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SECURITIES AND EXCHANGE BOARD OF INDIA

NOTIFICATION

Mumbai, the 31st of May, 2018

**SECURITIES AND EXCHANGE BOARD OF INDIA (DELISTING OF EQUITY
SHARES) (AMENDMENT) REGULATIONS, 2018**

No. SEBI/LAD-NRO/GN/2018/23.- In exercise of the powers conferred by section 31 read with section 21A of the Securities Contracts (Regulation) Act, 1956 (42 of 1956), sub-section (1) of section 11, sub section (2) of section 11A and section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992) the Securities and Exchange Board of India hereby makes the following regulations to further amend the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, namely, -

1. These Regulations may be called the Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2018.
2. They shall come into force on the date of their publication in the Official Gazette.
3. In the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009,-

I. in regulation 3, after sub-regulation (2), the following sub-regulation shall be inserted, namely,

"(3) 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 [No. 31 of 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:

Provided that, exit to the shareholders should be at a price which shall not be less than the liquidation value as determined under regulation 35 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 after paying off dues in the order of priority as defined under section 53 of the Insolvency and Bankruptcy Code, 2016[No. 31 of 2016]:

Provided further that, if the existing promoters or any other shareholders are proposed to be provided an opportunity to exit under the resolution plan at a price higher than the price determined in terms of the above proviso, the existing public shareholders shall also be provided an exit opportunity at a price which shall not be less than the price, by whatever name called, at which such promoters or other shareholders, directly or indirectly, are provided exit:

Provided also that, the details of delisting of such shares along with the justification for exit price in respect of delisting proposed shall be disclosed to the recognized stock exchanges within one day of resolution plan being approved under section 31 of the Insolvency and Bankruptcy Code, 2016 [No. 31 of 2016]."

II. in regulation 30, after sub-regulation (2) and before sub-regulation (3), the following sub-regulation shall be inserted, namely, -

"(2A) Notwithstanding anything contained in sub-regulation (1), an application for listing of delisted equity shares may be made in respect of a company which has undergone corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016[No. 31 of 2016]."

sd/-

AJAY TYAGI

CHAIRMAN

SECURITIES AND EXCHANGE BOARD OF INDIA

Footnote:

1. The SEBI (Delisting of Equity Shares) Regulations, 2009, were published in the Gazette of India on 10 June, 2009 vide No. LAD-NRO/GN/2009-2010/09/165992.

2. The Principal Regulations were subsequently amended on:

- (a) October 8, 2013 by the SEBI (Listing of Specified Securities on Institutional Trading Platform) Regulations, 2013 vide No. LAD-NRO/GN/2013-14/28/6720.
- (b) March 24, 2015 by SEBI (Delisting of Equity Shares) (Amendment) Regulations, 2015 vide No. LAD-NRO/GN/2014-15/27/541.
- (c) August 14, 2015 by SEBI (Delisting of Equity Shares) (Second Amendment) Regulations, 2015 vide No. SEBI/LAD-NRO/GN/2015-16/010.
- (d) January 12, 2016 by SEBI (Delisting of Equity Shares) (Amendment) Regulations, 2016 vide No. SEBI/LAD-NRO/GN/2015-16/30.
- (e) March 6, 2017 by SEBI (Payment Of Fees And Mode Of Payment) (Amendment) Regulations, 2017 vide No. SEBI/LAD-NRO/GN/2016-17/037.
