

**GENERAL MANAGER
CORPORATION FINANCE DEPARTMENT
DIVISION OF CORPORATE RESTRUCTURING**

CRD/DCR/DLT/HB/Cir-1/06
January 31, 2006

The Executive Director /Managing Director
All Stock Exchanges.

Dear Sir/Madam,

**SUB:- AMENDMENT TO THE SEBI (DELISTING OF SECURITIES)
GUIDELINES, 2003**

- 1) In order to simplify the existing framework w.r.t. Compulsory Delisting and make it possible for stock exchanges to delist the Companies which are non-compliant with the provisions of Listing Agreement, it has been decided to amend the SEBI (Delisting Of Securities) Guidelines, 2003.
- 2) The amendment seeks to ensure adequate and wide public notice of the fact of delisting and disclosure of the fair value through newspapers and notice boards/trading systems of the stock exchange upon delisting of a security.
- 3) The amendment also seeks to determine the fair value of securities by persons appointed by the stock exchange out of a panel of experts, which shall also be selected by the stock exchange.
- 4) The amendment to the SEBI (Delisting Of Securities) Guidelines, 2003 is given in Annexure A.

This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

S.V. Murali Dhar Rao

- 1) For sub-clause 15.6, the following sub-clauses shall be substituted, namely;

“15.6 The stock exchange may, after consideration of the representations received from aggrieved persons, delist the securities of such companies.

15.6A Where the stock exchange delists the securities of a company, it shall ensure that adequate and wide public notice of the fact of delisting is given through newspapers and on the notice boards/trading systems of the stock exchange and shall ensure disclosure in all such notices of the fair value of such securities determined in accordance with the Explanation to clause 16.1.”

- 2) In clause 16.1, the Explanation shall be substituted with the following, namely;

“Explanation: For the purposes of this sub-clause, fair value of securities shall be determined by persons appointed by the stock exchange out of a panel of experts, which shall also be selected by the stock exchange, having regard to the factors mentioned in regulation 20 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.”

- 3) Clause 16.2 shall be omitted.