



भारतीय प्रतिभूति  
और विनिमय बोर्ड  
Securities and Exchange  
Board of India

Deputy General Manager  
Corporation Finance Department  
Phone no: 022-26449633

SEBI/HO/CFD/DIL/OW/3679/2019

June 3, 2019

Mr. Anup Kumar Sharma  
Vice President  
VC Corporate Advisors Private Limited  
31, Ganesh Chandra Avenue, 2<sup>nd</sup> Floor,  
Suite No. 2C  
Kolkata – 700 013.

Dear Sir,

**Sub: Request for informal guidance under the SEBI (Informal Guidance) Scheme, 2003 {Scheme} in the matter of VC Corporate Advisors Pvt. Ltd. under SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011**

1. This has reference to your letter dated March 28, 2019 on the captioned subject.
2. In your letter under reference, you have, inter alia, represented that:
  - a) Regulation 2(1)(dd) of the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018 (ICDR Regulations, 2018) states that "listed issuer" means *an issuer whose equity shares are listed on a recognised stock exchange having nationwide trading terminals.*
  - b) Regulation 2(1)(ggg) of the ICDR Regulations, 2018, states that "stock exchange" means any recognised stock exchange having nationwide trading terminals chosen by the issuer on which securities of an issuer are listed or proposed to be listed for the purpose of a particular issue of specified securities under these regulations, other than an SME exchange;
  - c) Regulation 3 of the SEBI ICDR Regulations, 2018 inter-alia specifies about applicability of the Regulations for various corporate actions in the nature of further issues and specifies that such corporate actions as allowed and

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सेबी भवन, प्लॉट सं. सी 4-ए, "जी" ब्लॉक, बांद्रा कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई - 400 051.  
दूरभाष : 2644 9950 / 4045 9950 (आई.वी.आर. एस.), 2644 9000 / 4045 9000 फेक्स : 2644 9019 से 2644 9022 वेब : www.sebi.gov.in

SEBI Bhavan, Plot No. C4-A, "G" Block, Bandra Kuria Complex, Bandra (E), Mumbai - 400 051.  
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अनुवर्ती :  
Continuation :

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applicable under the SEBI ICDR Regulations, 2018, pertains to Listed issuer, viz. entities defined under Regulation 2(1)(dd).

- d) As per the your interpretation of the aforesaid definition of listed issuer under SEBI ICDR 2018, this definition does not include the companies which are exclusively listed on a Recognized Regional Stock Exchange such as the Calcutta Stock Exchange Limited.
- e) Some of the your clients are having their shares exclusively listed at the Calcutta Stock Exchange Limited, i.e. a Recognized Regional Stock Exchange not having nationwide trading terminals, and are willing to issue further shares through Preferential Issue/Bonus Issue. However, as per the interpretation of the definition in ICDR Regulations, since such companies are not listed on a stock exchange having nationwide trading terminals, they are not covered under the definition of Listed Issuer and treated to be outside the ambit of the ICDR, 2018.
- f) However, other SEBI Regulations, for instance, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ( LODR Regulations, 2015) continue to define listed entity as company listed at recognised Stock Exchange without mentioning the requirement of being particularly listed at nationwide stock exchange.

3. Queries

Based on the above facts, you have sought interpretive letter from SEBI, specifically on the following issues:

- A. In reference to the definition of Listed Issuer as stated in the SEBI (ICDR) Regulations, 2018, are the provisions of SEBI ICDR Regulations 2018 not applicable to such companies listed solely at the Calcutta Stock Exchange Limited.
- B. If the answer to query no. 1 is negative, then which SEBI regulations/ procedure and rules should be followed/ complied by the Company for effective various corporate action viz preferential issue, bonus issue etc. and getting listing and trading approval of the same from Calcutta Stock Exchange Limited.
- C. If the answer to the query no. 1 is negative, then whether the provisions of other SEBI Regulations viz, LODR Regulations 2015, SAST Regulations 2011 etc. continue to be applicable to Companies listed solely at Calcutta Stock Exchange Limited being listed for the purpose of one set of SEBI Regulations and not considered as listed for the purpose of other SEBI Regulations.



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4. In this regard, it may be noted that we have considered the submissions made by you in your letter under reference and without necessarily agreeing with your analysis, our views on the queries raised by you are as follows:

4.1 Reference is drawn to the following provisions of ICDR Regulations, LODR Regulations, 2015 and SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011 (SAST Regulations, 2011):

**ICDR Regulations, 2018:**

**Regulation 2(1)(dd)** - "listed issuer" means an issuer whose equity shares are listed on a recognised stock exchange having nationwide trading terminals.

**Regulation 2(1)(ggg)** - "stock exchange" means any recognised stock exchange having nationwide trading terminals chosen by the issuer on which securities of an issuer are listed or proposed to be listed for the purpose of a particular issue of specified securities under these regulations, other than an SME exchange".

**Applicability of the regulations**

3. Unless otherwise provided, these regulations shall apply to the following:
- (a) an initial public offer by an unlisted issuer;
  - (b) a rights issue by a listed issuer; where the aggregate value of the issue is ten crore rupees or more;
  - (c) a further public offer by a listed issuer;
  - (d) a preferential issue by a listed issuer;
  - (e) a qualified institutions placement by a listed issuer;
  - (f) an initial public offer of Indian depository receipts;
  - (g) a rights issue of Indian depository receipts;
  - (h) an initial public offer by a small and medium enterprise;
  - (i) a listing on the innovators growth platform through an issue or without an issue; and
  - (j) a bonus issue by a listed issuer.

Provided that in case of rights issue of size less than ten crore rupees, the issuer shall prepare the letter of offer in accordance with requirements as specified in these regulations and file the same with the Board for information and dissemination on the Board's website.

Provided further that these regulations shall not apply to issue of securities under clause (b), (d) and (e) of sub-regulation (1) of regulation 9 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

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**LODR Regulations, 2015:**

**Regulation 2(1) (p)**- "Listed entity" means an entity which has listed on a recognised stock exchange(s), the designated securities issued by it or designated securities issued under schemes managed by it, in accordance with the listing agreement entered into between the entity and recognised stock exchange(s).

**SAST Regulations, 2011:**

**Regulation 2(1)(z)** - "target company" means a company and include a body corporate or corporation established under a Central legislation, State legislation or Provincial legislation for the time being in force, whose shares are listed on a stock exchange.

5. In view of the above, response to the queries raised by you are as follows:

- (a) Regulation 2(1)(dd) of the ICDR Regulations, 2018 read with Regulation 2(1)(ggg) of the ICDR Regulations, 2018 provide that a "listed issuer" means an issuer whose equity shares are listed on a recognised stock exchange having nationwide trading terminals chosen by the issuer on which securities of an issuer are listed or proposed to be listed for the purpose of a particular issue of specified securities under these regulations, other than an SME exchange.
- (b) Thus with regard to queries at paras 3(A) and 3(B), the provisions related to 'preferential issue' and 'bonus issue' by a "listed issuer" are dealt under ICDR Regulations, 2018 (regulation 3-applicability of the regulations). Accordingly, the companies proposing to raise funds by way of a preferential issue and / or bonus issue, even if listed on recognized stock exchange not having nationwide terminal, would have to comply with the provisions with respect to 'preferential issue' and 'bonus issue' as laid down under Chapter V and Chapter XI of the ICDR Regulations, 2018, respectively.
- (c) Regarding query at para 3(C) that whether the provisions of other SEBI Regulations viz, SEBI (LODR) Regulations 2015, SAST Regulations 2011 etc. continue to be applicable to Companies listed solely at Calcutta Stock Exchange Limited since they do not mention the requirement of stock exchanges having nationwide trading terminals, it may be noted that:
- (i) LODR mandates continuous disclosure requirements for listed companies which have to be complied with irrespective of the Exchange on which it is listed, as the said regulations do not mention stock exchanges having nationwide terminals.
- (ii) SAST Regulations govern the framework of acquisition of shares and are applicable for all listed companies irrespective of the Exchange on which

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they are listed, as the said regulations do not mention stock exchanges having nationwide terminals.

6. The above position is based on the information furnished in your letter under reference. Different facts or conditions might lead to a different result. Further, this letter does not express a decision of the Board on the question referred.
7. You may also note that the above views are expressed only with respect to the clarification sought in your letter under reference with respect to SEBI (ICDR) Regulations, 2018, SEBI LODR Regulations, 2015 and SEBI SAST Regulations, 2011, and do not affect the applicability of any other law or requirements of any other SEBI Regulations, Guidelines and Circulars administered by SEBI or of the laws administered by any other authority.

Yours sincerely,

Aradhana Verma