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**SECURITIES AND EXCHANGE BOARD OF INDIA**

**NOTIFICATION**

**Mumbai, the 26<sup>th</sup> March, 2013**

**SECURITIES AND EXCHANGE BOARD OF INDIA**

**(SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS)**

**(AMENDMENT) REGULATIONS, 2013**

**No.** LAD-NRO/GN/2012-13/36/7368 — In exercise of the powers conferred under section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Board hereby makes the following Regulations to amend the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, namely:-

1. These regulations may be called the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2013.
2. They shall come into force on the date of their publication in the Official Gazette.
3. In the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 —
  - (i) in regulation 10,
    - (a) in sub-regulation (3),
      - (1) after the words "buy-back of shares", the words "by the target company" shall be inserted.
      - (2) for the words "on which the voting rights so increase" the words "of the closure of the said buy-back offer", shall be substituted.

- (b) in sub-regulation (4), in the second proviso to clause (c), for the words "on which the voting rights so increase" the words "of closure of the buy-back offer by the target company", shall be substituted.

(ii) in regulation 13,

- (a) in sub-regulation (2),

- (1) in clause (g) for the words, figures and numbers "special resolution is passed for allotment of shares under sub-section (1A) of section 81 of the Companies Act, 1956 " the words "the board of directors of the target company authorises such preferential issue.", shall be substituted.
- (2) in clause (h) for the words and numbers "such increase in the voting rights beyond the relevant threshold stipulated in regulation 3" the words "closure of the buy-back offer by the target company ", shall be substituted.

- (b) after sub-regulation (2), the following new sub-regulation shall be inserted, namely-

“(2A) Notwithstanding anything contained in sub-regulation (2), a public announcement referred to in regulation 3 and regulation 4 for a proposed acquisition of shares or voting rights in or control over the target company through a combination of,-

- (i) an agreement and any one or more modes of acquisition referred to in sub-regulation (2) of regulation 13, or
- (ii) any one or more modes of acquisition referred in clause (a) to (i) of sub-regulation (2) of regulation 13,

shall be made on the date of first such acquisition, provided the acquirer discloses in the public announcement the details of the proposed subsequent acquisition.”

- (iii) in regulation 22, after sub-regulation (2), the following new sub-regulation shall be inserted, namely-

“(2A) Notwithstanding anything contained in sub-regulation (1), an acquirer may acquire shares of the target company through preferential issue or through the stock exchange settlement process, other than through bulk deals or block deals, subject to ,-

- (i) such shares being kept in an escrow account,

(ii) the acquirer not exercising any voting rights over such shares kept in the escrow account:

Provided that such shares may be transferred to the account of the acquirer, subject to the acquirer complying with requirements specified in sub-regulation (2)."

(iv) in regulation 23, in sub-regulation (1), after clause (c), the following proviso shall be inserted, namely-

“Provided that an acquirer shall not withdraw an open offer pursuant to a public announcement made under clause (g) of sub-regulation (2) of regulation 13, even if the proposed acquisition through the preferential issue is not successful.”

(v) in regulation 29, sub-regulation (2), shall be substituted with following, namely-

"Any person, who together with persons acting in concert with him, holds shares or voting rights entitling them to five per cent or more of the shares or voting rights in a target company, shall disclose the number of shares or voting rights held and change in shareholding or voting rights, even if such change results in shareholding falling below five per cent, if there has been change in such holdings from the last disclosure made under sub-regulation (1) or under this sub-regulation; and such change exceeds two per cent of total shareholding or voting rights in the target company, in such form as may be specified."

**U.K. SINHA**  
**CHAIRMAN**  
**SECURITIES AND EXCHANGE BOARD OF INDIA**

**Footnote:**

1. The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 were published in the Gazette of India on 23<sup>rd</sup> September, 2011 vide No. LAD-NRO/GN/2011-12/24/30181.