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PR No.300/2009

SEBI Board Meeting

The Board met today and took the following decisions:

(I) Amendments to Listing Agreement/ ICDR Regulations

(a) Compliance with applicable Accounting Standards

A listed company undergoing corporate restructuring (merger, demerger or amalgamation) under a scheme of arrangement shall submit an auditors' certificate to the stock exchange to the effect that the accounting treatment followed in respect of financials contained in the scheme is in compliance with all the applicable accounting standards. This requirement will be prescribed through amendments to listing agreement.

An unlisted company undergoing similar corporate restructuring and proposing to make an IPO shall make disclosures in the DRHP in terms of AS 14. This will be mandated through the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

(b) Facilities for issue of Indian Depository Receipts

The Board decided to extend the facility of anchor investors to issue of IDRs on similar terms as applicable to public issues made by domestic companies.

It also decided that at least 30% of issue size of the IDRs be reserved for allocation to retail individual investors, who may otherwise be crowded out.

(II) Amendments to SEBI (Substantial Acquisition of Shares and Takeovers) Regulations (Takeover Regulations)

(a) Applicability of open offer obligations in case of GDRs/ ADRs etc.

In tune with market developments, the Board decided to amend the Takeover Regulations to provide that where the ADR/ GDR holders are entitled to exercise voting rights on the shares underlying GDRs / ADRs by virtue of clauses in the depository agreement or otherwise, open offer obligations shall be triggered upon crossing the threshold limits set out under Chapter III of the Regulations.

(b) Disclosure of sale/ purchase by acquirer under Regulation 7 (1A)

Regulation 7 (1A) of the Takeover Regulations requires disclosures on (+ /-) 2% acquisition /

divestment by the acquirers holding shares / voting rights between 15-55%. The Board decided to extend such disclosure requirements to acquirers holding shares / voting rights between 15-75%.

(c) Amendment for bringing clarity to Regulation 11(1) of Takeover Regulations

Regulation 11(1) would be amended to clarify that under Regulation 11 (1), the creeping acquisition of 5% would be available subject to the condition that post-acquisition, the shareholding / voting rights of the acquirer together with persons acting in concert with him, shall not increase beyond 55%. However, such acquisition up to 55% under Regulation 11(1) shall not be a bar on further acquisition up to 5% as envisaged under the second proviso to Regulation 11 (2).

Mumbai

September 22, 2009

