

# National Stock Exchange of India

## Circular

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| <b>Department:</b>                      |                               |
| <b>Download Ref No: NSE/CML/2023/12</b> | <b>Date: January 31, 2023</b> |

To,

All Listed Companies / Resolution Professionals.

**Subject: Attention is drawn to rule 19A (5) of the Securities Contracts (Regulation) Rules, 1957 (SCRR) pursuant to Notification dated June 18, 2021 issued Ministry of Finance (MOF).**

Ministry of Finance (MoF) vide its Notification dated June 18, 2021 has amended rule 19A (5) of the Securities Contracts (Regulation) Rules, 1957 (SCRR). Amended Rule 19A (5) of SCRR is reproduced hereunder with amended portion in BOLD text:

(5) Where the public shareholding in a listed company falls below twenty-five per cent, as a result of implementation of the resolution plan approved under section 31 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016), such Company shall bring the public shareholding to twenty-five per cent within a maximum period of three years from the date of such fall, in the manner specified by the Securities and Exchange Board of India:

Provided that, if the public shareholding falls below ten per cent, the same shall be increased to at least ten per cent, within a maximum period of twelve months from the date of such fall, in the manner specified by the Securities and Exchange Board of India.

**[Provided further that, every listed Company shall maintain public shareholding of at least five per cent as a result of implementation of the resolution plan approved under section 31 of the Insolvency and Bankruptcy Code, 2016.]**

Attached is a copy of Gazette notification of MOF for reference purpose.

In view of the same, Resolution Professionals of listed entity/ies undergoing Corporate Insolvency Resolution Process (CIRP), are hereby advised to ensure that resolution plans approved by NCLT is compliant with the aforementioned provisions and other applicable provisions/regulations as amended from time to time.



It is further advised that Listed Company / RP shall take all requisite steps to modify the resolution plans to ensure compliance with aforesaid requirement; regardless of stage of CIRP process.

Yours faithfully,  
For National Stock Exchange of India Limited

Dipti Chinchkhede  
Manager