



भारतीय प्रतिभूति और विनियम बोर्ड
Securities and Exchange Board of India

CIRCULAR

SEBI/HO/CFD/DIL2/CIR/P/2021/0000000657

November 16, 2021

To

All Recognized Stock Exchanges (except Commodity Exchanges)

All Recognized Depositories

Issuer Companies

Merchant Bankers and Brokers registered with SEBI

Registrars to an Issue

Dear Sir / Madam,

Sub: Schemes of Arrangement by Listed Entities

1. SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 has laid down the framework for Schemes of Arrangement by listed entities.
2. **Empowering the stock exchanges:** It has been decided to provide further clarifications on the processing of draft schemes filed with the stock exchanges, and make certain amendments to the aforesaid Circular dated December 22, 2020, as provided in the Annexure to this Circular. These amendments are aimed at ensuring that the recognized stock exchanges refer draft schemes to SEBI only upon being fully convinced that the listed entity is in compliance with SEBI Act, Rules, Regulations and circulars issued thereunder.
3. **Applicability of this Circular:** This Circular shall be applicable for all the schemes filed with the stock exchanges from the date of the Circular.
4. The recognized stock exchanges are directed to bring the provisions of this circular to the notice of the listed companies and also to disseminate the same on their website



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5. This circular is issued in exercise of powers conferred by Section 11(1) of the Securities and Exchange Board of India Act, 1992 and Regulations 11, 37 and 94 read with Regulation 101(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Rule 19(7) of Securities Contracts (Regulation) Rules, 1957 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.
6. A copy of this circular is available on SEBI website at www.sebi.gov.in under the categories "Legal Framework/Circulars".

Yours faithfully,

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Annexure

Amendment to PART-I of Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 ('the circular')

1. Amendment to Part I Para A 2(b)

Para 2(b) of the Circular stands revised as follows:

Valuation Report as per Para (4) below; accompanied with an undertaking from the listed entity stating that no material event impacting the valuation has occurred during the intervening period of filing the scheme documents with Stock Exchange and period under consideration for valuation.

2. Insertion of Part I Para A 2(j)

Declaration from the listed entity on any past defaults of listed debt obligations of the entities forming part of the scheme.

3. Insertion of Part I Para A 2(k)

No Objection Certificate (NOC) from the lending scheduled commercial banks/financial institutions.

4. Insertion of Part I, Para D

- 1. The fractional entitlements, if any, shall be aggregated and held by the trust, nominated by the Board in that behalf, who shall sell such shares in the market at such price, within a period of 90 days from the date of allotment of shares, as per the draft scheme submitted to SEBI.*
- 2. The listed company shall submit to the designated stock exchange a report from its Audit Committee and the Independent Directors certifying that the listed entity has compensated the eligible shareholders. Both the reports shall be submitted within 7 days of compensating the shareholders.*
- 3. The Exchange shall ensure compliance of the above and non-compliance, if any, shall be submitted to SEBI on a quarterly basis.*
- 4. Any misstatement or furnishing of false information with regard to the said information shall make the listed entity liable for punitive action as per the provisions of applicable laws and regulations.*
