



**भारतीय प्रतिभूति और विनियम बोर्ड**  
**Securities and Exchange Board of India**

**CIRCULAR**

CIR/CFD/CMD/14/2015

November 30, 2015

To

**The Listed Entities**

**The Recognized Stock Exchanges**

Dear Sir/Madam,

**Sub: Manner of achieving minimum public shareholding**

1. Regulation 38 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides that the listed entity shall comply with minimum public shareholding requirements in the manner as specified by the Board from time to time.
2. In order to achieve the minimum level of public shareholding specified in Rule 19(2)(b) and/or Rule 19A of the Securities Contracts (Regulation) Rules, 1957, the Listed Entity shall adopt any of the following methods :-
  - i. Issuance of shares to public through prospectus;
  - ii. Offer for sale of shares held by promoters to public through prospectus;
  - iii. Sale of shares held by promoters through the secondary market in terms of SEBI circular CIR/MRD/DP/05/2012 dated February 1, 2012;
  - iv. Institutional Placement Programme (IPP) in terms of Chapter VIIIA of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - v. Rights Issue to public shareholders, with promoter/promoter group shareholders forgoing their entitlement to equity shares, that may arise from such issue;
  - vi. Bonus Issues to public shareholders, with promoter/promoter group shareholders forgoing their entitlement to equity shares, that may arise from such issue;
  - vii. Any other method as may be approved by SEBI on a case to case basis. For this purpose, the listed entities may approach SEBI with appropriate details. SEBI would endeavor to communicate its decision within 30 days from the date of



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receipt of the proposal or the date of receipt of additional information as sought from the company.

3. The Stock Exchanges are advised to bring the provisions of this circular to the notice of the listed entities and also to disseminate the same on its website. This circular shall come into force on December 01, 2015.
4. This Circular is issued in exercise of the powers conferred under Section 11 and Section 11A of the Securities and Exchange Board of India Act, 1992 read with Regulation 38 and Regulation 101(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
5. This circular is available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in) under the categories "Legal Framework" and "Continuous Disclosure Requirements".

Yours faithfully,

**B N Sahoo**  
**General Manager**  
**Compliance and Monitoring Division**  
**Corporation Finance Department**  
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