

From: Majmudar & Partners <e-updates@majmudarindia.info>

To: Veldran, KatherineKatherineVeldran@gov.sc.gov

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Attachments: Critique on the SEBI's Insider Trading and Delisting Proposals [Majmudar & Partners]
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INTERNATIONAL LAWYERS

Bombay (Mumbai) Office

5A, Bakhtawar, 5th floor
Behind The Oberoi
Nariman Point
Mumbai 400 021, India
T: +91 22 6123 7272
F: +91 22 6123 7252
E: mailbox@majmudarindia.com

Bangalore Office

101-E, Farah Winsford
133 Infantry Road
Bangalore 560 001
India
T: +91 80 4147 0000
F: +91 80 4147 0010
E: mailbox@majmudarindia.com

CRITIQUE ON THE NEW INSIDER TRADING AND DELISTING REGULATIONS PROPOSED BY THE SEBI

On November 19, 2014, the Securities and Exchange Board of India approved a number of amendments to its existing regulations on insider trading and delisting offers.

The changes proposed to the insider trading regulations include the widening of the definition of an "insider" and "unpublished price sensitive information." Anyone who is a "connected person" (which is very broadly defined) will be an insider. Indian listed companies will do well to pay more attention to the new regulations because they shift the burden of proof on to the accused.

Many aspects of the new delisting regulations are very good. However, the requirement of having at least 25% in number of the public shareholders tender shares in the delisting process may simply scuttle delisting altogether. Please read our critique for more information.

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