



भारतीयप्रतिभूतिऔरविनिमयबोर्ड  
Securities and Exchange Board of India

CIRCULAR

SEBI/HO/CFD/CMD1/CIR/P/2020/144

July 31, 2020

To

All listed entities  
All Recognized Stock Exchanges  
All Registrars and Share Transfer Agents  
All Depositories

Madam / Sir,

**Sub: Clarification on applicability of regulation 40(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to open offers, buybacks and delisting of securities of listed entities**

1. The proviso to regulation 40(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**LODR Regulations**') states that *"..except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository."*
2. SEBI has received representations from investors expressing concerns that they have not been able to participate in open offers, buybacks and delisting of securities of listed entities since the securities held by them were not in dematerialized form.
3. In this context, it is clarified that shareholders holding securities in physical form are allowed to tender shares in open offers, buy-backs through tender offer route and exit offers in case of voluntary or compulsory delisting. However, such tendering shall be as per the provisions of respective regulations.
4. This Circular shall come into force with immediate effect. Stock Exchanges are advised to bring the provisions of this circular to the notice of all listed entities, Registrars and Share Transfer Agents and Depositories and also disseminate on their websites.
5. The Circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 read with Regulation 101 of the LODR Regulations. This Circular is available at [www.sebi.gov.in](http://www.sebi.gov.in) under the link "Legal→Circulars".

Yours faithfully,

**Pradeep Ramakrishnan**  
General Manager  
Corporation Finance Department  
Compliance and Monitoring Division-1  
+91-22-26449246  
[pradeepr@sebi.gov.in](mailto:pradeepr@sebi.gov.in)