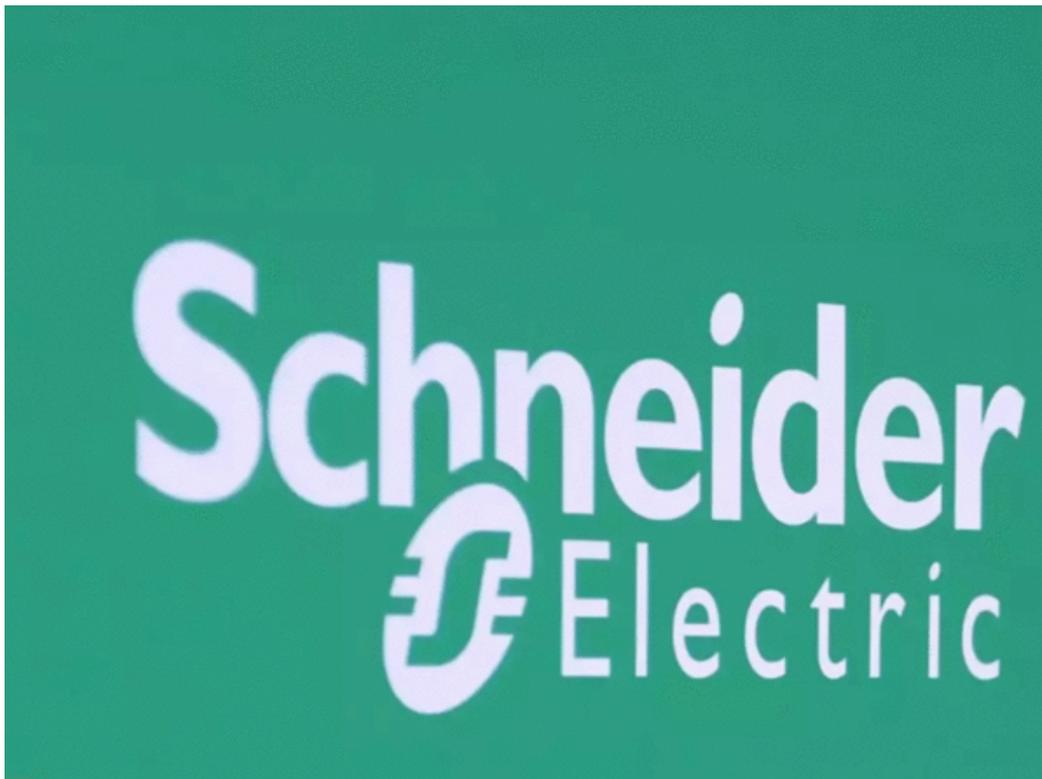


## Schneider Electric President told to relist or follow delisting process

By Reena Zachariah, ET BureauJan 20, 2021, 07:49 AM IST1 : 4-5 minutes

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As per Sebi circular, shareholders who did not participate in the offer could tender their shares for a period of up to one year from the date of closing of the offer i.e., March 17, 2018.

### Synopsis

**The regulator said that if the company opted for delisting, the reference date for computing the floor price would be the date on which the company made the public announcement for the exit offer.**

Mumbai: In a first, the Securities and Exchange Board of India (Sebi) has asked France-based [Schneider Electric](#) President Systems to re-list its shares on any nationwide [stock exchange](#) within six months, or follow proper [delisting process](#) and give small shareholders an exit opportunity.

The regulator said that if the [company](#) opted for delisting, the reference date for computing the floor price would be the date on which the company made the public announcement for the exit offer.

Shareholders who had tendered their shares in the offer should also be given an opportunity by the company for buying back the shares at the exit price. The company was earlier listed on Bangalore Stock Exchange and Pune Stock Exchange. Instead of moving to a nationwide exchange, it opted for voluntary delisting.

Minority shareholders had then complained to Sebi. Their main contention was whether an exclusively listed company is entitled to make a delisting offer without making any efforts to get listed on an

exchange having nationwide terminals.

On January 11, 2011, Schneider Electric South East Asia, the promoters of the company, had made a public announcement to acquire up to 75 per cent equity shares of the company and delist it. The promoters of the company appointed an independent valuer to carry out the valuation exercise. The independent valuer arrived at a fair value of Rs 200.40 per equity share of the company.

On February 22, 2017, the letter of offer was published on the company's website and the offer period for the exit offer opened on February 24, 2017, and closed on March 10, 2017.

As per Sebi circular, shareholders who did not participate in the offer could tender their shares for a period of up to one year from the date of closing of the offer i.e., March 17, 2018.

As per company records, it had a total of 1,986 non-promoter shareholders as of February 24, 2017, and they were together holding 15,12,006 shares of the company, representing 25 per cent of the paid-up equity share capital. Out of these 1,986 shareholders, 344 shareholders holding 3,31,939 shares participated in the exit offer and tendered their shares, Sebi said.

"The Company, which was satisfying the eligibility criteria to move to a nationwide stock exchange, cannot be allowed to take advantage of the diluted delisting criteria prescribed under the 2016 circular. Had the company complied with the 2012 or 2014 criteria and got itself listed on a national stock exchange, then it would have had to follow the process specified under the delisting regulations for getting delisted," Sebi whole-time member G Mahalingam said in his order on Tuesday.

"However, having carefully considered the evolution of policy in this regard, I am of the view that the question here is not regarding the right of a company to get delisted; rather, it is regarding the eligibility of a company which was fulfilling the criteria to migrate to a nationwide stock exchange seeking to delist by taking advantage of the diluted delisting norms prescribed under the 2016 circular."

Somasekhar Sundaresan with Sumit Agarwal and Amit Agarwal represented the complainants before Sebi, while Nimay Dave with Vikram Raghani, Pulkit Sukhramani and Vidhi Jhavar represented the company.

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