



The Chamber of Tax Consultants

Mumbai | Delhi

Registered Office

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President
Hinesh R. Doshi

Vice President
Vipul Choksi

Hon. Jt. Secretaries
Anish Thacker & Parag Ved

Treasurer
Ketan Vajani

Imm. Past President
Ajay R. Singh

4th August, 2018

To

Shri Rajesh Gujjar,

Deputy General Manager

Securities & Exchange Board of India

Division of Policy II & Division of SRO Administration II (DoP-II & DoSROA-II)

Plot No.C4-A, 'G' Block

Bandra-Kurla Complex, Bandra (East),

Mumbai - 400051, Maharashtra

Dear Sir,

Sub: Compulsory Delisting of companies at BSE Ltd and NSE Ltd

The Chamber of Tax Consultants (CTC), Mumbai was established in 1926. CTC is one of the oldest voluntary non-profit making organizations in Mumbai – in its 92nd year - formed with the object of educating and updating its members on Tax and other Laws. It has a robust membership strength of about 4000 professionals, comprising Advocates, Chartered Accountants and Tax Practitioners.

This is with reference to the various Public Notices issued by BSE Ltd and NSE Ltd in the Financial Express and Navbharat Times, compulsorily delisting 554 companies from the Exchange in last one year.

In the Public Notices issued by the Exchanges, reference is given to SEBI (Delisting of Equity Shares) Regulations, 2009 and is read along with SEBI circular

SEBI/HO/CFD/DCR/CIR/P/2016/81 dated September 07, 2016 mentioning the consequence of Compulsory Delisting of the company on its Directors and Promoters as under:

- In terms of **Regulation 24 of the Delisting Regulations, 2009**, the delisted Company, its whole time Directors, promoters, and group companies shall be



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debarred from accessing the securities market for a period of 10 years from the date of compulsory delisting.

- As per **SEBI Circular no. SEBI/HO/CFD/DCR/CIR/P/2016/81 dated September 07, 2016, till the time promoters of the company provide an exit option to the public shareholders** in terms of value determined by the valuer, the following consequences of compulsory delisting would also apply:
 - Non transferability of any of the equity shares by the Company, by way of sale, pledge, etc. of any of the equity shares.
 - Freezing of equity shares and corporate benefits thereof held by the promoters/promoter group.
 - The promoters and the whole time director of the company shall not be eligible to become directors of any listed company.
 - It may be noted that the onus of giving the exit to the public shareholders and informing the stock exchange about the same is on the promoters of the company.

The final public notice issued by the Exchange, mentions the exit price for each of the delisted companies.

When the promoters of the compulsory delisted companies express their intention to Stock Exchanges to provide the exit offer to the public shareholders of the company, they are being informed by the Exchange officials that there is no procedure provided for giving the exit to the public shareholders of the company.

Accordingly, in the said matter, we would request the following:



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1. To lay down a procedure for the Promoters / Directors of the company so that they can initiate the same and provide an exit option to the public shareholders of the company.
2. In case of those companies where exit price is determined and published, to kindly provide details of the promoters to whom the public shareholders can approach for tending their shares.

We look forward to meeting you if required to explain the above in more detail and look forward to corrective action under your instructions for which our members will be grateful.

Thanking you,

Sincerely,

For **The Chamber of Tax Consultants**

Sd/-

Hinesh R. Doshi
President

Sd/-

Mahendra B. Sanghvi
Chairman
Law & Representation Committee

Sd/-

Apurva R. Shah
Co-Chairman

CC :

Shri G. Mahalingam
Whole Time Member
SEBI Bhavan
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