

Frequently Asked Questions (FAQ) on :

Scheme of Arrangements for listing of specified securities on a recognized Stock Exchange without making an initial public offer (under Rule 19(7) of SCRR seeking relaxation from rule 19(2)(b) of SCRR):

1. Is it mandatory for transferor/transferee company to join Depository

Ans.: Yes, both the transferor/transferee company to join Depository

2. What are the basic checks to be followed by an issuer company (transferor/transferee) before fixing the record date.

Ans.: The issuer company (transferor/ transferee), to check the following with the Depository.

- i. Capital (Rs.) admitted with the depository
- ii. Clearance of all outstanding dues (if any)
- iii. Adhering to the timelines as per SOP

3. What are the list of documents to be submitted to the depository before record date pursuant to Scheme of Arrangement.

Ans : Following documents are to be submitted prior to record date :

1. Certified true copy of the High Court / BIFR / NCLT order approving the scheme.
2. Certified true copy of the scheme.
3. Certified true copy of the Shareholders' Resolution approving the scheme.
4. Copy of the letter / circular of the stock exchange confirming / notifying the record date.
5. A letter from Transferor company to depository requesting suspension of ISIN as on the next date of record date in case of the Amalgamation

4. What are list of documents to be submitted to the depository after record date:

Ans.: Following documents are to be submitted post record date :

1. Corporate Action Information Form for credit and debit of securities
2. Certified copy of the Board Resolution approving the allotment
3. Certified copy of form PAS 3 & challan copy as applicable.
4. Cancellation of cross holding (if applicable)
5. Pari Passu Confirmation
6. Certified true copy of the Shareholders' Resolution / Consent letter / chairman report / Affidavit / Dispense Order approving the scheme for Transferor company.
7. A letter from the transferee company to depository requesting suspension of ISIN before credit of securities till the time the securities are listed at stock exchange
8. Indemnity on Rs. 500/- stamp paper (applicable in case of CDSL)
9. Applicable charges towards corporate action
10. Confirmation letter from RTA for execution of CA

5. Who provides the list of investors to the issuer / RTA for a particular corporate action?

Ans : In respect of the shares held in electronic form, the RTA requests for BENPOS (beneficiary position) in the Depository System as on the Record date, and accordingly, the file containing the list of holders as on the record date/book closure date in the depository system is downloaded to the Rta

6. If the holdings are in dematerialized form, will the consideration against them be issued in the same form?

Ans : Yes, On the execution date of the corporate action executed by Issuer/RTA, securities are credited to the demat accounts of the BOs based on the ratio and the ISINs mentioned by the Issuer / RTA at the time of execution of the corporate action in depository system.

7. In case of holding in electronic form, when will an investor get electronic credit to his account?

Ans : Securities in such cases are getting credited to the demat account on the execution date indicated by the Issuer/RTA in the Depository system.

8. Whether shares issued by the unlisted transferee/resulting company will be credited in Permanent ISIN or Temporary ISIN?

Ans : Shares will be credited in Permanent ISIN of company & the status of the ISIN is kept under frozen status till receipt of trading approval .

9. What are the documents required to be submitted for reactivation of freeze ISIN of resulting company?

Ans : After issuance of the trading approvals issued by the exchanges where the securities are to be listed, the same is to be submitted to the depository requesting to re-activate the ISIN. Based on the same the ISIN is activated in depository system.

10. What happens to the physical shares held by the investor as on the record date and related compliances?

Ans: Transferee/Resulting company may credit the shares held in physical form by the investors as on the record date in an escrow account. In this regard, transferee/resulting company are advised to comply with the following:

- i. The company shall open an escrow/suspense demat account for the equity shares of transferee/resulting company to be allotted to shareholders holding physical shares and these equity shares of transferee/resulting company may be kept in the said escrow/suspense demat account.
- ii. The company shall maintain details of shareholding of each physical shareholder whose equity shares are credited to such escrow/suspense demat account.
- iii. The equity shares held in aforesaid escrow/suspense demat account may not be transferred in any manner whatsoever except for the purpose of allotting the equity shares to the corresponding shareholders holding physical shares of transferee/resulting company, as and when he/she provides demat account details, after due verification.
- iv. The company shall communicate individually to the shareholders to dematerialise their physical shares / provide demat details and then credit the equity shares due to them after the proper verification of the identity of shareholders.
- v. The company may credit all corporate actions such as bonus, split etc. for these equity shares in escrow/suspense demat account.