To
All Stock Exchanges

Dear Sir/Madam,

Sub: Manner of achieving minimum public shareholding requirements in terms of SCRR, 1957

1. Please refer to circular Nos. CIR/CFD/DIL/10/2010 and CIR/CFD/DIL/1/2012 dated December 16, 2010 and February 08, 2012 respectively, on the captioned subject.

2. In continuation of the above and with a view to facilitate listed entities to comply with the minimum public shareholding requirements within the time specified in Securities Contracts (Regulation) Rules, 1957 ("SCRR, 1957"), the following additional methods shall be available:
   a. Rights Issues to public shareholders, with promoters/promoter group shareholders forgoing their rights entitlement.
   b. Bonus Issues to public shareholders, with promoters/promoter group shareholders forgoing their bonus entitlement.

3. Listed entities desirous of achieving the minimum public shareholding requirement through other means may approach SEBI with appropriate details. Further, listed entities desirous of seeking any relaxation from the available methods may approach SEBI with appropriate details. Such requests would be considered by SEBI based on merit. SEBI would endeavour to communicate its decision within 30 days from the date of receipt of such requests.

4. Necessary amendments to Clause 40A of the Listing Agreement based on the above are placed in the Annexure to this Circular.

5. The above listing conditions are specified in exercise of the powers conferred under Section 11 read with Section 11A of the Securities and Exchange Board of India Act, 1992, and Rule 19A of the Securities Contracts (Regulation) Rules, 1957. The said listing conditions should form part of the existing Listing Agreement of the stock exchange.
6. All stock exchanges are advised to ensure compliance with this circular and carry out the amendments in their Listing Agreement as per the Annexure to this circular.

7. This circular is available on SEBI website at www.sebi.gov.in under the categories “Legal Framework” and “Issues and Listing”.

Yours faithfully,

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Annexure: Amendments to Clause 40A of the Equity Listing Agreement
Annexure

**Amendments to the Equity Listing Agreement**

In sub-clause (ii) of Clause 40A of the Listing Agreement, after item (d), the following shall be inserted:-

"(e) Rights Issues to public shareholders, with promoter/promoter group shareholders forgoing their entitlement to equity shares, whether present or future, that may arise from such issue.

(f) Bonus Issues to public shareholders, with promoter/promoter group shareholders forgoing their entitlement to equity shares, whether present or future, that may arise from such issue.

(g) any other method as may be approved by SEBI, on a case to case basis.”

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