

National Stock Exchange of India

Circular

Department: LISTING

Download Ref. No.: NSE/CML/2021/43

Date: November 02, 2021

The Company Secretary

All Listed Companies

Subject: - Standard Operating Procedure (SOP) on application filed under Regulation 37 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 w.r.t. Scheme of Arrangements

This has reference to the draft scheme of arrangement filed with stock exchanges under Regulation 37 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 read along with SEBI Circulars dated March 10, 2017 and amendment thereof.

In this regard, kindly find below the Standard Operating Procedure (SOP) to be followed by listed entities:

1. The Scheme of Arrangement seeking Stock Exchange's NOC under Regulation 37 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('SEBI LODR') shall be submitted to the Exchange along with all the documents as per the Exchange Checklist within 15 working days of board meeting approving the draft scheme of arrangement. In case the application is not submitted within 15 working days, the company shall take fresh approval from its board considering fresh financials, valuation report, etc.
2. At the time of submission of the application to the Exchange(s) under Regulation 37 of SEBI LODR, the Audited financials of last 3 years (financials not being older than 6 months) of unlisted company(ies) involved in the Scheme of Arrangement has to be submitted as required under para I (A) (2) (f) of SEBI Circular dated March 10, 2017 and amendment thereof read with SEBI Master Circular dated December 22, 2020. The aforesaid financials shall be considered for preparation of Valuation Report by the valuer under Income Approach. At the time of providing its observation letter to the listed entity, the exchange shall seek an undertaking from the listed entity stating that it shall ensure that the financials of the unlisted company(ies) shall not be more than 6 months old at the time of submission of the scheme papers to NCLT.
3. The period under consideration for valuations, other than Income Approach, should not be older than 3 months. The board shall consider the scheme of arrangement within 7 working days of the issuance of valuation report.

4. At the time of submission of application with the stock exchange(s) under Regulation 37, documents referred in para (I) (A) (2) of SEBI Circular dated March 10, 2017 (as amended) and included in the checklist of respective stock exchange(s), should be complete in all aspects.
5. **Exchange 1st Query:** - If the documents (*referred in point no.4*) are incomplete or any clarification needed or any material inadequacies/non-compliance with SEBI Circular dated March 10, 2017 read with SEBI Master Circular dated December 22, 2020, are observed in the documents by the Exchange, the scheme shall be returned to the Company for necessary rectifications. A period of 5 working days will be allowed to the company for rectification. On expiry of aforesaid timelines if the company is unable to make submissions, then any fees paid by the Company for processing of the application shall be forfeited by the Exchange/Regulator and the scheme documents shall be returned to the company.
6. **Exchange 2st Query:** - The Exchanges shall raise any additional clarifications on the replies and similar response period shall be provided to the company.
7. If appropriate responses are not received by the Exchanges within the timelines, the Company may be asked to re-file the scheme with requisite rectifications as a fresh application and any fees paid by the Company for processing of the application shall be forfeited by the Exchange/Regulator.
8. Any refiling because of the previous unsatisfactory filing shall be made along with fresh set of valuation report, fairness opinion, recommendation of the audit committee, etc. The company shall be required to pay fresh fees to the Exchange/Regulator.

Yours faithfully,
For National Stock Exchange of India Ltd.

Harshad Dharod
Manager

