between FCCB and FCEB?
- Describe the procedure for accessing External Commercial Borrowing through approval route?
- Write short notes on
 - Sponsored ADR/GDR issue
 - Two Way Fungibility Scheme
- What are the provisions relating to transfer/redemption of GDRs?
- Who are eligible to access ECBs through automatic route?



Answers to be analysed in Classroom

Q. 1.

Answer to Question No. 1:-

CS NITESH KR. JAISWAL



Answers to be analysed in Classroom

Q. 2.

Answer to Question No. 2:-

CS NITESH KR. JAISWAL

CHAPTER

9

INDIAN DEPOSITORY RECEIPTS (IDR)

Covering-

- IDR – Meaning
- IDR – Advantages
- Regulatory Framework of IDRS
- Procedure For Making an Issue of IDRS
- Investors
- Listing of IDRS
- Minimum Issue Size
- Minimum Subscription
- Rights issue of IDR
- Compliances under listing agreement for IDR
- Self Test Questions
 - From Past CS Exam
 - From ICSI Module

**EXPECTED
MARKS COVERAGE
(5 to 10)**

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INDIAN DEPOSITORY RECEIPTS (IDR)

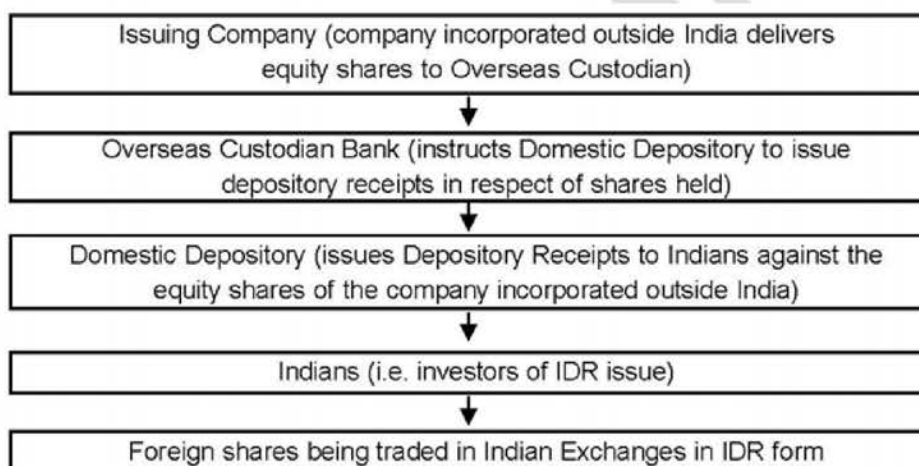
Indian Depository Receipts (IDR) enables Foreign Companies to tap Indian capital market.

IDR - MEANING

Indian Depository Receipt means any instrument in the form of a depository receipt created by Domestic Depository in India against the underlying equity shares of issuing company.

“Domestic Depository” means custodian of securities registered with SEBI and authorised by the issuing company to issue Indian Depository Receipts.

Overseas Custodian Bank means a banking company which is established in a country outside India and has a place of business in India and acts as custodian for the equity shares of issuing company against which IDRs are proposed to be issued after having obtained permission from Ministry of Finance for doing such business in India.



INDIA DEPOSITORY RECEIPTS- ADVANTAGES

1. **Benefits to the Issuing Company**

- (i) Provides access to a large pool of capital to the issuing capita.
- (ii) Gives brand recognition in India to the issuing company
- (iii) Facilitates acquisitions in India
- (iv) Provides an exit route for existing shareholders

2. **Benefits to investors**

- (i) Provides portfolio diversification to the investor
- (ii) Gives the facility to ease of investment
- (iii) There is no need to know your customer norms.
- (iv) No resident Indian individual can hold more than \$200,000 worth of foreign securities purchased per year as per Indian foreign exchange regulations.
However, this will not be applicable for IDRs which gives Indian resident the chance to invest in an Indian listed foreign entity.

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REGULATORY FRAMEWORK OF IDRS

1. <u>Statutes/laws Governing IDRs</u>	(i) Section 390 of The Companies Act, 2013 (ii) Rules 13 of the Companies (Registration of Foreign Companies) Rules, 2014 (iii) SEBI (issue of Capital and Disclosure requirements) Regulations, 2009
2. <u>Regulatory Bodies</u>	(i) The Securities and Exchange Board of India (ii) The Ministry of Corporate Affairs (iii) The Reserve Bank of India

1. SECTION 390 OF COMPANIES ACT ,2013

Notwithstanding anything contained in any other law for the time being in force, the Central Government may make rules applicable for—

- the offer of Indian Depository Receipts;
 - the requirement of disclosures in prospectus or letter of offer issued in connection with Indian Depository Receipts;
 - the manner in which the Indian Depository Receipts shall be dealt with in a depository mode and by custodian and underwriters; and
 - the manner of sale, transfer or transmission of Indian Depository Receipts,
- by a company incorporated or to be incorporated outside India, whether the company has or has not established, or will or will not establish, any place of business in India.

2. COMPANIES (REGISTRATION OF FOREIGN COMPANIES) RULES, 2014

These rules, made by Central Government pursuant to Section 390 of the Companies Act, 2013 are applicable only to those companies incorporated outside India, whether they have or have not established any place of business in India?

ELIGIBILITY FOR ISSUE OF IDRS **(RULE 13)**

An issuing company can issue IDRs only if it satisfies the following conditions:	A. Its pre-issue paid-up capital and free reserves are at least US\$ 50 million and it had a minimum average market capitalization of US\$ 100 million during the 3 financial years preceding the issue.
	B. It has a continuous trading history on a stock exchange , in its parent country for atleast 3 years.
	C. It had a track record of distributable profits for atleast 3 years out of immediately preceding 5 years.
	D. It should fulfill the eligibility criteria laid down by SEBI from time to time.

3. SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009

Chapter X of SEBI (ICDR) Regulations, 2009 deals with issue of Indian Depository Receipts. The Regulations given in this Chapter are in addition to the provisions of the Rule 13 of the companies (registration of foreign companies) rules, 2014

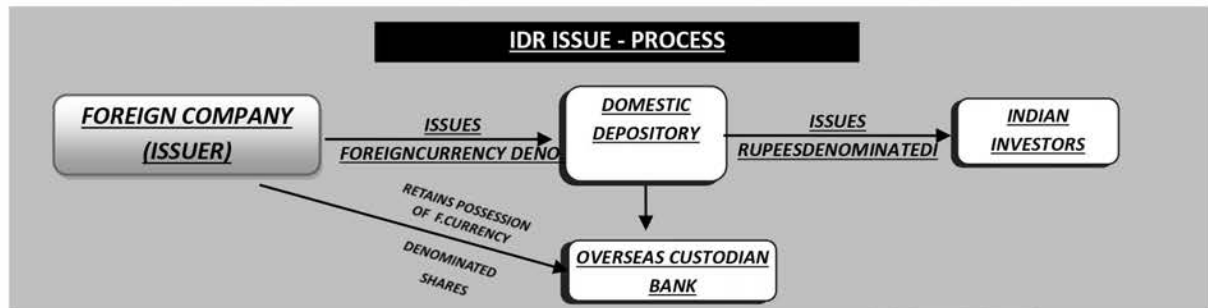
ELIGIBILITY FOR ISSUE OF IDRS

No issuer shall make an issue IDRs unless:	(a) It fulfills the eligibility criteria as specified in Rule 13 of the companies (registration of foreign companies) rules, 2014
	(a) the issuing company is listed in its home country for at least three immediately preceding years; b) the issuer is not prohibited to issue securities by an.

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PROCEDURE FOR MAKING AN ISSUE OF IDRS

- (i) An application for seeking permission should be made to the SEBI at least 90 days prior to the opening date of the issue.
- (ii) The issuing company is required to obtain the necessary approvals or exemption from the appropriate authorities from the country of its incorporation.
- (iii) The issuing company is required to appoint an overseas custodian bank, a domestic depository and a merchant banker for the purpose of issue of IDRs
- (iv) The issuing company can deliver the underlying equity shares or cause them to be delivered to an Overseas Custodian Bank and the said bank shall authorize the domestic depository to issue IDRs
- (v) The issuing company has to file through a merchant banker or the domestic depository a due diligence report with the Registrar and also with SEBI.
- (vi) The issuing company is required to file draft prospectus or draft letter of offer with SEBI, through the merchant banker, at least 30 days prior to the filing of prospectus or letter of offer. If within 30 days from the date of submission, SEBI specifies any changes to be made therein, the prospectus shall not be filed with Registrar of Companies unless such changes have been incorporated therein.
- (vii) After aforesaid 30 days the issuing company is required to file a prospectus or letter of offer through a merchant banker, with SEBI and Registrar of Companies.
- (viii) The issuing company, seeking permission should obtain in-principle listing permission from one or more stock exchanges having nation wide trading terminals in India.
- (ix) The issuing company may appoint underwriters registered with SEBI to underwrite the issue of IDRs.

INVESTORS

- (a) NRIs and FIIs cannot purchase or possess IDRs unless special permission of the Reserve Bank of India is taken.
- (b) Investments by Indian companies in IDRs shall not exceed the investment limits, if any, prescribed for them under applicable laws.
- (c) In every issue of IDR—
 - (i) At least 50% of the IDRs issued shall be subscribed to by QIBS;
 - (ii) The balance 50% shall be available for subscription by non-institutional investors and retail individual investors
- (d) The minimum application amount in an IDR issue shall be ₹20,000.

LISTING OF IDRS

The IDRs issued should be listed on the recognized Stock Exchange(s) in India as specified and such IDRs may be purchased, possessed and freely transferred by a person resident in India.

MINIMUM ISSUE SIZE

The size of an IDR issue shall not be less than ₹50 crores.

MINIMUM SUBSCRIPTION

If the company issuing the IDRs does not receive the minimum subscription of **90 per cent** of the **issued amount** on the date of closure of the issue, or if the subscription level falls below 90 per cent after the closure of issue on account of cheques having being returned unpaid or withdrawal of applications, the company shall forthwith refund the entire subscription amount received. If there is a delay beyond **8 days** after the company becomes liable to pay the amount, the company shall pay interest at the rate of **15 per cent** per annum for the period of delay.

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RIGHTS ISSUE OF INDIAN DEPOSITORY RECEIPTS

Chapter XA of ICDR regulations, 2009 governs the rights issue of Indian Depository Receipts.

Eligibility

- (a) Issuer should not be in breach of any ongoing material obligations under the IDR Listing Agreement;
- (b) Application to all recognised stock exchanges, where such IDRs are listed, must have been made, for listing of IDRs to be issued by way of rights, before such issue.

Disclosures

Following disclosures shall be made:

- (a) Disclosures as required in the home country of the issuer;
- (b) An additional wrap (addendum to offer document) attached to the offer document.

The Regulations further provide for:

- (a) Disclosures in Abridged Prospectus;
- (b) Disclosures in Addendum to Offer;
- (c) Disclosures in Abridger Letter of offer;
- (d) Dispatch of abridged letter of offer and application form;
- (e) Pre-Issue Advertisement for rights issue.

COMPLIANCES UNDER LISTING AGREEMENT FOR INDIAN DEPOSITORY RECEIPTS (IDRs)

Every issuer of an IDR has to comply with the conditions stipulated in **Chapter VII of the SEBI (LODR) Regulations, 2015**. The provisions of this chapter shall apply to listed entity whose securities market regulators are signatories to the Multilateral Memorandum of Understanding of International Organization of Securities Commission issuing Indian Depository Receipts' as defined under Rule 13 of the Companies (Registration of Foreign Companies) Rules, 2014.

GENERAL OBLIGATIONS OF LISTED ENTITY

Regulation 67

- (a) All correspondences filed with the stock exchange(s) and those sent to the IDR Holders shall be in English.
- (b) The listed entity shall comply, at all times, with the rules/ regulations/ laws of the country of origin.
- (c) The listed entity shall undertake that the competent Courts, Tribunals and regulatory authorities in India shall have jurisdiction in the event of any dispute, either with the stock exchange or any investor, concerning the India Depository Receipts offered or subscribed or bought in India.
- (d) The listed entity shall forward, on a continuous basis, any information requested by the stock exchange, in the interest of investors from time to time.

DISCLOSURE OF MATERIAL EVENTS OR INFORMATION

Regulation 68

The listed entity shall promptly inform to the stock exchange(s) of all events which are material, all information which is price sensitive and/or have bearing on performance/operation of the listed entity.

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HOLDING PATTERN & SHAREHOLDING DETAILS

Regulation 69

- (a) The listed entity shall file with the stock exchange the Indian Depository Receipt holding pattern **on a quarterly basis within fifteen days of end of the quarter.**
- (b) The listed entity shall file the following details with the stock exchange as is required to be filed in compliance with the disclosure requirements of the listing authority or stock exchange in its home country or any other jurisdiction where the securities of the listed entity are listed:
- (i) Shareholding Pattern;
 - (ii) Pre and post arrangement share holding pattern and Capital Structure in case of any corporate restructuring like mergers / amalgamations.

PERIODICAL FINANCIAL RESULTS

Regulation 70

The listed entity shall file periodical financial results with the stock exchange in such manner and within such time and to the extent that it is required to file as per the listing requirements of the home country.

ANNUAL REPORT

Regulation 71

The listed entity shall submit to stock exchange an annual report at the same time as it is disclosed to the security holder in its home country or in other jurisdictions where such securities are listed.

The annual report shall contain the following:

(a) Report of board of directors;
(b) Balance Sheet;
(c) Profit and Loss Account;
(d) Auditors Report;
(e) All periodical and special reports(if applicable);
(f) Any such other report which is required to be sent to security holders annually.

CORPORATE GOVERNANCE

Regulation 72

The listed entity shall submit to stock exchange a comparative analysis of the corporate governance provisions that are applicable in its home country and in the other jurisdictions in which its equity shares are listed along with the compliance of the same vis-à-vis the corporate governance requirements applicable under regulation 17 to regulation 27, to other listed entities.

DOCUMENTS AND INFORMATION TO IDR HOLDER

Regulation 73

- (a) The listed entity shall disclose/send the following documents to IDR Holders, at the same time and to the extent that it discloses to security holders in its home country or in other jurisdictions where its securities are listed: -

- | |
|---|
| (i) Soft copies of the annual report to all the IDR holders who have registered their email address (es) for the purpose. |
| (ii) Hard copy of the annual report to those IDR holders who request for the same either through domestic depository or Compliance Officer. |
| (iii) the pre and post arrangement capital structure and share holding pattern in case of any corporate restructuring like mergers / amalgamations and other schemes. |

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EQUITABLE TREATMENT TO IDR HOLDERS

Regulation 74

- (a) If the listed entity's equity shares or other securities representing equity shares are also listed on the stock exchange(s) in countries other than its home country, it shall ensure that IDR Holders are treated in a manner equitable with security holders in home country.
- (b) The listed entity shall ensure that for all corporate actions, except those which are not permitted by Indian laws, it shall treat IDR holders in a manner equitable with security holders in the home country.
- (c) In case of take-over or delisting or buy-back of its equity shares, the listed entity shall, while following the laws applicable in its home country, give equitable treatment to IDR holders vis-à-vis security holder in home country.
- (d) The listed entity shall ensure protection of interests of IDR holders particularly with respect to all corporate benefits permissible under Indian laws and the laws of its home country and shall address all investor grievances adequately.

ADVERTISEMENTS IN NEWSPAPERS

Regulation 75

- (a) The listed entity shall publish the following information in the newspaper :
 - (i) periodical financial results required to be disclosed;
 - (ii) Notices given to its IDR Holders by advertisement;
- (b) The information specified above shall be issued in at one English national daily newspaper circulating in the whole or substantially the whole of India and in one Hindi national daily newspaper in India.

TERMS OF INDIAN DEPOSITORY RECEIPTS

Regulation 76

- (a) The listed entity shall pay the dividend as per the timeframe applicable in its home country or other jurisdictions where its securities are listed, whichever is earlier, so as to reach the IDR Holders on or before the date fixed for payment of dividend to holders of its equity share or other securities.
- (b) The listed entity shall not forfeit unclaimed dividends before the claim becomes barred by law in the home country of the listed entity, as may be applicable.

STRUCTURE OF INDIAN DEPOSITORY RECEIPTS

Regulation 77

- (a) The listed entity shall ensure that the underlying shares of IDRs shall rank pari-passu with the existing shares of the same class.
- (b) The listed entity shall not exercise a lien on the fully paid underlying shares, against which the IDRs are issued.
- (c) The listed entity, subject to the requirements under the laws and regulations of its home country, if any amount be paid up in advance of calls on any underlying shares against which the IDRs are issued, shall stipulate that such amount may carry interest but shall not in respect thereof confer a right to dividend or to participate in profits.

RECORD DATE

Regulation 78

- (a) The listed entity, where it is required so to do in its home country or other jurisdictions where its securities may be listed, shall fix the record date for the purpose of payment of dividends or distribution of any other corporate benefits to IDR Holders.

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- (b) The listed entity shall give notice in advance of at least four working days to the recognised stock exchange(s) of record date specifying the purpose of the record date.

VOTING

Regulation 79

- (a) The listed entity shall, either directly or through an agent, send out proxy forms to IDR Holders in all cases mentioning that a security holder may vote either for or against each resolution.
- (b) Voting rights of the IDR Holders shall be exercised in accordance with the depository agreement.

DELISTING OF INDIAN DEPOSITORY RECEIPT

Regulation 80

- (a) The listed entity shall, if it decides to delist Indian Depository Receipts, give fair and reasonable treatment to IDR holders.
- (b) The listed entity shall comply with such norms and conditions for delisting Indian Depository Receipts as specified by the SEBI or stock exchange in this regard.
- (c) The listed entity shall, in case underlying equity shares are delisted, shall delist and cancel the Indian Depository Receipts.

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Q. 1. Discuss the procedure for making an issue of Indian Depository Receipts under Rule 13 of the Companies (Registration of Foreign Companies) Rules, 2014. **[June 2018]**

Ans. As per Rule 13 (3) of the Companies (Registration of Foreign Companies) Rules, 2014, the following are the procedure for issuing Indian Depository Receipts (IDRs):

- (a) The issuing company shall, where required, obtain the necessary approvals or exemptions From the appropriate authorities from the country of its incorporation under the relevant laws relating to issue of capital and IDRs.
- (b) Issuing company shall obtain prior written approval from SEBI on an application made in this behalf for issue of IDRs along with the issue size.
- (c) an application under clause (b) shall be made to SEBI (along with draft prospectus) at least ninety days prior to the opening date of the IDRs issue, in such form, along with such fee and furnishing such information as may be specified by the SEBI from time to time: However, the issuing company shall also file with SEBI, through a Merchant Banker, a due diligence report along with the application under clause (b) in the form specified by SEBI.
- (d) SEBI may, within a period of thirty days of receipt of an application under clause (c), call for such further information, and explanation, as it may deem necessary, for disposal of such application, and shall dispose the application within a period of thirty days of receipt of further information or explanation. However, if within a period of sixty days from the date of submission of application or draft prospectus, SEBI specifies any changes to be made in the draft prospectus, the prospectus shall not be filed with SEBI or Registrar of Companies unless such changes have been incorporated therein.
- (e) The issuing company shall on approval being granted by the SEBI to an application under clause (b) pay to the SEBI an issue fee as may be prescribed from time to time by the SEBI.
- (f) The issuing company shall file a prospectus, certified by two authorized signatories of the issuing company, one of whom shall be a whole –time director and other the chief Financial Officer, stating the particulars of the resolution of the Board by which it was approved with SEBI and Registrar of Companies, New Delhi before such issue. However, at the time of filing of said prospectus, with the Registrar of Companies, New Delhi, a copy of approval granted by SEBI and the statement of fees paid by the issuing Company to SEBI shall also be attached.
- (g) The prospectus to be filed with SEBI and the Registrar of Companies, New Delhi shall contain the particulars as prescribed in sub-rule (8) and shall be signed by all the whole –time directors of the company, and the Chief Financial Officer.
- (h) The issuing company shall appoint an overseas custodian bank, a Domestic Depository and a Merchant Banker for the purpose of issue of IDRs.
- (i) The issuing company may appoint underwriters registered with SEBI to underwrite the issue of IDRs.
- (j) The issuing company shall deliver the underlying equity shares or cause them to be delivered to an Overseas Custodian Bank and the said bank shall authorize the domestic depository to issue IDRs.
- (k) The issuing company shall obtain in-principle listing permission from one or more stock exchanges having nationwide trading terminals in India.

SELF TEST QUESTIONS

FROM PAST CS EXAMS



1. Write short notes on the following:
 - (i) Overseas custodian bank
 - (ii) Indian depository receipts (IDRs)
 - (iii) Listing of Indian depository receipt (IDRs)
2. What are the requirements for making investment in Indian Depository Receipt (IDRs)?
3. What is Indian Depository Receipt (IDR)? What are eligibility criteria for issue of IDRs?
4. Discuss the eligibility criteria and conditions for issue of Indian Depository Receipts (IDRs).
5. Explain briefly the following statements:
 - (i) "IDR and GDR have distinct features".
 - (i) "Depository receipt is a negotiable instrument."

FROM ICSI MODULE



Answer the following:

1. What is Indian Depository Receipts?
2. What are the eligibility conditions prescribed under SEBI (ICDR) Regulations, 2009 in respect of issue of Indian Depository Receipts?
3. What are the procedures for making an issue of Indian Depository Receipts under Rule 13 of the Companies (Registration of Foreign Companies) Rules, 2014?
4. What are the disclosures required to be made for Rights Issue of IDRs under SEBI (ICDR) Regulations, 2009?

CS NITESH KR. JAISWAL



Answers to be analysed in Classroom

Q. 1.

Answer to Question No. 1:-

CS NITESH KR. JAISWAL



Answers to be analysed in Classroom

Q. 2.

Answer to Question No. 2:-

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CHAPTER

10

INVESTOR PROTECTION

Covering-

- ABC Analysis
- Legal Framework for Investor Protection in India
- Rights of Shareholders
- Responsibilities of an Investor as a Security Holder
- Common Grievances of Investors
- Redressal of Investor Grievances
- Investor Education
- SCORES (SEBI Complaints Redress System)
- Investors Education and Protection Fund
- Prohibition of Fraudulent and Unfair Trade Practices
- Ombudsman
- Powers and Functions of Ombudsman
- SEBI (Informal Guidance) Scheme, 2003
- Self Test Questions
 - From Past CS Exam
 - From ICSI Module

**EXPECTED
MARKS COVERAGE
(5 to 10)**

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INVESTOR PROTECTION

ABC Analysis (ICSI -Exam Point of view)	
A	1. Legal Framework for Investor Protection in India 2. SCORES (SEBI Complaints Redress System) 3. Ombudsman
B	4. Common Grievances of Investors 5. Redressal of Investor Grievances
C	6. Investor Education 7. Investors Education and Protection Fund

Investor protection means to protect the investors from being cheated, deceived or being put to loss by the companies.

In India, investor protection is the major responsibilities of SEBI. Moreover, SEBI was constituted for purpose of investor protection. In the preamble to the SEBI Act, 1992 two objectives are mentioned. The first objective is protecting the interest of the investors in securities and the second is to promote the development of and to regulate the securities market and for matters connected therewith or incidental thereto. Thus priority is accorded to investor protection in the SEBI Act.

LEGAL FRAMEWORK FOR INVESTOR PROTECTION IN INDIA

In order to afford adequate protection to the investors, provisions have been incorporated in different legislations such as the Companies Act, Securities Contracts (Regulation) Act, Consumer Protection Act, Depositories Act, and Listing Agreement of the Stock Exchanges supplemented by many guidelines, circulars and press notes issued by the Ministry of Finance, Ministry of Company Affairs and SEBI from time to time. The legislations as well as the rules and regulations notified thereunder specify disclosure requirements to be complied with by the companies and also punishments and remedies for failure of compliance.

RIGHTS OF SHAREHOLDERS

Since the shareholders furnish the funds and bear the risk, they have been given certain rights, both in their individual capacity and as a group. It is as a group, when attending general meetings of the company, that shareholders enjoy the privilege of exercising control over the policy in relation to the working of the company.

INDIVIDUAL RIGHTS:

The individual rights of a shareholder include the right to:-

(i)	Receive notice of general meetings of the company and to attend those meetings and vote at them either in person or by proxy;
(ii)	Receive dividends, when declared;
(iii)	Transfer his shares, subject to restrictions, if any, imposed by the articles;
(iv)	Inspect registers and records of the company and obtain extracts;

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| (v) Apply to the Court to have any variation or abrogation of his rights set aside by the Court; |
| (vi) Share in the assets of the company on its dissolution. |

GROUP RIGHTS:-

The law requires that the following things to be done only with the consent of the shareholders in a meeting:-

- | |
|--|
| (a) commencement of any new business (as stated in the memorandum under other objects'). |
| (b) sale, lease or disposal of the whole, or substantially the whole of the undertaking of the company; |
| (c) remission of, or granting time for, the repayment of any debt due by a director; |
| (d) investment of any compensation received by the company for the compulsory acquisition of its undertaking (such consent is not required if the investment is made in trust securities); |
| (e) borrowing of moneys in excess of the aggregate paid-up capital and its free reserves; |
| (f) appointment of sole selling agents by the Board; |
| (g) issue of bonus shares; |
| (h) reorganisation of the capital; |
| (i) amendment of the memorandum and articles; |
| (j) voluntary winding up of the company. |

RESPONSIBILITIES OF AN INVESTOR AS A SECURITY HOLDER

- | |
|--|
| (a) To be specific |
| (b) To remain informed |
| (c) To be vigilant |
| (d) To participate and vote in general meetings |
| (e) To exercise your rights on your own or as a group. |

GROUND OF COMPLAINT TO SEBI OR OMBUDSMAN/COMMON GRIEVANCES OF INVESTORS

A person may lodge a complaint on any one or more of the following grounds either to SEBI or to the Ombudsman concerned. The general grievances the investors have against companies can be listed as under:-

- Furnishing inadequate information or making misrepresentation in prospectus, application forms, advertisements and rights offer documents.
- Delay/non-receipt of refund orders, allotment letters and share certificates/ debenture certificates/bonds.
- Delay/non-receipt of share certificates/debenture certificates.
- Delay in listing of securities with stock exchanges.
- Delay/non-receipt of bonus shares/right shares.
- Delay/non-receipt of notices for meetings/annual reports.
- Delay/non-receipt of interest warrants and dividend warrants.
- Obtaining undue benefits by company insiders.
- Delay/default in payment of interest and repayment of deposits.

In respect of each of the above grievances complaints can be lodged with the Registrar of Companies, stock exchanges or SEBI as the case may be and in certain cases, they can be pursued with the Company Law Board also to obtain remedies and relief.

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REDRESSAL OF INVESTOR GRIEVANCES

The following table indicates nature of investors' grievances and the authorities to be approached:-

Nature of grievance	Can be taken up with
1. In case of any public issue <u>Non-receipt of:</u> <ul style="list-style-type: none"> - Refund order - Interest on delayed refund- - Allotment advice - Share certificates - - Duplicates for all of the above - Revalidations 	SEBI Ministry of Company Affairs Stock Exchange Registrars to the Issue Registrars to the Issue Registrars to the Issue
2. In case of a listed security <u>Non-receipt of the certificates after:</u> <ul style="list-style-type: none"> - transfer - transmission - conversion - endorsement - consolidation - splitting - duplicates of securities Regarding listed- SEBI 	SEBI SEBI SEBI Ministry of Company Affairs Stock Exchange Stock Exchange Stock Exchange
3. Debentures, non-receipt of <ul style="list-style-type: none"> - interest due - redemption proceeds - interest on delayed payment 	SEBI Ministry of Company Affairs The Debenture Trustees/ Stock Exchange
4. Other cases <ul style="list-style-type: none"> (a) Regarding bad delivery of shares (b) Regarding shares or debentures in unlisted companies (c) Deposits in collective investment schemes like plantations, etc. (d) Units of Mutual Funds (e) Fixed Deposits in Banks and Finance Companies. (f) Fixed Deposits in manufacturing companies. 	Bad delivery cell of the stock exchange Ministry of Company Affairs SEBI SEBI Reserve Bank of India Ministry of Company Affairs

Investor Information Centres have been set up in every recognised stock exchange which take up all complaints regarding the trades effected in the exchange and the relevant member of the exchange.

Moreover two other avenues are always available to the investors to seek redressal of their complaints:

- Complaints with Consumers Disputes redressal Forum.
- Suits in the Court of Law.

WHICH ARE THE MATTERS THAT ARE NOT CONSIDERED AS COMPLAINTS BY SEBI?

- Complaints that are incomplete or not specific
- Allegations without supporting documents
- Offering suggestions or seeking guidance/explanation
- Seeking explanation for non-trading of shares or illiquidity of shares
- Not satisfied with trading price of the shares of the companies
- Non-listing of shares of private offer
- Disputes arise out of private agreement with companies/intermediaries.

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INVESTOR EDUCATION

Investor education forms an important part of SEBI's efforts to protect the interest of the investors in securities markets. A series of information **brochures and pamphlets** have been issued in the past for the benefit of the investors. These publications indicate the various risks associated with capital market investment, the rights of the investors, the responsibilities and details of the grievance redressal machinery available to them and the remedy/relief to be obtained from different agencies like SEBI, Ministry of Company Affairs, Stock Exchanges etc, apart from seeking relief through Consumers Disputes Redressal Forums, Company Law Board and Court of Law.

The investors **associations registered with SEBI, the stock exchanges and professional bodies** also conduct investor education programmes from time to time to appraise the investors of the changes in the law and regulations and the methods of protecting themselves against malpractices and delays cropping up in the market. This is further supplemented by the **journals and magazines in the field of corporate investment as well as newspaper articles** which highlight the newly emerging problems, pitfalls and the methods to protect.

Ministry of Corporate Affairs has taken various initiatives to educate investors, particularly, since 2001, the **Investor Education and Protection Fund (IEPF)** has been working for educating the investors and for creating greater awareness about investments in the corporate sector.

SCORES (SEBI COMPLAINTS REDRESS SYSTEM)

SCORES is a web based centralized grievance redress system of SEBI (<http://scores.gov.in>). SCORES enables investors to lodge and follow up their complaints and track the status of redressal of such complaints online from the above website from anywhere.

The salient features of SCORES are:

(a) SCORES is web enabled and provides online access 24 x 7;
(b) Complaints and reminders thereon can be lodged online at the above website at anytime from anywhere;
(c) An email is generated instantaneously acknowledging the receipt of complaint and allotting a unique complaint registration number to the complainant for future reference and tracking;
(d) The complaint forwarded online to the entity concerned for its redressal;
(e) The entity concerned uploads an Action Taken Report (ATR) on the complaint;
(f) SEBI peruses the ATR and closes the complaint if it is satisfied that the complaint has been redressed adequately;
(g) The concerned investor can view the status of the complaint online from the above website by logging in the unique complaint registration number;
(h) The entity concerned and the concerned investor can seek and provide clarification on his complaint online to each other;
(i) Every complaint has an audit trail; and
(j) All the complaints are saved in a central database which generates relevant MIS reports to enable SEBI to take appropriate policy decisions and or remedial actions, if any.

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INVESTORS EDUCATION AND PROTECTION FUND

Investor Education and Protection Fund (IEPF) has been established under **Section 125** of the Companies Act, 2013 for promotion of investors' awareness and protection of the interests of investors.

IEPF - ACTIVITIES

Activities undertaken by IEPF includes:-

- (a) Education programme through Media
- (b) Organizing Seminars and Symposia
- (c) Proposals for registration of Voluntary Associations or Institution or other organizations engaged in Investor Education and Protection activities
- (d) Proposals for projects for Investors' Education and Protection including research activities and proposals for financing such projects
- (e) Educating and creating awareness among investors through Voluntary associations or organizations registered under IEPF.
- (f) Educating investors through Media, Conducted panel discussions on DD, Telecast of TV Video spots on DD & private channels, print advertisement in national as well as regional newspapers.
- (g) Organizing seminars and workshops through associations registered under IEPF
- (h) Financing research projects pertaining to investor education, awareness
- (i) Coordinating with institutions engaged in investor education, awareness

PROHIBITION OF FRAUDULENT AND UNFAIR TRADE PRACTICES

SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 prohibiting the Fraudulent and Unfair Trade Practices relating to Securities Market.

PROHIBITION OF DEALINGS IN SECURITIES

Regulation 3 provides for prohibition of certain dealings in securities it lays down that no person shall directly or indirectly:-

- (a) **buy, sell or otherwise deal** in securities in a fraudulent manner;
- (b) **use or employ**, in connection with issue, purchase or sale of any security listed or proposed to be listed in a recognized stock exchange, **any manipulative or deceptive device** or contrivance in contravention of the provisions of the Act or the rules or the regulations made there under;
- (c) **employ any device, scheme or artifice to defraud** in connection with dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange;
- (d) **engage in any act, practice**, course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange **in contravention of the provisions of the Act or the rules** and the regulations made there under.

"Dealing in securities" includes an act of buying, selling or subscribing pursuant to any issue of any security or agreeing to buy, sell or subscribe to any issue of any security or otherwise transacting in any way in any security by any person as principal, agent or intermediary referred to in Section 12 of the Act.

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OMBUDSMAN

Ombudsman in its literal sense *is an independent person appointed to hear and act upon citizen's complaint about government services.*

Eligibility Criteria for Appointment of a Ombudsman

In order to be appointed as an Ombudsman, a person is required to be—

- (a) a citizen of India;
- (b) of high moral integrity;
- (c) not below the age of forty five years; and
- (d) either a retired District Judge or qualified to be appointed a District Judge, or having at least ten years experience of service in any regulatory body, or having special knowledge and experience in law, finance, corporate matters, economics, management or administration for a period of not less than ten years, or an office bearer of investors' association recognised by the Board having experience in dealing with matters relating to investor protection for a period of not less than 10 years.

DISQUALIFICATION

A person is not qualified to hold the office of the Ombudsman if—	(a) he is an un-discharged insolvent;
	(b) he has been convicted of an offence involving moral turpitude;
	(c) he has been found to be of unsound mind and stands so declared by a competent court;
	(d) he has been charge sheeted for any offence including economic offences;
	(e) he has been a whole-time director in the office of an intermediary or a listed company and a period of at least 3 years has not elapsed.

Tenure

A person appointed as an Ombudsman will hold office for a term of **three years** and shall be eligible for reappointment for another period of two years. No person can hold the office of Ombudsman after attaining the age of **sixty-five years**.

POWERS AND FUNCTIONS OF OMBUDSMAN

The Ombudsman has the following powers and functions:-

- (a) to receive complaints against any intermediary or a listed company or both;
- (b) to consider such complaints and facilitate resolution thereof by amicable settlement;
- (c) to approve a friendly or amicable settlement of the dispute between the parties;
- (d) to adjudicate such complaints in the event of failure of settlement thereof by friendly or amicable settlement.

SEBI (INFORMAL GUIDANCE) SCHEME, 2003

In the interests of better regulation of and orderly development of the Securities market, SEBI has issued SEBI (Informal Guidance) Scheme 2003.

The following persons may make a request for informal Guidance under the scheme:	(a) any intermediary registered with the SEBI.
	(b) any listed company.
	(c) any company which intends to get any of its securities listed and which has filed either a listing application with any stock exchange or a draft offer document with the Board or the Central Listing authority.
	(d) any mutual fund trustee company or asset management company.
	(e) any acquirer or prospective acquirer under the SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011.

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The informal guidance may be sought for and given in two forms:-

1. **No-action letters:** SEBI indicates that the Department would or would not recommend any action under any Act, Rules, Regulations, Guidelines, Circulars or other legal provisions administered by SEBI.
2. **Interpretive letters:** SEBI provides an interpretation of a specific provision of any Act, Rules, Regulations, Guidelines, Circulars or other legal provision being administered by SEBI in the context of a proposed transaction in securities or a specific factual situation

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Q. 1. “SEBI Complaints Redress System (SCORES) is efficient system of investor grievance redressal mechanism of SEBI”. Discuss the statement and salient features of SCORES. **[June 2018]**

Ans. SEBI Complaints Redress System (SCORES) is a web based centralized grievance redress system of SEBI (<http://scores.gov.in>). SCORES enables investors to lodge and follow up their complains and track the status of redressed of such complaints online from the above website from anywhere.

The salient features of SCORES are:

- (a) Complaints and reminders can be lodged online at the SCORE website at anytime from anywhere;
- (b) An email is generated instantaneously acknowledging the receipt of complaint and allotting a unique complaint registration number to the complainant for future reference and tracking;
- (c) The complaint for warded online to the entity concerned for its redressal;
- (d) The entity concerned uploads an Action Taken Report (ATR) on the complaint;
- (e) SEBI peruses the ATR and closes the complaint if it is satisfied that the complaint has been redressed adequately;
- (f) The concerned investor can view the status of the complaint online from the above website by logging in the unique complaint registration number;
- (g) The entity concerned and the concerned investor can seek and provide clarification on his complain online to each other;
- (h) Every complaint has an audit trail; and
- (i) All the complaints are saved in a central database which generates relevant MIS reports to enable SEBI to take appropriate policy decisions and/or remedial actions, if any.

SELF TEST QUESTIONS

FROM PAST CS EXAMS



1. Write notes on the following :
 - (i) Ombudsman
 - (ii) Investor Education and Protection Fund (IEPF)
 - (iii) SCOEES
2. What is the 'investor education and protection fund' (IEPF)? Briefly explain its activities as stipulated under the IEPF Rules.
3. "SEBI expects the investors to make investments with their eyes and ears open." Comment.
4. Attempt the "State the activities stipulated under the Investor Education and Protection Fund (Awareness And Protection of Investors) Rules, 2014".
5. Explain briefly "Investor Education and Protection Fund Protection Fund is set-up in the interested of investors".
6. List out some common grievances of investors.
7. Comment on the Investor Education and Protection Fund (IEPF) is set-up only for educational investors.
8. What is SCORES? Discuss the salient features of SCORES.
9. As an aggrieved party, how do you lodge complaint in SCORES?

FROM ICSI MODULE



Answer the following:

1. Explain the investors rights and responsibilities as an individual shareholder and as a group.
2. Outline the various statutory measures initiated by MCA for investor protection.
3. What is SCORES? Briefly discuss the salient features of SCORES.
4. Explain the utilisations of Investor Protection and Education Fund established under the SEBI (Investor Protection and Education Fund) Regulations, 2009.
5. Who are eligible to make a request under the SEBI (Informal Guidances) Scheme, 2003?



Answers to be analysed in Classroom

Q. 1.

Answer to Question No. 1:-

CS NITESH KR. JAISWAL



Answers to be analysed in Classroom

Q. 2.

Answer to Question No. 2:-

CS NITESH KR. JAISWAL

CHAPTER

11

TAKEOVER- AN OVERVIEW

Covering-

- Objects of Takeover
- Kinds of Takeover
- Legal Aspects of Takeover
- Important Definitions
- Person Acting in Concert
- Target Company
- Disclosures Requirement at Various Stages
- Substantial Acquisition of shares or voting rights or control
- Self Test Questions
 - From Past CS Exam
 - From ICSI Module

**EXPECTED
MARKS COVERAGE
(0 to 5)**

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TAKEOVER

Takeover implies acquisition of control of a company, which is already registered, through the purchase or exchange of shares. Takeovers usually take place when shares are acquired or purchased from the shareholders of a company at a specified price to the extent of at least controlling interest in order to gain control of that company.

Takeover is a corporate device whereby one company acquires control over another company, usually by purchasing all or a majority of its shares. Ordinarily, a larger company takes over a smaller company. However, in a reverse takeover, a smaller company acquires control over a larger company.

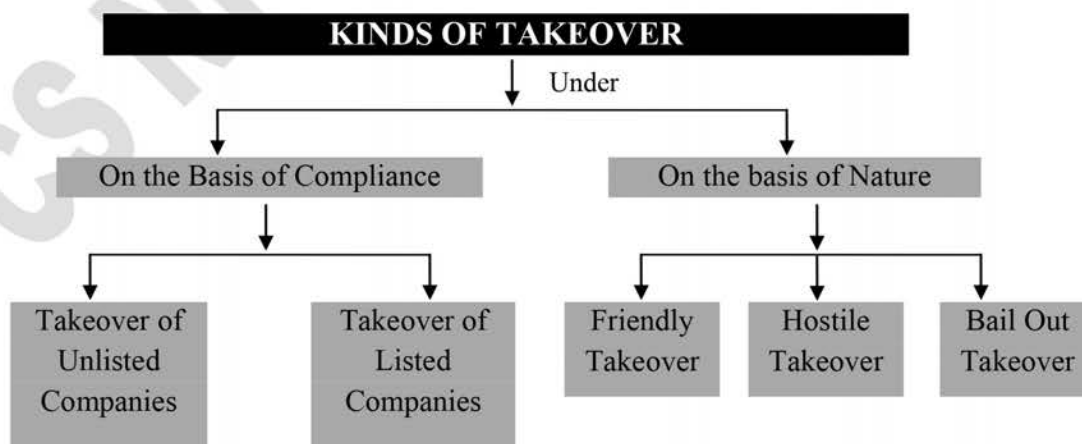
The takeover strategy has been conceived to improve corporate value, achieve better productivity and profitability by making optimum use of the available resources in the form of men, materials and machines.

OBJECTS OF TAKEOVER

The objects of a takeover may <i>inter alia</i> be:-	(a) To effect savings in overheads and other working expenses on the strength of combined resources;
	(b) To achieve product development through acquiring firms with compatible products and technological/manufacturing competence,
	(c) To diversify through acquiring companies with new product lines as well as new market areas
	(d) To improve productivity and profitability
	(e) To create shareholder value and wealth by optimum utilisation of the resources of both companies;
	(f) To eliminate competition;
	(g) To achieve economy of scale
	(h) To increase market share;

KINDS OF TAKEOVER

Takeovers may be broadly classified into three kinds:-



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1. FRIENDLY TAKEOVER

Friendly takeover is **with the consent** of taken over company. In friendly takeover, there is an agreement between the management of two companies through negotiations and the takeover bid may be with the consent of majority or all shareholders of the target company. This kind of takeover is done through negotiations between two groups. Therefore, it is also called negotiated takeover.

2. HOSTILE TAKEOVER

When an acquirer company does not offer the target company the proposal to acquire its undertaking but silently and **unilaterally pursues efforts to gain control against the wishes of existing management**, such acts of acquirer are known as 'hostile takeover'. Such takeovers are hostile on the management and are thus called hostile takeover.

3. BAIL OUT TAKEOVER

Takeover of a **financially sick company by a profit earning company to bail out the former** is known as bail out takeover. There are several advantages for a profit making company to takeover a sick company. The price would be very attractive as creditors, mostly banks and financial institutions having a charge on the industrial assets, would like to recover to the extent possible. Banks and other lending financial institutions would evaluate various options and if there is no other go except to sell the property, they will invite bids. Such a sale could take place in the form by transfer of shares. Thus a bail out takeover takes place with the approval of the Financial Institutions and banks.

LEGAL ASPECTS OF TAKEOVER

The regulatory framework for controlling the takeover activities of a company consists of:-	(a) The Companies Act, 1956 (Section 395),
	(b) SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
	(c) Regulation 38 of SEBI (LOADR) Regulations, 2015

➤ TAKEOVER OF LISTED COMPANIES

SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011

IMPORTANT DEFINATIONS

• ACQUIRER

REG. 2(1)(a)

"Acquirer" means any person who, directly or indirectly, acquires or agrees to acquire whether by himself, or through, or with persons acting in concert with him, shares or voting rights in, or control over a target company.

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PERSON ACTING IN CONCERT

REG. 2(1)(g)

"Person acting in concert" means,—

- (1) persons who, with a common objective or purpose of acquisition of shares or voting rights in, or exercising control over a target company, pursuant to an agreement or understanding, formal or informal, directly or indirectly co-operate for acquisition of shares or voting rights" in, or exercise of control over the target company.
- (2) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be persons acting in concert with other persons within the same category, unless the contrary is established,—

(i)	a company, its holding company, subsidiary company and any company under the same management or control;
(ii)	a company, its directors, and any person entrusted with the management of the company;
(iii)	directors of companies referred to in items (i) and (ii) of this sub-clause and associates of such directors;
(iv)	promoters and members of the promoter group;
(v)	immediate relatives;
(vi)	a mutual fund, its sponsor, trustees, trustee company, and asset management company;
(vii)	a collective investment scheme and its collective investment management company, trustees and trustee company;
(viii)	a venture capital fund and its sponsor, trustees, trustee company and asset management company;
(ix)	a foreign institutional investor and its subaccounts;
(x)	a merchant banker and its client, who is an acquirer;
(xi)	a portfolio manager and its client, who is an acquirer;
(xii)	banks, financial advisors and stock brokers of the acquirer, or of any company which is a holding company or subsidiary of the acquirer, and where the acquirer is an individual, of the immediate relative of such individual:
Provided that this sub-clause shall not apply to a bank whose sole role is that of providing normal commercial banking services or activities in relation to an open offer under these regulations;	
(xiii)	an <u>investment company or fund</u> and any <u>person</u> who has an interest in such investment company or fund as a shareholder or unit holder having not less than 10 per cent of the paid-up capital of the investment company or unit capital of the fund, and any <u>other investment company or fund</u> in which such person or his associate holds not less than 10 per cent of the paid-up capital of that investment company or unit capital of that fund: Provided that nothing contained in this sub-clause shall apply to holding of units of mutual funds registered with the Board;

Explanation- For the purposes of this clause **"associate"** of a person means,—

- (a) any immediate relative of such person;
- (b) trusts of which such person or his immediate relative is a trustee;
- (c) partnership firm in which such person or his immediate relative is a partner; and
- (d) members of Hindu undivided families of which such person is a coparcener.

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TARGET COMPANY

REG. 2(1)(z)

"Target Company" means a company and includes a body corporate or corporation established under a Central legislation, State legislation or Provincial legislation for the time being in force, whose; shares are listed on a stock exchange;

DISCLOSURES REQUIREMENT AT VARIOUS STAGES

➤ EVENT BASED DISCLOSURE REGULATION 29

- (1) Any acquirer who acquires shares or voting rights which (taken together with shares or voting rights, if any, held by him) would entitle him to **5 % or more** shares or voting rights in a company, in any manner whatsoever, shall disclose the aggregate of his shareholding or voting rights in that company to the **target company** and to the **stock exchanges** where shares of the **target company** are listed.
- (2) Any acquirer who has acquired **5 % or more** shares or voting rights of a company shall disclose every purchase or sale aggregating **2% or more** of the **voting rights** of the target company, to the target company and the stock exchanges where the shares of the target company are listed.

The disclosure required to be made in sub-regulation (1) and (2) shall be made within 2 days of :-

- (a) the receipt of intimation of allotment of shares.
- (b) the acquisition of shares or voting rights, as the case may be.

➤ CONTINUAL DISCLOSURE REGULATION 30

Any **person**, who holds **25% or more** shares or voting rights in any company is required to make **yearly disclosure** within **7 days** from the financial year ending 31st March, in respect of his **holdings** as on 31st March to the **target company** and to the **stock exchanges** where shares of the target company are listed

The **promoter** of target company is required to make **yearly disclosure** within **7 days** from the financial year ending 31st March, in respect of his **holdings** as on 31st March to the **target company** and to the **stock exchanges** where shares of the target company are listed.

➤ DISCLOSURE OF ENCUMBERED (PLEDGED) SHARES REGULATION 31

A promoter the target company shall, within **seven working days from the date of creation, invocation or release of encumbered (pledge)** on shares of that company held by him, inform the details of such **creation, invocation or release of encumbered (pledged)** shares to to the **target company** and to the **stock exchanges** where shares of the target company are listed.

SUBSTANTIAL ACQUISITION OF SHARES OR VOTING RIGHTS OR CONTROL

• TRIGGER POINTS FOR PUBLIC ANNOUNCEMENT REGULATIONS 3-9

➤ ACQUISITION OF TWENTY FIVE PERCENT (25%) OR MORE OF THE SHARES OR VOTING RIGHTS OF ANY COMPANY

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REGULATION 3

- (1) No acquirer shall acquire shares or voting rights in a target company which taken together with shares or voting rights, if any, held by him and by persons acting in concert with him in such target company, entitle them to exercise **twenty-five per cent or more** of the **voting rights** in such target company unless the acquirer makes a **public announcement** of an open offer for acquiring shares of such target company in accordance with these regulations.

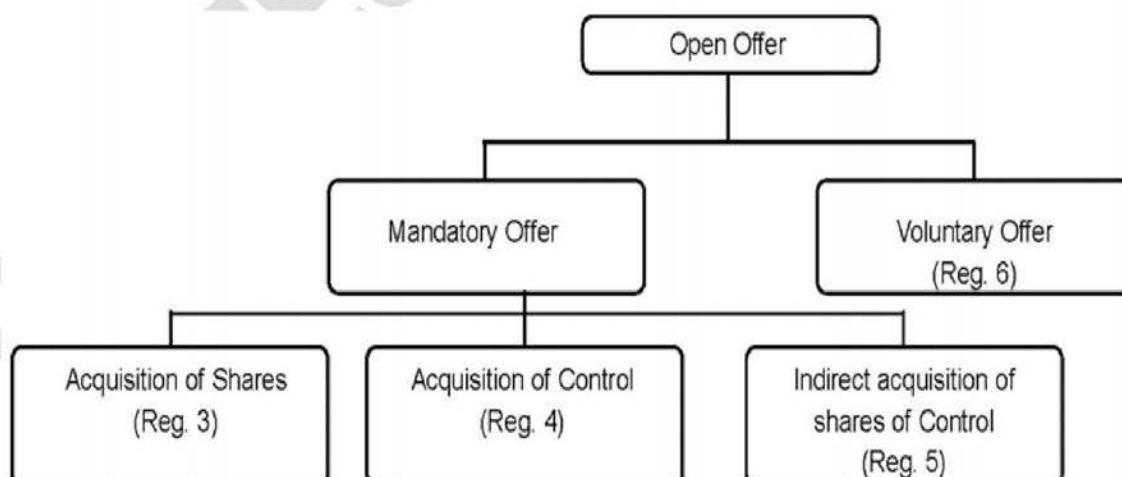
➤ CONSOLIDATION OF HOLDINGS /CREEPING ACQUISITION REGULATION 3(2)

- (2) No acquirer, who together with persons acting in concert with him, has acquired and holds in accordance with these regulations shares or voting rights in a target company entitling them to exercise **twenty-five per cent or more** of the voting rights in the target company **but less than the maximum permissible non-public shareholding, (i.e. 75%)** shall acquire within any financial year **additional shares or voting rights** in such target company entitling them to exercise **more than five per cent** of the voting rights, unless the acquirer makes a public announcement of an open offer for acquiring shares of such target company in accordance with these regulations:

Provided that such acquirer **shall not be entitled** to acquire or enter into any agreement to acquire shares or voting rights exceeding such number of shares as would take the aggregate shareholding pursuant to the acquisition above the maximum permissible non-public shareholding **(i.e. 75%)**.

➤ ACQUISITION OF CONTROL OVER A COMPANY REGULATION 4

Irrespective of whether or not there has been any acquisition of shares or voting rights in a company, no acquirer shall acquire **control** over the target company, unless such person makes a **public announcement** to acquire shares and acquires such shares in accordance with the regulations.



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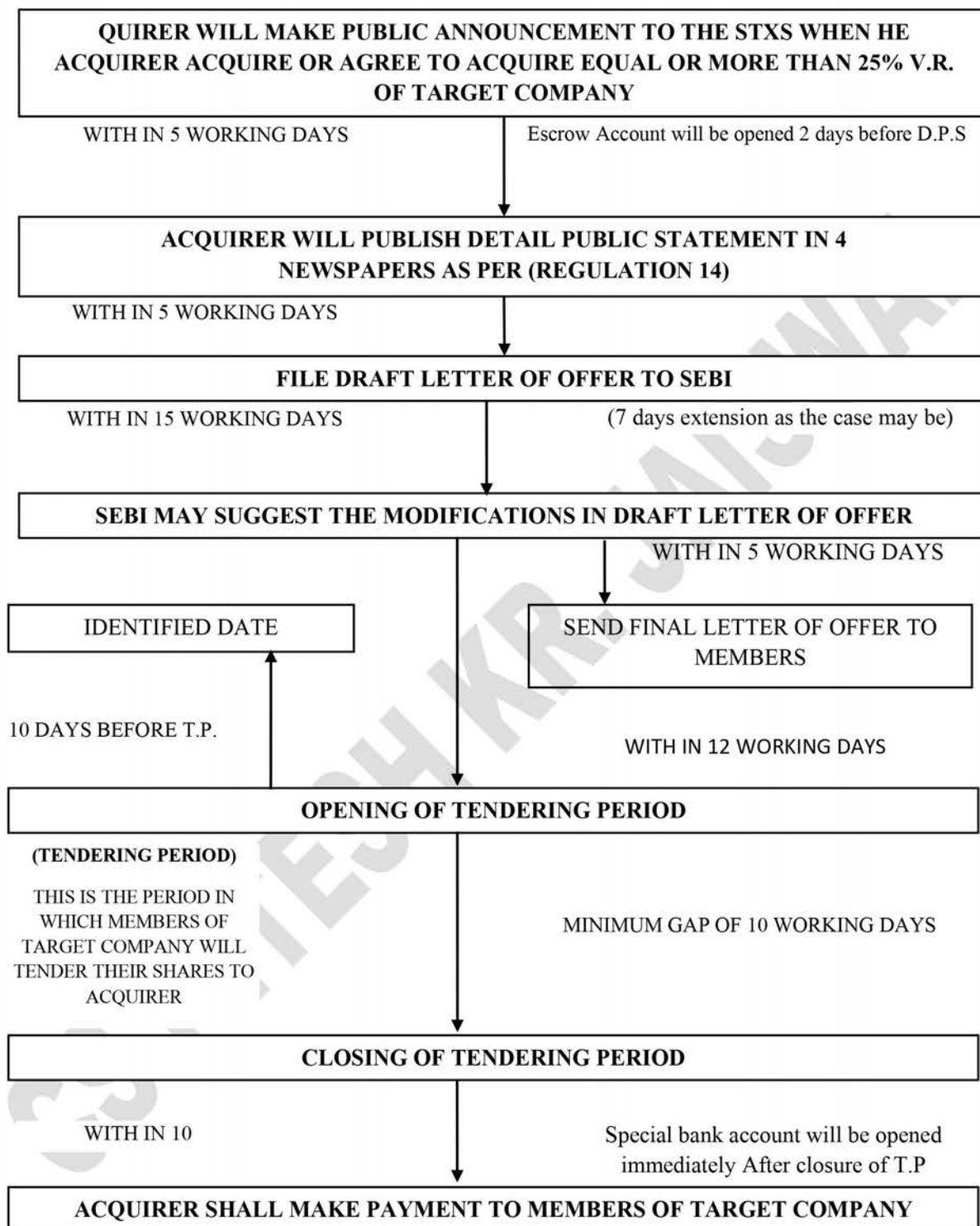
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TAKEOVER CHART



SELF TEST QUESTIONS

FROM PAST CS EXAMS



1. What disclosures, as prescribed by the SEBI, are to be made by an acquiring the shares of another company?
2. Comment on the following statement:
 - (i) The disclosures requirements on the acquisition of shares of a listed target company beyond certain limits are only on the acquirer and not on the target company.
3. Write short notes on continual disclosure.

FROM ICSI MODULE



Answer the following:

1. What is the meaning of Person acting in concert under SEBI (SAST) 2011 Regulations?
2. What are the conditions for making open offer?
3. What are the provisions relating to Public announcement under the Takeover regulations?
4. Discuss about the continuous Disclosure required to be made under these regulations.



MAKES A CASH OFFER OF RS. 980 PER EQUITY SHARE TO THE SHAREHOLDERS OF MINDTREE LIMITED

ADVERTISEMENT IN ACCORDANCE WITH 18(7) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 (AS AMENDED) AND CORRIGENDUM TO THE DETAILED PUBLIC STATEMENT WITH RESPECT TO THE OPEN OFFER TO THE SHAREHOLDERS OF MINDTREE LIMITED

Registered Office: Global Village, RVCE Post, Mysore Road, Bengaluru - 560059, Karnataka, India.
(Telephone: +91-80-67064000, Fax: +91-80-67064100, Website: <http://www.lntdres.com>), Corporate Identification Number: L72200KA1999PLC025564

TENDERING PERIOD: JUNE 17, 2019 (MONDAY) TO JUNE 28, 2019 (FRIDAY)

Open offer by Larsen & Toubro Limited ("Acquirer") to acquire up to 5,13,26,373 (Five Crore Thirteen Lakh Twenty Six Thousand Three Hundred and Seventy One) Equity Shares ("Offer Shares") representing 31.00% (Thirty One Percent) of the Voting Share Capital, under the SEBI SAT Regulations, to the Shareholders of Mindtree Limited ("Target Company") at per Equity Share price of Rs. 980 (Rupees Nine Hundred and Eighty) ("Offer")

This advertisement and corrigendum is being issued by Ac Capital Limited and Citigroup Global Markets India Private Limited ("Managers to the Offer"), for and on behalf of the Acquirer, pursuant to and in accordance with Regulation 18(7) of the SEBI SAT Regulations in respect of the Offer ("Offer Opening Public Announcement and Corrigendum"). This Offer Opening Public Announcement and Corrigendum should be read in conjunction of and in conjunction with:

- the public announcement in connection with the Offer, made by the Managers to the Offer on behalf of the Acquirer to NSE and BSE on March 18, 2019 ("Public Announcement" or "PA");
- the detailed public statement in connection with the Offer, published on March 26, 2019 in the following newspapers: (a) Financial Express (all editions); (b) Jananta (all editions); (c) Vardaan (Bengaluru edition); and (d) Newstix (Mumbai edition) ("DPS") and
- the letter of offer dated June 4, 2019 in connection with the Offer ("Letter of Offer" or "LO").

For the purpose of this Offer Opening Public Announcement and Corrigendum:

- "Identified Date" means May 31, 2019, being the date falling on the 10th (Tenth) Working Day prior to the commencement of the Tendering Period;
- "SEBI SAT Regulations" means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (as amended);
- "Shareholders" means all the shareholders of the Target Company, other than the Acquirer, parties to the SPA and persons deemed to be acting in concert with the parties to the SPA, pursuant to and in accordance with the SEBI SAT Regulations;
- "Tendering Period" means the following period: Monday, June 17, 2019 to Friday, June 28, 2019 (both days inclusive); and
- "Voting Share Capital" means the total voting equity share capital of the Target Company on a fully diluted basis as of the Identified Date (being the date of the closure of the Tendering Period of the Offer based on publicly available data but which may change on account of any future corporate actions).

The Target Company has informed the Acquirer after the Public Announcement via its letter dated March 22, 2019 that the number of outstanding units under the Mindtree Employee Restricted Stock Purchase Plan 2012 as on March 15, 2019 are 1,09,650. We understand based on publicly available information that 12,54,673 convertible instruments of the Target Company (which includes the aforementioned outstanding units under the Mindtree Employee Restricted Stock Purchase Plan 2012) are capable of being exercised during the Offer and have therefore considered the same for determining the Voting Share Capital in the Public Announcement, the DPS, the Draft Letter of Offer and the Letter of Offer. The Target Company on May 2, 2019 has disclosed to the Stock Exchanges that it has granted further 3,17,523 restricted stock units to certain identified employees on that date, given that the calculation of Voting Share Capital in the Offer documents, on a conservative basis without knowing the intent of the Target Company to grant or withhold some grants, already takes into account all outstanding restricted stock units capable of being granted and converted in future, the grant of May 2, 2019 does not impact the calculation of Voting Share Capital in the Offer documents.

Capitalized terms used but not defined in this Offer Opening Public Announcement and Corrigendum shall have the meaning assigned to such terms in the Letter of Offer.

1. Offer Price: The Offer Price is Rs. 980 (Rupees Nine Hundred and Eighty) per Equity Share. There has been no revision in the Offer Price. For further details relating to the Offer Price, please refer to Paragraph 3 beginning on Page 3 of the Letter of Offer.

2. Recommendations of the committee of independent directors of the Target Company: The committee of independent directors of the Target Company ("CIC") published its recommendation on the Offer on June 12, 2019 in the same newspapers where the DPS was published. The relevant extract of the recommendation of the CIC is given below:

Chairpersons of the CIC Mr. Anurag Puri
Members of the CIC
1. Mr. Anurag Puri
2. Mr. Milind Shinde
3. Mr. Rishi Kulkarni
4. Mr. Anshu Bhargava

Recommendation of the CIC on the Offer: The CIC is of the opinion that, as on the date of the PA, the Offer Price of Rs. 980 offered by the Acquirer:

- is in accordance with the regulations prescribed under the SEBI SAT Regulations;
- appears to be fair and reasonable.

Summary of reasons for the recommendation of the CIC
The CIC has reviewed the PA, DPS, LOF and LOF issued by the Acquirer. The members of the CIC draw attention to the closing market price of the Equity Shares of the Target Company on the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") as on the date of this recommendation, i.e. June 10, 2019, being Rs. 975.50 per Equity Share and Rs. 974.60 per Equity Share, respectively, which is lower than the Offer Price.

Based on the review of the PA, DPS, LOF, and the report dated June 7, 2019, issued by ICICI Securities Limited to the CIC in regard to the Offer Price, the CIC is of the opinion that as on the date of the Public Announcement, the Offer Price of Rs. 980 offered by the Acquirer: (a) is in accordance with the regulations prescribed under the SEBI SAT Regulations; and (b) appears to be fair and reasonable.

The Shareholders of the Target Company are advised to independently evaluate the Offer and take an informed decision about tendering the Equity Shares held by them in the Offer.

Details of independent advisors, if any, of the CIC
Dharm & Co (Legal Advisor)
ICICI Securities Limited

3. Other details of the Offer:
3.1. The Offer is being made under Regulations 3(1) and 4 of the SEBI SAT Regulations to the Shareholders of the Target Company.

3.2. The Acquirer's Offer is not a competing offer in terms of Regulation 20 of SEBI SAT Regulations. There has been no competing offer to the Target Company and the last date for making such competing offer has expired. The Offer is not conditional upon any minimum level of acceptance in terms of Regulation 3(1) of SEBI SAT Regulations.

3.3. The dispatch of the Letter of Offer to all the Shareholders of the Target Company holding Equity Shares as on the Identified Date has been completed (either through electronic or physical mode) by June 4, 2019. The Identified Date was relevant only for the purpose of determining the Shareholders as on such date to whom the Letter of Offer was to be sent. It is clarified that all holders (registered or unregistered) of Equity Shares of the Target Company as on such date and persons deemed to be acting in concert with the parties to the SPA are eligible to participate in the Offer any time during the Tendering Period. A copy of the Letter of Offer (which includes the Form of Acceptance cum Acknowledgement) is also available on SEBI's website (<https://www.sebi.gov.in>) from which the Shareholders can download / print the same.

4. Instructions to the Shareholders:

4.1. In case the Equity Shares are held in physical form: As per the provision to Regulation 4(1) of the SEBI SAT Regulations (notified by the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018) read with the press release dated December 3, 2018 and March 27, 2019 issued by SEBI, effective from April 1, 2019, requests for effecting transfer of securities of listed companies shall not be processed unless the securities are held in the dematerialized form with a Depository. Since the Tendering Period for the Offer opens only after April 1, 2019, the Shareholders desirous of tendering their Equity Shares held in physical form can do so only if their shares are dematerialized and are advised to approach the concerned depository participant to have their Equity Shares dematerialized.

4.2. In case the Equity Shares are held in dematerialized form: Shareholders who desire to tender their Equity Shares in the electronic / dematerialized form under the Offer would have to do so through their respective stock broker by giving the details of Equity Shares they intend to tender under the Offer and as per the procedure specified in the Letter of Offer. In case of non-receipt of the Letter of Offer, the Shareholders holding the Equity Shares may participate in the Offer by providing their application in plain paper, to be signed by all shareholders, stating name, address, number of Equity Shares held, claim ID number, DP name, DP number and details of Equity Shares held. The relevant documents as mentioned in Paragraphs 7.8 and 7.9 of the Letter of Offer: Shareholders have to ensure that their order is entered in the electronic platform of NSE or BSE which will be made available by NSE and BSE, before the closure of the Tendering Period.

5. In terms of Regulation 18(1) of the SEBI SAT Regulations, the Draft Letter of Offer was submitted to SEBI on April 2, 2019 ("Draft Letter of Offer" or "DLOF"). SEBI, vide its letter no. SEBI/HO/CFD/COL/Reg/DIP/2019/13697/1, dated May 30, 2019 ("Observation Letter"), issued its comments on the Draft Letter of Offer.

6. **Material Updates** (From the date of the Public Announcement):

- There have been no material changes in relation to the Offer since the date of the Public Announcement, save as otherwise disclosed below (in Paragraph 6.2, 6.3 and 7.1), in the DPS, Draft Letter of Offer and/or the Letter of Offer.
- The Acquirer on April 26, 2019 deposited an amount of Rs. 4,452 Crores (Rupees Four Thousand Four Hundred and Fifty Two Crores Only) in the Escrow Account ("Escrow Deposit"). Pursuant to the First Deposit of Rs. 578 Crores (Rupees Five Hundred and Seventy Eight Crores Only) and the Second Deposit, the Acquirer has deposited an aggregate amount of INR 5,030 Crores (Rupees Five Thousand and Thirty Crores Only) in the Escrow Account, which constitutes the Maximum Offer Consideration. The Second Deposit has been deposited to an interest bearing fixed deposit and confirmed via a confirmation letter dated April 30, 2019 issued by Escrow Bank.

6.3. As on June 13, 2019, the Acquirer holds 4,74,53,808 Equity Shares (representing 28.80% of the Equity Share Capital and 10% of the Voting Share Capital). The Acquirer has not acquired any Equity Shares from the date of the Public Announcement till the date of the Draft Letter of Offer (whether pursuant to the SPA, the Purchase Order or otherwise). Thereafter, post receipt of the Statutory Approvals and after complying with the provisions of Regulation 22(2) of the SEBI SAT Regulations (i.e. (i) depositing the Maximum Offer Consideration in the Escrow Account and (ii) expiry of 21 Working Days from the date of DPS):

- The Acquirer has acquired 3,27,60,229 Equity Shares (representing 19.95% of the Equity Share Capital and 12.79% of the Voting Share Capital), pursuant to the SPA (one of the triggering transactions), on April 30, 2019, by way of a block deal on NSE;
- The figures "3,94,967" and "19.78%" given in the para under the table in para 2.4 on page 11 of the LOF should be read as "3,27,60,229" and "19.79%" respectively. The Acquirer has acquired an aggregate of 1,46,93,579 Equity Shares (representing 8.9% of the Equity Share Capital and 8.8% of the Voting Share Capital), pursuant to the Purchase Order (one of the triggering transactions) via open market, as on June 11, 2019, details of which are set out below:

Date	No. of Equity Shares acquired by the Acquirer	Average Price per Equity Share (INR)	Total Consideration (INR)
April 30, 2019	22,474	979.91	22,022,497.34
May 02, 2019	29,167	979.72	28,575,493.24
May 03, 2019	82,873	979.96	81,123,110.08
May 06, 2019	1,59,263	979.93	1,55,994,831.73
May 07, 2019	1,66,531	979.93	1,63,097,722.83
May 08, 2019	37,58,778	979.96	3,683,450,128.96
May 09, 2019	33,05,775	980.00	3,239,659,500.00
May 14, 2019	1,168	972.00	1,135,296.00
May 16, 2019	8,68,438	979.81	8,48,540,816.78
May 17, 2019	13,440	979.98	13,170,081.20
May 20, 2019	73,953	979.98	72,473,200.47
May 21, 2019	71,835	979.97	70,396,144.95
May 22, 2019	1,29,009*	979.78	126,453,348.14*
May 23, 2019	4,50,687	979.91	441,632,698.17
May 24, 2019	24,99,619	980.00	2,449,626,620.00*
May 27, 2019	2,30,135	979.93	225,516,190.55
May 28, 2019	3,56,738	979.98	349,596,105.24
May 29, 2019	97,815	980.00	95,848,700.00
May 30, 2019	36,974	980.00	36,134,520.00
June 06, 2019	25,000	975.00	24,275,750.00
June 07, 2019	855	967.50	8,27,212.50

*While the disclosure made by the Acquirer pursuant to Regulation 18(3) of the SEBI SAT Regulations provides the number of Equity Shares purchased on May 22, 2019 as 1,29,009, the same has been reduced by 2 Equity Shares to 1,29,007 Equity Shares taking into account the short delivery of 2 Equity Shares out of the Equity Shares purchased on May 22, 2019 and the same has been reported to the Stock Exchanges and the Target Company on May 28, 2019.

The total consideration amount given in the table in para 2.2.7(i) on page 16 of the LOF for May 22, 2019 and May 24, 2019 should be read as "INR 126,453,348.14" and "INR 2,449,626,620" instead of "INR 126,453,305.70" and "INR 2,449,626,620" respectively.

The disclosures for the above noted acquisitions have been made by the Acquirer to NSE and BSE and the Target Company within the timelines prescribed, and as required, under Regulation 18(6), 20(1) and 25(2) of the SEBI SAT Regulations. SEBI has vide the Observation Letter provided its comments on the Draft Letter of Offer wherein it has stated for the following to be disclosed in this Letter of Offer: "With regard to completion of transaction by way of bulk deals by the Acquirer, SEBI is examining it separately and appropriate action, if any, in this regard may be taken by SEBI against the Acquirer".

7. Status of Statutory and Other Approvals:

7.1. As of the date of the Letter of Offer, to the best of the knowledge of the Acquirer, there are no statutory or other approvals required to complete the Offer except the following approvals, which have been received:

- approval from the Competition Commission of India, received on April 4, 2019;
- approval under Section 39(1) of the Act on behalf of Registrar of Companies from under-registered and dormant companies in relation to Mergers and Acquisitions as applicable in United States of America;
- anti-trust approval required for the transaction in United States of America, deemed to have been received with effect from 9:29 AM (Indian standard time) on April 4, 2019 pursuant to rules for Certain Mergers and Acquisitions as applicable in United States of America.

7.2. In the event, however, any further statutory or other approval becomes necessary, the Acquirer, prior to completion, the Offer will also be subject to such statutory or other approval(s) as may be required.

7.3. All Shareholders, including non-resident holders of Equity Shares, must obtain all requisite approvals required, if any, to tender their Equity Shares in the Offer (including without limitation, approval from the RBI) and submit copies of such approvals, along with the other documents required for accepting this Offer. In the event copies of such approvals / documents are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Offer.

7.4. If the holder of the Equity Shares are non-residents (including non-resident Indians (NRIs), overseas corporate bodies (OCBs) and foreign portfolio investors (FPIs)) had required any approvals (including from the RBI, or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit copies of such previous approvals, obtained for holding the Equity Shares, in order to tender the Equity Shares held by them in this Offer, along with all the other documents required for accepting this Offer. In the event copies of such approvals / documents are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Offer.

8. **Revised Schedule of Activities:** The schedule of major activities under the Offer is set out below:

Name of Activity	Original Schedule of Activities (as disclosed in the Draft Letter of Offer)	Revised Schedule of Activities
Day and Date	Day and Date	Day and Date
Issue of Public Announcement	Monday, March 18, 2019	Monday, March 18, 2019
Publication of the DPS in newspapers	Tuesday, March 26, 2019	Tuesday, March 26, 2019
Filing of the Draft Letter of Offer with SEBI	Tuesday, April 2, 2019	Tuesday, April 2, 2019
Last date for public announcement for completing offer(s)	Tuesday, April 16, 2019	Tuesday, April 16, 2019
Last date for receipt of comments from the SEBI on the Draft Letter of Offer (in the event SEBI has not sought clarification or additional information from the Managers to the Offer)	Monday, April 22, 2019	Monday, May 30, 2019*
Identified Date	Monday, April 29, 2019	Friday, May 31, 2019
Last date for dispatch of the Letter of Offer to the Shareholders of the Target Company	Tuesday, May 7, 2019	Saturday, June 8, 2019
Last date by which a committee of independent directors of the Target Company is required to give its recommendation to the Shareholders of the Target Company for this Offer	Friday, May 10, 2019	Thursday, June 13, 2019
Last date for upward revision of the Offer Price and/or the Offer Size	Monday, May 13, 2019	Friday, May 14, 2019
Date of publication of Offer Opening Public Announcement and Corrigendum, in the newspapers in which the DPS has been published	Monday, May 13, 2019	Friday, June 14, 2019
Date of commencement of the Tendering Period	Tuesday, May 14, 2019	Monday, May 17, 2019
Date of closure of the Tendering Period	Monday, May 27, 2019	Friday, June 28, 2019
Last date of communicating the rejection / acceptance and completion of payment of consideration for return of Equity Shares to the Shareholders of the Target Company	Tuesday, June 11, 2019	Friday, July 12, 2019*
Last date for publication of Post Offer public announcement in the newspapers in which the DPS has been published	Tuesday, June 18, 2019	Friday, July 19, 2019

* Actual date of receipt of SEBI's final observations on the Draft Letter of Offer. The Acquirer shall complete the payment of consideration to the tendering shareholders on or before July 12, 2019.

9. Other information:

- The Acquirer and its board of directors accept full responsibility for the information contained in this Offer Opening Public Announcement and Corrigendum, and for the Acquirer's obligations under the Offer. Except as mentioned otherwise in this Offer Opening Public Announcement and Corrigendum, all the information relating to the Target Company has been obtained from the information published and from publicly available sources and the accuracy thereof has not been independently verified by the Acquirer or Managers to the Offer.
- In this Offer Opening Public Announcement and Corrigendum, all references to "Rs." or "INR" are references to the Indian Rupee.
- This Offer Opening Public Announcement and Corrigendum would also be available on SEBI's website (<https://www.sebi.gov.in>).

Issued on behalf of the Acquirer by the Managers to the Offer:

AXIS CAPITAL

Axis Capital Limited
Axis House, 1st Floor, C-2, Wadia International Center,
P. B. Marg, West, Mumbai 400 025
Tel: +91 22 43252183, Fax: +91 22 43253000
Website: www.axiscapital.co.in
Email: ml.openoffer@axiscap.in
Contact person: Ms. Mayuri Arya
SEBI Registration Number: INM000012029

citi

Citigroup Global Markets India Private Limited
1201, 12th Floor, First International Financial Centre, G-Block,
Bandra Kurla Complex, Bandra East, Mumbai 400098
Tel: +91 22 61709999, Fax: +91 22 61750868
Website: www.cibank.co.in / www.citigroupglobalmarketsindia.com
Email: mindtree.openoffer@citi.com
Contact person: Ms. Gurima Maheshwari
SEBI Registration Number: INM000007178

Registrar to the Offer

LINKintime

Link Intime India Private Limited
A-105, 247 Park, 1st Floor, Sahakar Nagar, Vikhroli (West), Mumbai - 400 083
Tel: +91 22 43186200
Fax: +91 22 43186155
Website: www.linkintime.co.in
Email: mindtree.openoffer@linkintime.co.in
Contact person: Mr. Sumant Deshpande
SEBI Registration Number: INM000004558

On behalf of the Acquirer

Sd/-

Authorized Signatory

Place: Mumbai

Date: June 13, 2019

Annexure 125

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**CORRIGENDUM TO THE DETAILED PUBLIC STATEMENT AND THE LETTER OF OFFER
WITH RESPECT TO THE OPEN OFFER TO THE SHAREHOLDERS OF MINDTREE LIMITED**

Registered Office: Global Village, BVCE Post, Mysore Road, Bengaluru - 560039, Karnataka, India.
(Telephone: +91-80-67064000, Fax: +91-80-67064100, Website: <http://www.mindtree.com>),
Corporate Identification Number: L72009KA1999PLC025364



LARSEN & TOUBRO LIMITED

**HAS MADE A CASH OFFER TO THE SHAREHOLDERS OF
MINDTREE LIMITED
AT RS. 980 PER EQUITY SHARE**

Open offer by Larsen & Toubro Limited ("Acquirer") to acquire up to 5,13,25,371 (Five Crore Thirteen Lakh Twenty Five Thousand Three Hundred and Seventy One) Equity Shares ("Offer Shares") representing 31.00% (Thirty One Percent) of the Voting Share Capital, under the SEBI SAST Regulations, to the Shareholders of Mindtree Limited ("Target Company") at per Equity Share price of Rs. 980 (Rupees Nine Hundred and Eighty only) ("Offer").

TENDERING PERIOD IS NOW OPEN AND CLOSES ON JUNE 28, 2019 (FRIDAY)

This corrigendum ("Corrigendum") should be read in continuation of and in conjunction with:

- the public announcement in connection with the Offer, made by the Managers to the Offer on behalf of the Acquirer to NSE and BSE on March 18, 2019 ("Public Announcement") or "PA";
- the detailed public statement in connection with the Offer, published on March 26, 2019 in the following newspapers: (i) Financial Express (all editions); (ii) Janasatta (all editions); (iii) Vishwavani (Bangalore edition); and (iv) Navshakti (Mumbai edition) ("DPS"); and
- the letter of offer dated June 6, 2019 in connection with the Offer ("Letter of Offer" or "LoO"); and
- the offer opening public announcement and corrigendum in connection with the Offer, published on June 14, 2019 in the following newspapers: (i) Financial Express (all editions); (ii) Janasatta (all editions); (iii) Navshakti (Mumbai edition); (iv) Vishwavani (Bangalore edition); (v) The Times of India (all editions); (vi) Gujarati Samachar (all editions); and (vii) The Economic Times (all editions).

For the purpose of this Corrigendum:

- "SEBI SAST Regulations" means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2013 (as amended);
- "Shareholders" means all the shareholders of the Target Company, other than the Acquirer, parties to the SPA and persons deemed to be acting in concert with the parties to the SPA, pursuant to and in compliance with the SEBI SAST Regulations;
- "Tendering Period" means the following period: Monday, June 17, 2019 to Friday, June 28, 2019 (both days inclusive); and

Capitalised terms used but not defined in this Corrigendum shall have the meaning assigned to such terms in the Letter of Offer.

CORRIGENDUM

Paragraph 3.1.10 of the Letter of Offer states that: "The Acquirer may at its discretion seek to effect changes to the board of directors of the Target Company, in accordance with applicable laws (including without limitation, the Companies Act, 2013, the LOIR Regulations and Regulation 24 of the SEBI SAST Regulations). No proposal in this regard has been finalised as on the date of this Letter of Offer." In this regard, please take note of the following:

- The Acquirer has vide its letter dated June 12, 2019 sent to the Target Company on June 13, 2019, proposed the following persons as candidates for the office of director of the Target Company pursuant to Section 160 of the Companies Act, 2013: (a) Mr. Sekharipuram Narayanan Subrahmanyam; (b) Mr. Ramamurthi Shankar Raman; and (c) Mr. Jayant Damodar Patil.
- The Target Company, vide its intimation dated June 20, 2019 to the Stock Exchanges, has disclosed that the nomination and remuneration committee and the board of directors of the Target Company have on June 20, 2019 approved and recommended the following appointments to the board of directors of the Target Company (with effect from July 16, 2019) subject to approval of the shareholders of the Target Company at the upcoming annual general meeting of the Target Company on July 16, 2019:

No.	Name of Proposed Director	Appointment As
1.	Mr. Sekharipuram Narayanan Subrahmanyam	Non-Executive Director
2.	Mr. Ramamurthi Shankar Raman	Non-Executive Director
3.	Mr. Jayant Damodar Patil	Non-Executive Director
4.	Mr. Prasanna Rangacharya Mysore	Independent Director
5.	Mrs. Deepa Gopalan Wadhwani	Independent Director

The Target Company, in the aforesaid intimation, has also disclosed that Mr. Subroto Bagchi (director of the Target Company), who resigned to the board of directors of the Target Company at the upcoming annual general meeting of the Target Company on July 16, 2019, has not offered himself for re-appointment.

OTHER DETAILS ABOUT THE OFFER

The attention of the Shareholders of the Target Company is limited to the following other details of the Offer:

- Offer Price:**
 - The Offer Price is Rs. 980 (Rupees Nine Hundred and Eighty only) per Offer Share.
 - The volume-weighted average market price per Equity Share of the Target Company for a period of 60 (sixty) trading days immediately preceding the date of the Public Announcement, as traded on the stock exchange where the maximum volume of trading in the shares of the Target Company are recorded during such period and such shares being frequently traded, is Rs. 885.04 (Eight Hundred and Eighty Five Rupees and Four Paise).
 - For further details relating to the Offer Price, please refer to Paragraph 3 of the Letter of Offer.

- Recommendations of the committee of independent directors of the Target Company:** The committee of independent directors of the Target Company ("IOC") published its recommendation on the Offer on June 12, 2019 in the same newspapers where the DPS was published. The relevant extract of the recommendation of the IOC is given below:

Chairperson of the IOC	Mr. Apurve Parshat
Members of the IOC	1. Mr. Apurve Parshat 2. Mr. Milind Shrikant Sawade 3. Mr. Bijou Kurian 4. Mr. Akhaya Bhargava
Recommendation of the IOC on the Offer, as to whether or not the Offer is fair and reasonable	The IOC is of the opinion that, as on the date of the PA, the Offer Price of Rs. 980 offered by the Acquirer

- is in accordance with the regulations prescribed under the SEBI (SAST) Regulations; and
- appears to be fair and reasonable.

Summary of reasons for the recommendation of the IOC	The IOC has perused the PA, DPS, LoO and LoI issued on behalf of the Acquirer. The members of IOC draw attention to the closing market price of the Equity Shares of the Target Company on the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") as on the date of this recommendation, i.e. June 18, 2019, being Rs 975.30 per Equity Share and Rs 974.65 per Equity Share, respectively, which is lower than the Offer Price. Based on the review of the PA, DPS, LoO, LoI, and the report dated June 7, 2019, issued by IOC Securities Limited to the IOC in regard to the Offer Price, the IOC is of the opinion that as on the date of the Public Announcement the Offer Price of Rs 980 offered by the Acquirer, (a) is in accordance with the regulations prescribed under the SEBI (SAST) Regulations; and (b) appears to be fair and reasonable. The shareholders of the Target Company are advised to independently evaluate the Offer and take an informed decision about tendering the Equity Shares held by them in the Offer.
Details of independent advisors, if any, of the IOC	Kharan & Co (Legal Advisor) IOC Securities Limited

3. Other Information:

- The Acquirer and its board of directors accept full responsibility for the information contained in this Corrigendum, and for the Acquirer's obligations under the Offer. Except as mentioned otherwise in this Corrigendum, all the information pertaining to the Target Company has been obtained from the information published and from publicly available sources and the accuracy thereof has not been independently verified by the Acquirer or Managers to the Offer.
- The Acquirer has appointed Axis Capital Limited and Citigroup Global Markets India Private Limited for the Offer through whom the purchases and settlement of the Offer shall be made during the Tendering Period.
- In this Corrigendum, all references to "Rs." or "INR" are references to the Indian Rupee.
- For further details please refer to the Letter of Offer.

Issued on behalf of the Acquirer by the Managers to the Offer:

AXIS CAPITAL
Axis Capital Limited
Axis House, 14th Floor, C-2, World International Centre,
P.B. Marg, Worli, Mumbai 400 025
Tel: +91 22 41252103; Fax: +91 22 41253000
Website: www.axiscapital.co.in
Email: india.offer@axiscapital.co.in
Contact person: Mr. Mayuri Arya
SEBI Registration Number: INM000013004

citi
Citigroup Global Markets India Private Limited
1202, 12th Floor, First International Financial Centre, G Block,
Bandra Kurla Complex, Bandra East, Mumbai 400 059
Tel: +91 22 41750999; Fax: +91 22 41750809
Website: www.citi.co.in/cibank or www.citigroupindia.com
Email: mindtree.offer@citigroupindia.com
Contact person: Mr. Darima Maheshwari
SEBI Registration Number: INM000010710

LINK INTIME
Link Intime India Private Limited
C-101, 247 Park, Lal Bahadur Shastri Marg,
Vikhroli (West), Mumbai - 400 083
Tel: + 91 22 49186200
Fax: + 91 22 49186195
Website: www.linkintime.co.in
Email: mindtree.offering@linkintime.co.in
Contact Person: Mr. Sumant Deshpande
SEBI Registration Number: INR000004058

On behalf of the Acquirer

Sd/-

Authorised Signatory

Date: June 20, 2019
Place: Mumbai

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Answers to be analysed in Classroom

Q. 1.

Answer to Question No. 1:-

CS NITESH KR. JAISWAL



Answers to be analysed in Classroom

Q. 2.

Answer to Question No. 2:-

CS NITESH KR. JAISWAL

CHAPTER

12

INSIDER TRADING

Covering-

- Insider Trading – Meaning
- Effect of Insider Trading
- Important Definition
- Connected person
- Generally Available Information
- Immediate Relative
- Unpublished price sensitive information
- Important regulatory requirements
- Disclosures of trading by insiders
- Disclosures by certain persons
- Codes of fair disclosure and conduct
- Penalty for Contraventions
- Role of Company Secretary in Compliance Requirements

**EXPECTED
MARKS COVERAGE
(1 to 5)**

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INSIDER TRADING

INSIDER TRADING - MEANING

Insider trading *is the buying, selling or dealing in securities of a listed company by a director, member of management, employee of the company, or by any other person such as internal auditor, advisor, consultant, analyst, etc., who has knowledge of material inside information, which is not available to general public.*

Thus, Insider Trading means possession and misuses of unpublished price sensitive information relating to the securities of the listed companies by a **privileged few for their personal gains** before the information is published and comes to the notice of investors. The possession of such privileged information places them in a far better position than the others in the market to evaluate the investment risk. Hence, in the interest of securities market and the investors, insider trading needs to be prohibited.

SEBI (Prohibition of Insider Trading) Regulations, 2015 (w.e.f. 15th May, 2015) intends to discourage the practice of insider trading in securities of listed companies. These Regulations seek to govern the conduct of the insiders on matters relating to insider trading.

EFFECT OF INSIDER TRADING

Insider trading leads to loss of confidence of investors in securities market as they feel that the market is rigged and only the few, who have inside information get benefit and make profits from their investments. Thus, process of insider trading **corrupts the "level playing field"**.

Hence the practice of insider trading is intended to be prohibited in order to sustain the investors' confidence in the integrity of the securities market.

IMPORTANT DEFINITION

Compliance Officer

Reg. 2. (1) (c)

"Compliance Officer" means any senior officer, designated so and reporting to the board of directors or head of the organization in case board is not there, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the board of directors of the listed company or the head of an organization, as the case may be;

INSIDER

Reg. 2 (1) (g)

"Insider" means any person who is:

- i) a connected person; or
- ii) in possession of or having access to unpublished price sensitive information;

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NOTE:

- Since “generally available information” is defined, it is intended that anyone in possession of or having access to unpublished price sensitive information should be considered an “insider” regardless of how one came in possession of or had access to such information.
- this definition is intended to bring within its reach any person who is in receipt of or has access to unpublished price sensitive information. The onus of showing that a certain person was in possession of or had access to unpublished price sensitive information at the time of trading would, therefore, be on the person levelling the charge after which the person who has traded when in possession of or having access to unpublished price sensitive information may demonstrate that he was not in such possession or that he has not traded or he could not access.

CONNECTED PERSON

Reg. 2 (1)(d)

"Connected Person" means,-

- (i) any person who is or has during the **six months** prior to the concerned act been associated with a company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the company or **holds any** position including a professional or business relationship between himself and the company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.

'DEEMED TO BE CONNECTED PERSON'

- (ii) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established, -

(a)	an immediate relative of connected persons specified in clause (i); or
(b)	a holding company or associate company or subsidiary company; or
(c)	an intermediary as specified in section 12 of the Act or an employee or director thereof; or
(d)	an investment company, trustee company, asset management company or an employee or director thereof; or
(e)	an official of a stock exchange or of clearing house or corporation; or
(f)	a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or
(g)	a member of the board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or
(h)	an official or an employee of a self-regulatory organization recognised or authorized by the Board; or
(i)	a banker of the company; or
(j)	a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a company or his immediate relative or banker of the company, has more than ten per cent. of the holding or interest;

NOTE:

- It is intended that a connected person is one who has a connection with the company that is expected to put him in possession of unpublished price sensitive information. Immediate relatives and other categories of persons specified above are also presumed to be connected persons but such a presumption is a deeming legal fiction and is rebuttable.

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- This definition is also intended to bring into its ambit persons who may not seemingly occupy any position in a company but are in regular touch with the company and its officers and are involved in the know of the company's operations.

GENERALLY AVAILABLE INFORMATION

Reg. 2(1)(e)

"Generally available information" means information that is accessible to the public on a non-discriminatory basis;

NOTE:

- It is intended to define what constitutes generally available information so that it is easier to crystallize and appreciate what unpublished price sensitive information is published on the website of a stock exchange, would ordinarily be considered generally available.

IMMEDIATE RELATIVE

Reg. 2(1)(f)

"Immediate relative" means a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities;

NOTE:

- It is intended that the immediate relatives of a "connected person" too become connected persons for purposes of these regulations. Indeed, this is a rebuttable presumption.

"Trading"

Reg. 2(1)(l)

"Trading" means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly.

UNPUBLISHED PRICE SENSITIVE INFORMATION

(Reg. 2 (1)(n))

"Unpublished price sensitive information" means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following: –

(i) financial results;
(ii) dividends;
(iii) change in capital structure;
(iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
(v) changes in key managerial personnel; and
(vi) material events in accordance with the listing agreement.

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IMPORTANT REGULATORY REQUIREMENTS

RESTRICTIONS ON COMMUNICATION AND TRADING BY INSIDERS

➤ **Communication or procurement of unpublished price sensitive information.**

Regulation 3.

- (1) No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

Notwithstanding anything contained in this regulation, an unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction that would:-

- (i) entail an obligation to make an open offer under the takeover regulations where the board of directors of the company is of informed opinion that the proposed transaction is in the best interests of the company;
- (2) No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

➤ **Trading when in possession of unpublished price sensitive information.**

Regulation 4

- (1) No insider shall trade in securities that are listed or proposed to be listed on a stock exchange when in possession of unpublished price sensitive information:

Provided that the insider may prove his innocence by demonstrating the circumstances including the following : –

- (i) the transaction is an off-market *inter-se* transfer between promoters who were in possession of the same unpublished price sensitive information without being in breach of regulation 3 and both parties had made a conscious and informed trade decision;
- (ii) in the case of non-individual insiders: –
 - (a) the individuals who were in possession of such unpublished price sensitive information were different from the individuals taking trading decisions and such decision-making individuals were not in possession of such unpublished price sensitive information when they took the decision to trade; and
 - (b) appropriate and adequate arrangements were in place to ensure that these regulations are not violated and no unpublished price sensitive information was communicated by the individuals possessing the information to the individuals taking trading decisions and there is no evidence of such arrangements having been breached;
- (iii) the trades were pursuant to a trading plan set up in accordance with regulation 5.

Trading Plans.

Regulation 5

An insider shall be entitled to formulate a trading plan and present it to the compliance officer for approval and public disclosure pursuant to which trades may be carried out on his behalf in accordance with such plan.

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DISCLOSURES OF TRADING BY INSIDERS

General provisions.

Regulation 6.

- (1) Every public disclosure under this Chapter shall be made in such form as may be specified.
- (2) The disclosures to be made by any person under this Chapter shall include those relating to trading by such person's immediate relatives, and by any other person for whom such person takes trading decisions.

NOTE: It is intended that disclosure of trades would need to be of not only those executed by the person concerned but also by the immediate relatives and of other persons for whom the person concerned takes trading decisions.

- (3) The disclosures of trading in securities shall also include trading in derivatives of securities and the traded value of the derivatives shall be taken into account for purposes of this Chapter:
- (4) The disclosures made under this Chapter shall be maintained by the company, for a minimum period of five years, in such form as may be specified.

DISCLOSURES BY CERTAIN PERSONS

Regulation 7

(1) Initial Disclosures.

- (a) Every promoter, key managerial personnel and director of every company whose securities are listed on any recognised stock exchange shall disclose his holding of securities of the company as on the date of these regulations taking effect, to the company within thirty days of these regulations taking effect;
- (b) Every person on appointment as a key managerial personnel or a director of the company or upon becoming a promoter shall disclose his holding of securities of the company as on the date of appointment or becoming a promoter, to the company within seven days of such appointment or becoming a promoter.

(2) Continual Disclosures.

- (a) Every promoter, employee and director of every company shall disclose to the company the number of such securities acquired or disposed of within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of ten lakh rupees or such other value as may be specified;
- (b) Every company shall notify the particulars of such trading to the stock exchange on which the securities are listed within two trading days of receipt of the disclosure or from becoming aware of such information.

Disclosures by other connected persons.

- (3) Any company whose securities are listed on a stock exchange may, at its discretion require any other connected person or class of connected persons to make disclosures of holdings and trading in securities of the company in such form and at such frequency as may be

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CODES OF FAIR DISCLOSURE AND CONDUCT

Code of Fair Disclosure.

Regulation 8

- (1) The board of directors of every company, whose securities are listed on a stock exchange, shall formulate and publish on its official website, a code of practices and procedures for fair disclosure of unpublished price sensitive information that it would follow in order to adhere to each of the principles set out in Schedule A to these regulations, without diluting the provisions of these regulations in any manner.
- (2) Every such code of practices and procedures for fair disclosure of unpublished price sensitive information and every amendment thereto shall be promptly intimated to the stock exchanges where the securities are listed.

CODE OF CONDUCT

Regulation 9

- (1) The board of directors of every listed company and market intermediary shall formulate a code of conduct to regulate, monitor and report trading by its employees and other connected persons towards achieving compliance with these regulations, adopting the minimum standards set out in Schedule B to these regulations, without diluting the provisions of these regulations in any manner.
- (2) Every other person who is required to handle unpublished price sensitive information in the course of business operations shall formulate a code of conduct to regulate, monitor and report trading by employees and other connected persons towards achieving compliance with these regulations, adopting the minimum standards set out in Schedule B to these regulations, without diluting the provisions of these regulations in any manner.
- (3) Every listed company, market intermediary and other persons formulating a code of conduct shall identify and designate a compliance officer to administer the code of conduct and other requirements under these regulations.

PENALTY FOR CONTRAVENTIONS

➤ Section 24 of SEBI Act, 1992

- (1)** Without prejudice to any award of penalty by the adjudicating officer under this Act, if any person contravenes or attempts to contravene or abets the contravention of the provisions of this **Act or of any rules or regulations made thereunder**, he shall be punishable with imprisonment for a term which may extend to **ten years**, or with fine, which may extend to **twenty-five crore rupees** or with **both**.
- (2)** If any **person fails to pay the penalty** imposed by the adjudicating officer or **fails to comply with any of his directions or orders**, he shall be punishable with imprisonment for a term which shall not be less than **one month but which may extend to ten years** or with fine, which may extend to **twenty-five crore rupees** or with **both**.

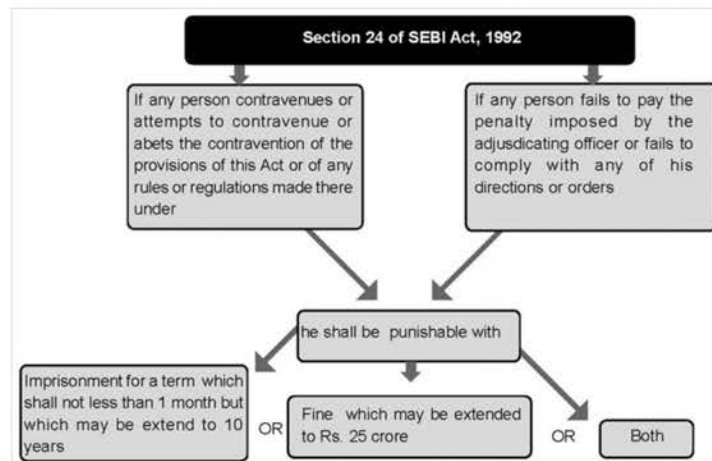
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➤ **Section 15G of SEBI Act, 1992**

Penalty for insider trading

If any insider who,—

- (i) either on his own behalf or on behalf of any other person, deals in securities of a body corporate listed on any stock exchange on the basis of any unpublished price sensitive information; or
- (ii) communicates any unpublished price sensitive information to any person, with or without his request for such information except as required in the ordinary course of business or under any law; or
- (iii) counsels, or procures for any other person to deal in any securities of any body corporate on the basis of unpublished price sensitive information, shall be liable to a penalty of **twenty-five crore rupees** or **three times the amount of profits made out of insider trading**, whichever is **higher**.

ROLE OF COMPANY SECRETARY IN COMPLIANCE REQUIREMENTS

1.	The company secretary acting as compliance officer and ensuring compliance with SEBI (prohibition of insider trading) regulations, 2015.
2.	To frame a code of fair disclosure and conduct in line with the model code of conduct.
3.	To receive initial disclosure from every Promoter, KMP and director or every person on appointment as KMP or director or becoming a Promoter shall disclose its shareholding in the prescribed form
4.	To receive from every Promoter, employee and director, continual disclosures of the number of securities acquired or disposed of and changes therein.
5.	The compliance officer shall approve the trading plan and after the approval of the trading plan, the compliance officer shall notify the plan to the stock exchanges on which the securities are listed.
6.	The Compliance Officer shall maintain records of all the declarations given by the directors/ designated employees/ partners in the appropriate form for a minimum period of three years.
7.	To maintain confidentially list of such securities as a “restricted list” which shall be used as the basis for approving or rejecting applications for preclearance of trades.
8.	To frame and then to monitor adherence to the rules for the preservation of “Price sensitive information”.
9.	To maintain a list of all information termed as ‘price sensitive information’.
10.	To ensure that files containing confidential information shall be kept secured.

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