

Annexure A

Comprehensive Scheme for Mechanism for acquisition of shares through Stock Exchange pursuant to Tender-Offers under Takeovers, Buy Back and Delisting.

SEBI (Buy Back of Securities) Regulations, 1998 (hereinafter referred to as “Buy Back Regulations”), SEBI(Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter referred to as "Takeover Regulations"), SEBI (Delisting of Equity Shares) Regulations, 2009 (hereinafter referred to as "Delisting Regulations") were amended vide notification dated March 24, 2015 to facilitate tendering of shares by the shareholders and settlement of the same, through the stock exchange mechanism as specified by the Board.

Securities & Exchange Board of India (SEBI) vide circular no. CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 & CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 has also provided guidelines on Mechanism for acquisition of shares through Stock Exchange pursuant to Tender-Offers under Takeovers, Buy Back and Delisting to facilitate tendering of shares by the shareholders and settlement of the same, through the stock exchange mechanism.

With an objective to facilitate orderly use of Mechanism for acquisition of shares through Stock Exchange pursuant to Tender-Offers under Takeovers, Buy Back and Delisting herein after termed as ‘**Tender Offer Facility**’ on Web based IPO bidding platform and to make various conditions and /or requirements governing the use of ‘Tender Offer Facility’ in a transparent manner and to have its due and strict compliance, the scheme containing various terms / conditions is formulated as under:-

Rights of NSEIL

NSEIL shall be entitled to amend its statutory requirements, instructions, circulars, etc. unilaterally and the participants in the ‘Tender Offer Scheme’ including Acquirer/Company/Members shall be deemed to have consented to them, and accordingly be bound by the statutory requirements, instructions, circulars, etc. prevailing from time to time.

1 General

- Non-Exclusivity: The ‘Tender Offer Facility’ made available by the NSEIL shall be on a non-exclusive basis and shall be available only at the discretion of NSEIL.
- Acquirer/company shall provide all information as required for ‘Tender Offer Facility’ and any other document as specified by the SEBI / Exchange/Clearing Corporation from time to time. [Details required as per Annexure I]. Acquirer/ Company shall provide such information at least 2 days prior to start of tender offer.
- The Acquirer/ Company shall appoint a trading member of the Capital market segment of the Exchange for the ‘Tender Offer Facility’ as the buying trading member.
- Trading members participating in Tender offer shall comply with all the provisions of the scheme herein specified in the circular.
- A security available in ‘Tender Offer Facility’ shall continue to be available for trading in the normal market.
- No settlement guarantee shall be provided by Clearing Corporation for ‘Tender Offer Facility’.

2 Placing of orders

- The placing of orders on the exchange system shall be as per the trading hours of the secondary market.
- Separate Acquisition Window is provided in web based IPO bidding platform to facilitate placing of sell orders. The details of the platform will be as specified by the Exchange from time to time.(Features as given in Annexure II).
- All trading members-of the capital market segment are eligible to place orders in the ‘Tender Offer Facility’
- Trading members already using the web based IPO bidding platform can use their existing user ids for login into the ‘Tender Offer Facility’.
- During the tendering period, the trading members shall ensure that the order for selling the shares is placed on behalf of eligible sellers. During order entry, members can enter orders for demat as well as physical shares.

- For orders for demat shares (except for Custodian Participant orders) early pay-in of securities is mandatory prior to placing of order and same shall be validated at the time of order entry. **At the time of order entry (bulk & manual) the members shall ensure that the same DP ID and Client / Beneficiary ID are entered as mentioned in the early pay-in instruction to the depository by shareholder.**
- For Custodian Participant (CP) orders for demat shares early pay-in shall be provided by the Custodian through early pay-in mechanism of the depositories and is mandatory prior to confirmation of order by custodian.
- In case of Custodian Participant (CP) orders the custodians shall either confirm or reject orders not later than the close of trading hours during the tender offer open period, **except for the last day of tender offer period it shall be up to 6.00 pm (orders will be accepted only up to 3:30 p.m.).** Thereafter, all unconfirmed orders shall be deemed to be rejected.
- Orders with generic CP code 'INST' shall not be permitted.
- Members shall input valid CP code for Custodial Participant orders.
- In case of orders for physical shares, verification of physical certificates shall be done by RTA as specified below in Risk management.
- Modification / Cancellation of orders will be allowed during the period of the offer in case of Buyback offers. However in case of Takeover offers modification/cancellation shall not be permitted. In case of delisting offers, the shareholders may withdraw or revise their orders upwards not later than one day before the closure of the offer period and downward revision of orders shall not be permitted.
- For all confirmed Custodian Participant orders, order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.

3 Risk Management

- **Demat shares:**

- Shareholders shall provide irreversible early pay-in of shares through the early pay-in mechanism of the depositories (circulars from depositories ref.no. NSDL/POLICY/2017/0007 dated February 6, 2017 and CDSL/OPS/DP/SETTL/2017/69 dated February 06, 2017 is attached for ready reference as **Annexure B & Annexure C** respectively) in the settlement type and settlement number as specified in settlement calendar as per procedure specified by Clearing Corporation and in accordance with the requirements of the respective depositories. Clearing members shall provide shareholder details such as DP ID and Client / Beneficiary ID with regard to the shares tendered at the time of order entry.
- For orders for demat shares (except for Custodian Participant orders) early pay-in of securities is mandatory prior to placing of order.
- Custodian shall ensure irreversible early pay-in of shares through the early pay-in mechanism of the depositories in the settlement type and settlement number as specified in settlement calendar as per procedure specified by Clearing Corporation and in accordance with the requirements of the respective depositories.
- All orders for Custodian Participant shall be sent to respective Custodian for confirmation and early pay-in of shares from Custodian shall be checked at the time of confirmation. A facility for confirmation of orders shall be provided to Custodian.
- For Custodian Participant (CP) orders for demat shares early pay-in is mandatory prior to confirmation of order by custodian.
- The custodians shall confirm orders not later than the close of trading hours during the tender offer open period, except for the last day of tender offer period it shall be up to 6.00 pm.
- Sufficiency of early pay-in of securities shall be checked in case of order modifications.

- **Physical Shares:**

- Members after verification of the identity proof and address proof of the shareholders holding physical share certificates shall place order and submit physical certificates along with Transaction Registration Slip (TRS) generated from the web based IPO bidding platform to the Registrar and Transfer Agent (RTA) to the Offer.
- On submission of the physical share certificates to RTA, RTA shall provide acknowledgement of receipt of physical share certificates to the seller member/ custodian on the TRS copy.
- On daily basis Exchange shall send physical order data to the RTA for verification. RTA will in turn verify orders against physical share certificates for the relevant shareholders and confirm same to the Exchange. Exchange shall update the RTA verification status as either 'Confirm' or 'Reject'.
- In case of modification of order confirmed by RTA the revised order shall be sent again to RTA for verification.
- Custodian Participant orders shall be sent to RTA for verification post confirmation of the same by respective custodian.

4 Acceptance of Orders

- After close of Tender Offer period, orders (except rejected orders) shall be sent to the authorized e-mail ID of RTA by the Clearing Corporation.
- RTA shall provide details of order acceptance to Clearing Corporation within the cut-off date as specified in Annexure I (D).
- Against each order, RTA shall specify accepted quantity, accepted price and reason code in case of partial or non-acceptance of shares.

5 Obligation

- Following reports shall be downloaded to members on receipt of acceptance details from RTA. Refer Annexure III for file format.
 - Tender offer Acceptance report.
 - Tender offer Obligation report giving details of funds and securities obligation.

- Tender Offer Securities transaction tax (STT) report - STT will be applicable based on final acceptance, as per rates applicable from time to time.
- Tender Offer Trade report

6 Settlement

- For all Tender Offers facilitated by Exchange, Clearing Corporation shall notify Settlement Calendar. In case of delay in receipt of Acceptance details from RTA or delay in funds pay-in by buying trading member as per specified timelines, Clearing Corporation may notify revised settlement schedule.
- **Funds settlement**
 - The funds pay-in obligation for demat and physical shares shall be effected through the existing settlement account of the buying member.
 - Buying member shall ensure availability of funds obligation in its fund settlement account as per time lines specified in settlement calendar, failing which the securities payout shall not be made
 - Funds payout shall be made only in case buying trading member makes funds pay-in.
 - Funds payout for demat orders shall be made directly to the shareholder (offering shares towards tender offer) bank account as per details received from the respective depositories. Shareholder's are requested to update their active bank account details with the depositories for seamless transfer of funds payout to their bank accounts. In case of any rejection while crediting the funds payout to the shareholder's bank account, the funds payout shall be directed to the clearing member's settlement bank account for further transfer to respective shareholder's.
 - Funds payout for physical orders shall be made directly to the clearing members settlement bank account for further transfer to respective shareholder's.
 - The funds payout of orders confirmed by custodian will be credited to the settlement bank account of custodian, orders pertaining to NRI/FPI (which are not settled through custodian), funds will be transferred to member's settlement bank account.

- **Securities Settlement**

- The settlement of securities obligation for demat shares shall be effected through the special pool account of Clearing Corporation.
- The shares received through early pay-in mechanism in the respective settlement type and number shall be deemed to be securities pay-in on behalf of the clearing members and custodians whose orders received allotment.
- The pay out of the securities shall be made to the securities pool account of the buying member.
- The direct credit of shares shall be given to the escrow demat account of the Acquirer provided it is indicated by the buying member. For the same, the existing facility of client direct payout in the Capital Market Segment shall be available.
- In case of partial or non-acceptance of orders or excess pay-in, demat shares shall be released to the respective shareholder's demat account from which early pay-in was received. In case of any rejection while crediting the shares to the shareholder's demat account, the shares shall be directed to the pool account of the clearing member for further transfer to respective shareholder's.
- Post settlement following reports shall be downloaded to members. Refer Annexure III for file format.
 - Security wise Demat Delivery Statement for Tender offer
 - Security Wise Demat Receipt Statement for Tender offer
 - Client Allocation Details for Tender Offer

(details of additional reports, if any, pertaining to Tender Offer shall be communicated subsequently by Clearing Corporation).

7 Issuance of Contract Notes

- The trading members shall be required to issue contract note to the respective client based on the allotment price and quantity, as per the format given in Annexure IV.
- Trade date in contract note shall be the date of download of 'Tender Offer Acceptance report'.

8 Dissemination of information

- The Exchange shall disseminate the Tender Offer related details like name of company, Acquirer(s) name, offer size, order time and period etc. on Exchange web site.
- The exchange shall disseminate the following information on the website at specific time intervals
 - **Confirmed quantity.** This will be the total of
 1. Non-CP orders (demat)
 2. CP orders approved by custodian (demat)
 3. Physical orders verified and confirmed by RTA.
 - **Yet to be confirmed quantity.** This will be the total of
 1. Demat CP orders, pending approval by custodian
 2. Physical orders pending verification by RTA
 - Any other information as specified by the SEBI / Exchange from time to time.

9 Charges payable

Trading Members shall be liable to pay charges as levied by the Exchange from time to time in addition to STT.

Terms and Conditions

- Acquirer/Company shall abide and comply with SEBI circular CFD/DCR2/CIR/P/2016131 dated December 09, 2016 and any other circular or regulations of SEBI / Exchange/ Clearing Corporation in connection with the said ‘Tender Offer Facility’ from time to time.
- The Acquirer/Company and the trading member shall abide by the statutory requirements including instructions, circulars etc. issued by NSEIL/ Clearing Corporation from time to time.
- The Acquirer/Company shall undertake to pay charges relating to ‘Tender Offer

Facility’ to the Exchange prior to opening of the Offer period.

- The Acquirer/Company shall abide with the various time lines prescribed by the Exchange/ Clearing Corporation from time to time pertaining to ‘Tender Offer Facility’.
- The Acquirer/Company shall ensure that the funds obligation including STT obligation is made available in the settlement account of the buying member, as per time lines specified by Clearing Corporation.
- Selling Members/ Custodians shall return unallocated demat securities received in their pool account if any to their clients.
- Acquirer/Company/RTA shall ensure, return of un-allocated physical shares to shareholders and shall maintain necessary records. The Exchange/ Clearing Corporation shall not be liable to the shareholders for non-receipt/return of such shares.
- The Exchange can withdraw permission or take action against trading members in the event of breach / violation of statutory requirements or any instruction or circular in respect of the ‘Tender Offer Facility’.
- It is to be distinctly understood that the permission given by Exchange to use its network and software of the ‘Tender Offer Facility’ should not in any way be deemed or construed that the compliance with various statutory and other requirements by issuer are cleared or approved by Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of this seller, its promoters, its management or any scheme or project of this seller.
- The Acquirer/Company/ shall indemnify Exchange/Clearing corporation against any loss / liability / expenses arising as a result of Exchange permitting the Acquirer/Company to acquisition of shares through ‘Tender Offer Facility’.
- The trading members shall comply with all such requirements related to capital market segment with regards to issuance of contract note, client registration, and



transfer of securities in client account, brokerage or any other requirement which is issued by Exchange / SEBI from time to time including.

- Trading member shall maintain and preserve records, books and documents or any such information pertaining to for such period as may be specified by Exchange from time to time.
- The Exchange shall provide its services on a best effort basis. However the exchange shall not be liable for failure of the system or for any loss, damage, or other costs arising in any way out of:
 - a) Telecom network or system failures including failure of ancillary or associated systems or fluctuation of power or other environmental conditions or
 - b) Accident, transportation, neglect, misuse, errors, frauds of the acquirer / company/members/ or its authorized persons or the agents or any third party or
 - c) Any fault in any attachments or associated equipment (either supplied by the Exchange or approved by the Exchange) which forms or does not form part of the trading workstation installation
 - d) Act of God, fire, flood, war act of violence, or any other similar occurrence,
 - e) Any incidental special or consequential damages including without limitation of loss of profit.