



भारतीय प्रतिभूति और विनिमय बोर्ड Securities and Exchange Board of India

CIRCULAR

CIR/MRD/DSA/05/2015

April 17, 2015

**The Managing Director
All recognised/Exited Stock Exchanges**

Dear Sir/Madam,

Sub: Exclusively listed companies of De-recognized/Non operational/exited Stock Exchanges.

1. SEBI vide circular dated May 30, 2012 (Exit Circular) issued guidelines for exit of De-recognized/Non-operational stock exchanges. Subsequently, vide circular dated May 22, 2014, SEBI issued directions to the stock exchanges to address issues faced by companies exclusively listed in non-operational stock exchanges.
2. As per the above referred circulars, inter-alia, the exclusively listed companies which fail to obtain listing in any other nationwide stock exchange will cease to be a listed company and will be moved to the dissemination board by the existing stock exchange.
3. Subsequently, SEBI has been in receipt of representations from exclusively listed companies stating that although they are interested and eligible to migrate to the main boards of nationwide stock exchanges, they are not in a position to opt for the same due to paucity of time. Such companies have sought time to list in nationwide stock exchanges. In the interest of investors of such companies, it has been decided to allow a time line of eighteen months, within which such companies shall obtain listing upon compliance with the listing requirements of the nation-wide stock exchange, subject to the following:-
 - a) Listing in nationwide stock exchanges is permitted only in respect of those class of securities that were already listed in the non-operational stock exchanges.
 - b) The exclusively listed companies seeking listing on nationwide exchanges shall not undergo any material changes in their shareholding pattern which suggests change of control at the time of listing on nationwide stock exchanges.

- c) Pursuant to exit or de-recognition of the non-operational stock exchanges, the exclusively listed companies of such stock exchanges which have been moved to the Dissemination Boards of nation-wide stock exchanges may be desirous of migrating to the main boards of the nation-wide stock exchanges. However, they may not be in a position to obtain the NOC or other requisite confirmations from the non-operational/exited stock exchanges wherein they were originally listed.

In such instances, for the purpose of direct listing, the exclusively listed companies which were filing returns for the last two financial years with their respective Registrar of Companies ("RoC") may be treated as a compliant company and the requirement of No Objection Certificate ("NOC") or any other documents from non-operational/exited stock exchanges may not be insisted upon by the nationwide exchange which is providing the listing platform. For the listing purpose, the company shall obtain compliance certification from any independent professionals and submit to the nationwide stock exchanges. The nationwide stock exchanges shall also carry out independent verification for ensuring the compliance of the requirements.

- d) All the promoters and directors of such companies, who have failed to provide the trading platform or exit to its shareholders, even after the extended time of eighteen months will have to undergo stricter scrutiny for their any future association with securities market. Any company/entity/person which proposes to make public offer or get registered with SEBI in any capacity and has/is promoter or director whose company is in dissemination board has to demonstrate that they have made adequate efforts for providing exit to their shareholders and that upon failure of such efforts, such companies have remained on the dissemination board. This shall be notwithstanding any other action that may be taken against such promoters/directors/companies by SEBI.
 - e) Nationwide Stock exchange shall have a dedicated cell to process the application of exclusively listed companies of non-operational/exited stock exchanges. The applications of these companies for compliance with this circular shall be disposed off as early as possible but not later than 2 months from the date of receipt of the application.
4. Until such listing, these companies shall continue to remain in the Dissemination Boards of the nation-wide stock exchanges.
 5. The companies which are referred to the respective Registrar of Companies (RoC) by the non-operational exchanges for the purpose of declaring as 'vanishing company' may be removed from the dissemination board once the company is identified as 'Vanishing' by the Ministry of Corporate Affairs ("MCA") or RoC.

Applicability

6. The provisions of this Circular are applicable to the exclusively listed companies of all de-recognized/non-operational stock exchanges exited/exiting (Compulsory or Voluntarily) in terms of exit circular dated May 30, 2012.
7. This circular is issued in exercise of powers conferred under Section 11 (1) and 11(2)(j) 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.
8. This circular is available on SEBI website at www.sebi.gov.in.

Yours faithfully,

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