

DUE DILIGENCE REPORT for [Name of the Listed Entity]

[Pursuant to Regulation 10 (3) of the SEBI (Delisting of Equity Shares) Regulations, 2021]

To,

The Board of Directors

 (Company Name)

In terms of Regulation 10 of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 ("**Delisting Regulations**"), I/we, _____, Peer Reviewed Practicing Company Secretaries, have been appointed vide the Resolution of the Board of Directors passed by _____ Limited (hereinafter referred to as the "**Company**") having CIN _____ and having registered office at _____ in the meeting held on _____, to carry out the due diligence in accordance with Regulation 10(3) and other applicable provisions under the Delisting Regulations and issue a Due Diligence Report ("**DDR**").

Background:

1. In terms of Regulation 8 of the Delisting Regulations, an Initial Public Announcement dated _____ ("**Initial Public Announcement**") was issued on behalf of _____, the acquirer as defined in the Delisting Regulations ("**Acquirer**") *inter alia* expressing their intention to:
 - (a) Acquire _____ fully paid up equity shares of the Company, having a face value of INR _____ each, ("**Equity Shares**") representing _____% of the paid-up capital held by the public shareholders of the Company (as defined under the Delisting Regulations and to be referred to as "**Public Shareholders**"), either individually / collectively or together with other members of the Promoter Group or along with the persons acting in concert, as the case may be; and
 - (b) Consequently voluntarily delist the Equity Shares from the stock exchanges where the equity shares of the company are presently listed namely, _____ (collectively, "**Stock Exchanges**"), by making a delisting offer in accordance with the Delisting Regulations ("**Delisting Proposal**").
2. The present Capital structure including the details of the Authorised, Subscribed, Issued, Paid up and Listed Equity share Capital of the Company is placed at **Annexure I**.
3. Shareholding Pattern of the Company as on _____ (current date) is placed at **Annexure II**.
4. The distribution of public shareholding as on _____ (current date) is as per **Annexure III**.

5. The list of Top Twenty-Five shareholders (other than Acquirer) as on _____ (date previous to Board Meeting date) is placed at **Annexure IV**.

Verification:

1. On the basis of the information received from/furnished by the Board of Directors of the Company, as required under sub-regulation 2 of Regulation 10 of the Delisting Regulations, for the purpose of carrying out the due diligence, I/we have examined the following:

- (a) The details of buying, selling and dealing in the Equity Shares of the Company by the Acquirer or their related entities (including members of Promoter Group) during the period of two years prior to the date of Board Meeting (i.e., _____) held to consider the Delisting Proposal (“**Review Period**”) including the details of the Top Twenty-Five shareholders, for the said period;
- (b) The details of off-market transactions of the aforesaid persons/ shareholders for the Review Period;
- (c) Relevant additional document/ filing/ records/ information such as (to fill up the additional documents examined) including the information mentioned in clauses (a) and (b) for a longer period of time from _____, as sought and made available to us and the explanations provided by the Company.

The same is placed at **Annexure V**

2. For the purpose of verifying applicability and compliance of securities laws, we have identified the following regulations and their applicability:

Regulations	Acquirer and their related entities (including members of Promoter Group)	Top 25 Public Shareholders
The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations) as amended from time to time	Applicable/Not Applicable	Applicable/Not Applicable

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (SEBI PIT Regulations) as amended from time to time	Applicable/Not Applicable	Applicable/Not Applicable
The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (SEBI SAST Regulations) as amended from time to time	Applicable/Not Applicable	Applicable/Not Applicable
The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (SEBI SBEB Regulations)	Applicable/Not Applicable	Applicable/Not Applicable

Observation:

Basis review of the aforesaid information/ document, set out below is our analysis/ observations:

a) For Acquirer and their related entities:

- a. During the Review Period, we did not notice any change in the shareholding of the Acquirer and their related entities, except as follows:

Name of shareholder	Date of Dealing	Number of shares	Buy/ Sell/ Pledge	Mode

- b. As on date, the Acquirer holds _____ Equity Shares, representing _____% paid up Equity Share Capital of the Company.

b) For Top Twenty-Five Shareholders:

- i) During the Review Period, Top Twenty-Five Public Shareholders have overall (net) bought _____ Equity Shares of the Company.

Name of shareholder	Date of Dealing	Number of shares	Mode

- ii) The Acquirer has confirmed that neither of them nor their related entities or other members of the Promoter Group have any connection, direct or indirect, with the Top Twenty-Five Public Shareholders.

Certification:

I/We hereby certify that, during the Review Period:

- The buying, selling and dealing in the equity shares of the company carried out by the Acquirer or its related entities and the Top Twenty-Five Shareholders is in compliance with the applicable provisions of securities laws;
- The Acquirer has not, directly or indirectly, –
 - (a) employed any device, scheme or artifice to defraud any shareholder or other person; or
 - (b) engaged in any transaction or practice that operates as a fraud or deceit upon any shareholder or other person; or
 - (c) engaged in any act or practice that is fraudulent, deceptive or manipulative –

in connection with delisting of Equity Shares of the Company sought or permitted or exit opportunity given or other acquisition of Equity Shares made under the Delisting Regulations.

Assumption & Limitation of Scope & Review:

1. Ensuring the authenticity of documents and information furnished is the responsibility of the Board of Directors of the Company.
2. This DDR is based on due diligence of documents/ information shared by the Company for our review. Our responsibility is to give report based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. Various concepts viz. defraud, deceit, fraudulent, deceptive, manipulative are used in the SEBI Delisting Regulations. However, parameters/methodology for determining the same are not prescribed therein. By reading these terminologies, it can be construed that the Acquirer shall not directly or indirectly cause any loss to the Public Shareholders by adopting any malpractice.

Based on publicly available information, we have checked whether the Acquirer or the Company has common registered office or directorship. We do not have any negative observation.

From the above details, we can conclude that the Acquirer has not;

- (i) Employed any device, scheme or artifice to defraud any shareholder or other person;
 - (ii) Engaged in any transaction or practice that operates as a fraud or deceit upon any shareholder or other person; and
 - (iii) Engaged in any act or practice that is fraudulent, deceptive or manipulative.
4. We are not expressing any opinion on the Floor price and/or the price at which the shares would ultimately be delisted. We have assumed that the Company/ Acquirer would comply with the applicable provisions related to floor price. Further, we are not an investment adviser or tax advisor or a broker/ dealer. This report should not be construed as investment/ disinvestment advise.
5. This DDR is solely for the intended purpose of delisting of Equity Shares of the Company and for your information and it is not to be used, circulated, quoted or otherwise referred to for any purpose other than Delisting purposes and as required under the Delisting Regulations.

Date.....
Place.....

For XYZ & Associates
Company Secretaries
Name

FCS.....
CP.....
PR.....
UDIN:.....

ANNEXURE I

CAPITAL STRUCTURE OF THE COMPANY AS ON THE DATE OF THIS REPORT

AUTHORISED CAPITAL

Particulars	Number of shares	Nominal Value per share	Total Authorised Capital
Equity			
Preference			
Unclassified			

ISSUED CAPITAL

Particulars	Number of shares	Nominal Value per share	Total Issued Capital
Equity			
Preference			
Unclassified			

SUBSCRIBED CAPITAL

Particulars	Number of shares	Nominal Value per share	Total Subscribed Capital
Equity			
Preference			
Unclassified			

PAID UP CAPITAL

Particulars	Number of shares	Nominal Value per share	Total Paid Up Capital
Equity			
Preference			
Unclassified			

LISTED CAPITAL

Particulars	Number of shares	Nominal Value per share	Total Listed Capital	Name of the Stock Exchange where listed
Equity				
Preference				
Unclassified				

Note : In case of a difference between issued and listed capital, the reasons for the same may be given over here.

ANNEXURE II

SHAREHOLDING PATTERN AS ON _____ (CURRENT DATE)		
Category	No. of shares	%
Acquirer: (a) who decides to make an offer for delisting of equity shares and Persons acting in concert in accordance with regulation 5A of the Takeover Regulations or (b) who is a Promoter or part of Promoter Group along with persons acting in concert		
Public Shareholders		
Total		

