



Securities and Exchange Board of India (SEBI) grants relaxation from penal provisions for non-compliance with minimum public shareholding (MPS) norms

SEBI had in its circular dated 10 October 2017 set out the procedure to be followed by recognized stock exchanges / depositories with respect to listed entities as well as the promoters and directors of the listed companies which did not comply with the MPS norms. The circular prescribed levy of fines and freezing of promoter holding in case of non-compliance.

However, considering the prevailing business and market conditions, SEBI has, by way of circular dated 14 May 2020 (Circular), granted relaxation from penal provisions (set out in its circular dated 10 October 2017). This relaxation is applicable to those listed company, for whom the deadline to ensure compliance with the MPS norms falls during the period from 1 March 2020 to 31 August 2020.

SEBI has advised recognised stock exchanges not to take any penal actions against such entities for any non-compliance during this period, and directed that the penal actions, if any, initiated by stock exchanges from 1 March 2020 till date (for non-compliance of MPS requirements by listed entities) may be withdrawn.

[Download Circular](#)

Clasis Law supports 'Stay Home, Stay Safe' initiative to fight against pandemic COVID-19 crisis. We continue business as usual and our attorneys and staff are available to provide our clients uninterrupted service. Please do not hesitate to reach out with questions or concerns at any time. We hope that you and your family remain healthy and safe throughout this global health challenge.

Dr Gopal Das Bhawan, 14th Floor, 28, Barakhamba Road, New Delhi - 110 001

Tel : +91 11 4213 0000 | Fax: +91 11 4213 0099

Bajaj Bhawan, 1st Floor, 226, Nariman Point, Mumbai - 400 021

Tel : +91 22 4910 0000 | Fax: +91 22 4910 0099

W : www.clasislaw.com

E: info@clasislaw.com