

## Substantial Acquisition of Shares and Takeovers

### Comparison with Other countries

Areas of comparison	India	Hong Kong	Australia	U.K	Malaysia	USA	Singapore
Are takeovers regulated	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Who Regulates	SEBI	SFC	SIC	FSA	Securities Commission, Malaysia	Securities and Exchange Commission (SEC)	Securities Industry Council
Threshold limit (Initial Acquisition)	15%	35%	20%	30%	33%	Offers are only voluntary	30% or 1% creeping between 30% to 50%
Creeping Acquisition limit (subsequent acquisitions for consolidation of holdings)	5% for shareholders holding 15% to 75%	5% for shareholders holding 35% to 50%	3% in 6 months	No	2% in 6 months	No	1% in 6 months for shareholders holding shares between 30% and 50%
Concept of Control	No % specified for acquisition of control. Definition of acquisition of control includes power to appoint majority of directors and control major policy decisions.	35% or more	20%	30%	33% or more	No	30% or more

Areas	India	Hong Kong	Australia	U.K	Malaysia	USA	Singapore
Public announcement	To be made	To be made	To be made	To be made	To be made	To be made	To be made
Letter of offer	To be sent	To be sent	Target response statement to be sent	To be sent	To be sent	To be sent.	TO be sent
Offer size	Minimum 20% of the voting share capital of the target company	Acceptance conditional at 50%	Not specified	For balance shares	Not specified	As much as 5% called "Tender Offers"  Less than – 'Mini tender offer'	-
Offer price	parameters specified	parameters specified	parameters specified	parameters specified	parameters specified	-	parameters specified
Escrow Account	25% of consideration payable	-	No escrow. But disclosure of the basis of funding is required.	Confirmation from a third party that there are resources.	No requirement	-	
Form of consideration	Cash and / or securities	Cash and non-cash	Cash and / securities	Cash as well as cash alternatives	Cash/securities or both	Cash/ securities	Cash/securities or both
Competitive bids allowed	Yes	Yes	Yes	Yes	Yes	-	Yes
Can offer be withdrawn	Yes, under certain conditions:- - Refusal of statutory approvals.  - Death of sole acquirer	Yes, in case the offer is conditional	Yes, only with permission of ASIC	Yes. If a competitive bid is made at a higher price.	Yes but with the approval of SE, Malaysia		Yes

	- As and when SEBI deems fit						
Can offer price be revised	Yes	Can be revised	Only upward revision allowed	Yes.	Yes	Yes	Yes
Can shares be acquired after PA is made	Yes		Yes	Yes	No		Yes
Can shareholders withdraw the acceptances tendered?	Yes, upto three days before closure of offer	Can withdraw	Limited withdrawal rights	Yes. Under certain circumstances.	Yes	Yes, up to seven days of the copies of the offer are sent.	Yes
Continuous disclosures required	When shareholding crosses 5%, 10%, 14%, 54%, 74%; for transactions of 2% by persons holding 15%-75%	During the offer period.	Disclosure if shareholder has interest in voting shares 5%+. And every change + or - 1% triggers further disclosure.	Disclosure at acquisition of 15% or more	No	When shareholding is 10% or more, then reporting has to be made to SEC	During the offer period
Timing of disclosures to be made	Within 2 days of the acquisition of shares when the shareholding crosses 5%, 10%, 14%, 54%, 74%.  At every purchase/sale of 2% b/w 15% to 75%.  Within 21 days from March 31	During the offer period	Within 2 working days. Otherwise, when the bid is open, then at 9:30 p.m. next working day.		-		Not later than 12 noon on the dealing day following the date of the relevant transaction.

	every year and also from record date, if any.						
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Concept of Indirect acquisitions	Present	Not present	Present	Yes, chain rule is existing subject to condition of significant shareholding	-	-	Yes, Chain principle is there
Defence Techniques	Competitive bids	None	Competitive bids	Competitive Bids	Yes, competitive bids	-	Competitive bids
Concept of persons acting in concert	Yes, as defined in the Regulations	Yes	Not defined	Yes	Yes, specified in the Regulations	Yes	Yes, defined in the Code
Any exemptions from Open offer	- automatic - conditional - Panel	No	The legislation has a list of exceptions	Panel appears to have the discretion	Exemptions as specified in the Code.	Yes, as specified by the SEC	Yes
Penalties	Civil and Criminal Liabilities	-	Criminal & civil penalties.	Reprimand, public censure, etc.	Criminal penalty and administrative sanctions.	Civil penalties	Private reprimand or public censure or deprive the offender temporarily or permanently to enjoy facilities of securities market.