

Consultation Paper

Review of requirement of Minimum Public Offer and timelines to comply with Minimum Public Shareholding for issuers in terms of Securities Contracts (Regulation) Rules, 1957

1. Objective

1.1. This consultation paper seeks comments / suggestions from the public on review of requirement of Minimum Public Offer and timelines to comply with Minimum Public Shareholding for issuers to consider and recommend changes in Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 ('**SCRR**'). Taking into consideration the consultation, the Board may make appropriate recommendations to the Department of Economic Affairs, Ministry of Finance for making necessary amendments to SCRR.

2. Background

2.1. With a view to promote capital formation and enhance ease of doing business, SEBI has undertaken several initiatives aimed at simplifying fund-raising by issuers in India, that has led to increase in the availability of new securities for investment by investors including retail and mutual funds.

2.2. In order to facilitate Initial Public Offer ('**IPO**') by large issuers, certain relaxations in the Minimum Public Offer ('**MPO**') requirements and the timelines for compliance with Minimum Public Shareholding ('**MPS**') were introduced through amendment to SCRR dated June 18, 2021. Under these provisions, issuers with a post issue market cap above ₹1,00,000 Cr are required to ensure MPO of ₹5,000 Cr and at least 5% of the post issue share capital; and are mandated to increase their public shareholding to at least 10% within a period of 2 years from date of listing, and further to a minimum of 25% within 5 years from date of listing.

3. Present Provisions in SCRR

3.1. The table below outlines the current requirements of Minimum Public Offer, along with the applicable timelines for issuers to achieve MPS.

Post issue market capital	Minimum Public Offer	Timelines to achieve MPS
MCap $\leq$ 1,600 Cr	25%	Not Applicable
1,600 Cr < MCap $\leq$ 4,000 Cr	400 Cr;	MPS of 25% to be achieved in 3 years from date of listing
4,000 Cr < MCap $\leq$ 1,00,000 Cr	10%	
MCap > 1,00,000 Cr	5,000 Cr and at least 5% of the post issue share capital	MPS of 10% to be achieved in 2 years and 25% within 5 years from the date of listing

Note: All values except for those expressed as % are in ₹.

4. Need for review

4.1. Feedback from stakeholders suggests that large issuers face challenges in undertaking substantial dilution of equity shares through IPOs, as such large offerings may be difficult for the market to absorb. These constraints can act as a deterrent for large issuers from considering listing in India, thereby limiting the investment opportunities for the Indian investors.

4.2. Further, such large issuers also face challenges in meeting the MPS requirements within the prescribed timelines. Issuers, that dilute only 5-10% of their share capital at the time of the IPO are required to dilute an additional 15-20% of their share capital within 5 years of listing.

4.3. This challenge is especially pronounced in the case of issuers that are profitable, have substantial cash reserves, and are not in a high-growth phase, thereby

lacking the need to raise significant capital at regular intervals. Similarly, Public Sector Undertakings also encounter difficulties in adhering to the MPS timelines.

4.4. The proposals in this Consultation Paper are based on the recommendations of the Primary Markets Advisory Committee (“**PMAC**”) of SEBI and internal discussions.

5. Trends of recent IPOs of large issuers

5.1. The average issue size of IPO on the main board has been rising in the recent years. This upward trend is expected to continue. The trend in the IPOs on main board is given in the table below:

Table No. 1: Trend of IPOs on main board

Financial Year ('FY')	No. of IPOs on main board	Amount raised (₹ Cr)	Average issue size (₹ Cr)	Largest issue during the FY (₹ Cr)	Name of the issuer with the largest public issue during the FY
2019-20	14	20,827	1,488	10,341	SBI Cards and Payment Services Limited
2020-21	28	28,572	1,020	6,480	Gland Pharma Limited
2021-22	51	1,11,609	2,188	18,300	One 97 Communications Limited
2022-23	39	52,440	1,345	20,557	Life Insurance Corporation of India
2023-24	75	61,371	818	4,326	Mankind Pharma Limited
2024-25	79	1,62,517	2,057	27,859	Hyundai Motor India Limited

5.2. The data for the top 15 largest issuers (by market capitalization) that were listed after January 1, 2020, and offered less than 25% of their share capital to the public at the time of their IPO was analyzed. It is observed that, out of 15 such issuers, all except 5 had public shareholding well above the minimum requirement of 25% at the time of listing. Data for such large issuers is given in the table below:

Table No. 2: Public issue of select large issuers

Sr. No.	Name of the issuer company	Date of Listing	Total issue Size (₹ Cr)	Offer to Public	Market cap at Listing (₹ Cr)	Public shareholding on listing (In %)	No. of public shareholders at the end of 1st Quarter post listing
1	Life Insurance Corporation of India	17-May-2022	20,557	3.5%	5,53,595	3.5%	37,89,052
2	Hyundai Motor India Limited	22-Oct-2024	27,859	17.5%	1,47,849	17.5%	12,62,366
3	Bajaj Housing Finance Limited	16-Sep-2024	6,560	11.3%	1,37,414	11.3%	23,09,517
4	FSN E-Commerce Ventures Limited	10-Nov-2021	5,350	10.1%	1,04,318	47.4%	2,53,657
5	NTPC Green Energy Limited	27-Nov-2024	10,000	11.0%	1,02,506	10.9%	12,76,899
6	Swiggy Limited	13-Nov-2024	11,327	13.0%	1,02,073	100.0%	4,23,592
7	One 97 Communications Limited	18-Nov-2021	18,300	13.1%	1,01,182	100.0%	10,57,586
8	Zomato Limited	23-Jul-2021	9,375	15.7%	98,849	96.4%	7,37,931
9	Sbi Cards and Payment Services Limited	16-Mar-2020	10,341	14.6%	63,981	30.5%	19,14,948
10	PB Fintech Limited	15-Nov-2021	5,710	13.0%	54,043	94.9%	1,81,997
11	Star Health and Allied Insurance Company Limited	10-Dec-2021	6,019	12.4%	52,191	41.1%	1,91,503
12	Vishal Mega Mart Limited	18-Dec-2024	8,000	22.7%	50,466	24.0%	9,33,226
13	Hexaware Technologies Limited	19-Feb-2025	8,750	20.4%	46,340	25.3%	1,20,599
14	Ola Electric Mobility Limited	9-Aug-2024	6,146	18.3%	40,227	56.8%	14,25,347
15	Delhivery Limited	24-May-2022	5,235	14.8%	38,859	100.0%	55,397

5.3. Further, the number of public shareholders in select large issuers post listing was also substantial, ranging from 55,397 in the case of Delhivery Limited to 37,89,052 for Life Insurance Corporation of India.

5.4. The shareholding pattern and liquidity of select large issuers was also compared with that of Nifty 100 companies. It is observed that median number of public shareholders in the select large issuers is approx. 7.74 lakhs, which is

comparable to median value of 7.07 lakhs for Nifty 100 companies, as on June, 2025. Further, the median annualized trading turnover as a percentage of market cap for select large issuers is 57.7%, which is comparable to median value of 37.6% for Nifty 100 companies. The shareholding pattern and liquidity of select large issuers is compared with Nifty 100 companies in the table provided at **Annexure - A.**

6. Rationale

- 6.1. Several Indian companies have achieved significant scale, over a period of time with infusion of funds by private equity investors / strategic investors, these companies have grown large in size and many such companies may explore the possibility of listing on Indian Stock Exchanges. In recent years, entities such as Life Insurance Corporation of India and Hyundai Motor India Limited have undertaken large IPOs. For such large issuers, diluting substantial stake through an IPO can pose challenges, as the market may not be able to absorb such a large supply of shares, which in turn may discourage such issuers from pursuing listings in India.
- 6.2. Additionally, mandating substantial equity dilution for meeting the MPS requirements, immediately after the IPO can lead to an oversupply of shares in the market. This anticipation of further dilution may impact the share prices, despite strong company fundamentals, and may adversely impact existing public shareholders.
- 6.3. For instance, in terms of the existing provisions an issuer with a post issue market cap of ₹5,00,000 Cr is required to ensure a minimum public offer of ₹30,000 Cr (5,000 Cr plus 5% of 5,00,000). For an issuer with a post issue market cap of ₹10,00,000 Cr, the requirement would rise to ₹55,000 Cr (5,000 Cr plus 5% of 10,00,000). Executing such large public issues may be challenging, especially in volatile market conditions, as investor demand is influenced by several factors, including market sentiment.

6.4. As mentioned at para 5.4 above, public shareholders and trading turnover of the issuers that offered less than 25% to the public at the time of their IPO, is comparable to the Nifty 100 companies. This suggests that a lower MPO in case of large issue has not adversely impacted market liquidity for these issuers.

6.5. As the size of IPOs is increasing year on year the flexibility in terms of MPO and timeline to achieve the MPS for large issuers may be considered. Thus, in light of the above rationale, it is felt that the Board may consider making recommendation to the Ministry of Finance to amend SCRR to provide flexibility to the large issuers in terms of reviewing the requirements of MPO and timelines to achieve the MPS. This would allow large issuers to undertake fund raising in a phased manner, thereby facilitating issuers to plan and execute fund-raising activities in alignment with their strategic and operational requirements, while also enabling them to achieve MPS compliance in a more calibrated manner, including some stability in the share price for such issuers. In view of the same, for providing the relaxation for large issuers with post issue market cap of more than ₹50,000 Cr, the following is proposed as recommendation to the Ministry of Finance for bringing necessary amendments to SCRR:

6.5.1. Relaxation in the Minimum Public Offer requirement.

6.5.2. Extension of the timelines for meeting the MPS threshold.

7. Proposal

7.1. **Proposal 1**: It is proposed to bifurcate the following post issue market cap thresholds, in the manner given below:

Existing thresholds	Proposed thresholds
4,000 Cr < MCap ≤ 1,00,000 Cr	4,000 Cr < MCap ≤ 50,000 Cr
	50,000 Cr < MCap ≤ 1,00,000 Cr
MCap > 1,00,000 Cr	1,00,000 Cr < MCap ≤ 5,00,000 Cr
	MCap > 5,00,000 Cr

Query 1: *Whether you agree with the proposal to bifurcate the existing post issue market cap thresholds? If not, please provide the rationale for the same.*

Relaxations with respect to requirements of MPO

- 7.2. **Proposal 2:** For issuers with a post issue market cap above ₹50,000 Cr but less than or equal to ₹1,00,000 Cr, it is proposed to revise the MPO, from the current requirement of 10% of the post issue share capital, to ₹1,000 Cr and at least 8% of post issue share capital.

Query 2: *Whether you agree with the proposal that the requirement of MPO may be revised to ₹1,000 Cr and at least 8% of the post issue share capital, for issuers with a post issue market cap above ₹50,000 Cr but less than or equal to ₹1,00,000 Cr. If not, please provide the rationale for the same.*

- 7.3. **Proposal 3:** For issuers with a post issue market cap above ₹1,00,000 Cr, it is proposed to revise the MPO from the current requirement of ₹5,000 Cr and at least 5% of the post issue share capital to:

7.3.1. ₹6,250 Cr and at least 2.75% of post issue share capital for issuers with a post issue market cap above ₹1,00,000 Cr but less than or equal to ₹5,00,000 Cr.

7.3.2. ₹15,000 Cr and at least 1% of post issue share capital for issuers with a post issue market cap above ₹5,00,000 Cr, subject to minimum dilution of 2.5% of post issue share capital.

Query 3A: *Whether you agree with the proposal that the requirement of MPO may be revised to ₹6,250 Cr and at least 2.75% of the post issue share capital, for issuers with a post issue market cap above ₹1,00,000 Cr but less than or equal to ₹5,00,000 Cr. If not, please provide the rationale for the same.*

Query 3B: *Whether you agree with the proposal that the requirement of MPO may be revised to ₹15,000 Cr and at least 1% of the post issue share capital, subject to a minimum dilution of 2.5%, for issuers with a post issue market cap above ₹5,00,000 Cr. If not, please provide the rationale for the same.*

Relaxations with respect to timeline to achieve MPS

- 7.4. **Proposal 4:** For issuers with a post issue market cap above ₹50,000 Cr but less than or equal to ₹1,00,000 Cr, it is proposed that the timeline for compliance with the MPS requirement of 25% may be extended from the existing 3 years to 5 years from date of listing.

Query 4: *Whether you agree with the proposal that the timeline for compliance with the MPS requirement of 25% may be extended to 5 years for issuers with a post issue market cap above ₹50,000 Cr but less than or equal to ₹1,00,000 Cr. If not, please provide the rationale for the same.*

- 7.5. **Proposal 5:** For issuers with a post issue market cap above ₹1,00,000 Cr, it is proposed that the timelines to comply with MPS may be as under:

7.5.1. In case, public shareholding is less than 15% as on the date of listing, MPS of 15% to be achieved within 5 years; and 25% within 10 years from date of listing.

7.5.2. In case, public shareholding is above 15% as on the date of listing, MPS of 25% to be achieved within 5 years from date of listing.

With respect to revision in timeline for compliance with MPS for issuers with a post issue market cap above ₹1,00,000 Cr:

Query 5A: *Whether you agree with the proposal that in case public shareholding is less than 15% as on the date of listing, the MPS of 15% to be*

achieved within 5 years; and 25% within 10 years from date of listing. If not, please provide the rationale for the same.

Query 5B: *Whether you agree with the proposal that in case public shareholding is above 15% as on the date of listing, MPS of 25% to be achieved within 5 years from date of listing. If not, please provide the rationale for the same.*

Concerns relating to any probable reduction in liquidity

7.6. While considering the above-mentioned relaxation with respect to the requirements of MPO and extended timelines to achieve MPS for large issuers, availability of adequate liquidity in the equity shares of such issuers has also been considered. For example, post listing, availability of shares with the public to ensure liquidity under the proposed provisions, is explained through an illustration below:

7.6.1. For an issuer with post issue market cap of ₹10,00,000 Cr, with proposed dilution of 2.5%, Minimum Public Offer will be ₹25,000 Cr. At various issue prices, the number of shares which will be available for trading on the date of listing are given in the table below:

Issue price per share price	₹500	₹1,000	₹1,500
Number of shares available for trading on the date of listing	50 Cr	25 Cr	16.7 Cr

7.6.2. The above illustration assumes 100% promoter holding prior to the IPO. However, for issuers already having existing non-promoter holding, such as institutional, strategic investors prior to the IPO, the number of shares available for trading on the date of listing would be even higher.

7.6.3. For comparison, the minimum number of shares available as free float for companies forming part of Nifty 50 and Nifty 100 indices is approximately 5 Cr and 1 Cr, respectively. Whereas, the median number of shares available as free float for companies forming part of Nifty 50 and Nifty 100 indices is approximately 116 Cr and 93 Cr, respectively.

7.7. Further, the Stock Exchanges shall continue to monitor such companies through their surveillance mechanism and related measures to ensure orderly functioning of trading in shares of such issuers.

Applicability of the proposed extended timelines to listed entities who have not yet achieved MPS

7.8. **Proposal 6:** The proposed extended timelines may also be made applicable to the listed entities who have not yet achieved MPS, in the following manner:

7.8.1. Issuers, which still have time to comply with the MPS; and have not achieved the MPS as per the existing timelines applicable to them, the proposed extended timelines, may be made available to such issuers.

7.8.2. Issuers, which are non-compliant with the existing MPS requirements and which are likely to get more time to achieve MPS upon notification of extended timelines; the proposed extended timelines, may be made available to such issuers. However, any fines / penalties levied or to be levied by the Stock Exchanges, shall be continued to be paid by the listed entity from the date of non-compliance till the date of notification of the proposed timelines.

7.8.3. The proposed extended timelines for the listed entity shall be calculated from the date of their listing.

Query 6A: Whether you agree with the proposal that the issuers currently within the permissible period for meeting the existing MPS requirements be permitted to avail the proposed extended timelines. If not, please provide the rationale for the same.

Query 6B: Whether you agree with the proposal that the issuers which have not complied with the MPS requirements, as per their existing timelines, but are within the proposed extended timeline from the date of listing, may also be permitted to avail the proposed extended timelines. If not, please provide the rationale for the same.

7.9. The existing provisions and the proposed provisions under SCRR, relating to MPO and timelines to comply with MPS, are compared in the table below:

Post issue market capital	Existing Provision	Proposal
MCap $\leq$ 1,600 Cr	Minimum public offer of 25%	Same as existing provision
1,600 Cr < MCap $\leq$ 4,000 Cr	Minimum public offer of 400 Cr; MPS of 25% to be achieved within 3 years from date of listing	Same as existing provision
4,000 Cr < MCap $\leq$ 50,000 Cr	Minimum public offer of 10%;	Same as existing provision
50,000 Cr < MCap $\leq$ 100,000 Cr	MPS of 25% to be achieved within 3 years from date of listing	Minimum public offer of 1,000 Cr and at least 8% of the post issue share capital. MPS of 25% to be achieved within 5 years from date of listing
1,00,000 Cr < MCap $\leq$ 5,00,000 Cr	Minimum public offer of 5,000 Cr and at least 5% of the post issue share capital; MPS of 10% to be achieved within 2 years and 25% within 5 years from date of listing	Minimum public offer of 6,250 Cr and at least 2.75% of the post issue share capital. In case public shareholding is less than 15% as on the date of listing, MPS of 15% to be achieved within 5 years and 25%

		within 10 years from date of listing. In case public shareholding is above 15% as on the date of listing, MPS of 25% to be achieved within 5 years from date of listing.
MCap > 5,00,000 Cr		Minimum public offer of 15,000 Cr and at least 1% of the post issue share capital, subject to a minimum dilution of 2.5%. In case public shareholding is less than 15% as on the date of listing, MPS of 15% to be achieved within 5 years and 25% within 10 years from date of listing. In case public shareholding is above 15% as on the date of listing, MPS of 25% to be achieved within 5 years from date of listing.

Note: All values except for those expressed as % are in ₹.

7.10. A comparative illustration of the minimum public offer and the public offer expressed as a percentage of post issue share capital, under the existing and the proposed provisions of SCRR, is provided in the table below:

Post issue Market Cap (In ₹ Cr)	As per the Existing Provisions		As per the Proposed Provisions	
	Minimum public offer (In ₹ Cr)	Public offer as a percentage of post issue share capital	Minimum public offer (In ₹ Cr)	Public offer as a percentage of post issue share capital
1,000	250	25.0%	250	25.0%
1,600	400	25.0%	400	25.0%
3,000	400	13.3%	400	13.3%
4,000	400	10.0%	400	10.0%
10,000	1,000	10.0%	1,000	10.0%

30,000	3,000	10.0%	3,000	10.0%
50,000	5,000	10.0%	5,000	10.0%
80,000	8,000	10.0%	7,400	9.3%
1,00,000	10,000	10.0%	9,000	9.0%
2,00,000	15,000	7.5%	11,750	5.9%
3,00,000	20,000	6.7%	14,500	4.8%
4,00,000	25,000	6.3%	17,250	4.3%
5,00,000	30,000	6.0%	20,000	4.0%
6,00,000	35,000	5.8%	21,000	3.5%
7,00,000	40,000	5.7%	22,000	3.1%
8,00,000	45,000	5.6%	23,000	2.9%
9,00,000	50,000	5.6%	24,000	2.7%
10,00,000	55,000	5.5%	25,000	2.5%
12,50,000	67,500	5.4%	31,250	2.5%
15,00,000	80,000	5.3%	37,500	2.5%

7.11. Based on the above proposals, the amendments to SCRR that would be recommended to the Ministry of Finance are given at **Annexure - B.**

8. Retaining the retail quota in IPO allocation

8.1. SEBI, vide consultation paper dated July 31, 2025 has proposed to reduce the retail quota in IPO allocations from 35% to 25% for IPOs exceeding ₹5,000 crores. The proposal was made considering the challenges faced by the issuers in executing large issues. SEBI has been constantly monitoring the feedback from stakeholders on the matter.

8.2. The challenges as referred at para above, are proposed to be addressed through the current proposal to make recommendation for amendment of the SCRR to reduce MPO requirements for large issuers. Accordingly, it is proposed that the retail quota in IPO allocations be retained at 35%, in line with the Regulation 32 of SEBI (ICDR) Regulations, 2018 and accordingly, consultation paper dated July 31, 2025, may be considered as modified to that extent.

9. Submission of Public Comments:

9.1. Considering the implications of the aforementioned matters on the market participants including issuer companies and investors, public comments are invited on the proposal mentioned at para-7 above.

9.2. **Preferred Mode - Through Online web-based form** - The comments / suggestions should be submitted latest by September 8, 2025, through the following link:

<https://www.sebi.gov.in/sebiweb/publiccommentv2/PublicCommentAction.do?doPublicComments=yes>

9.3. **Through Email** - In case of any technical issue in submitting your comment through web based public comments form, you may send your comments through e-mail to consultationcfd@sebi.gov.in with the subject *“Review of requirement of Minimum Public Offer and timelines to comply with Minimum Public Shareholding for issuers in terms of Securities Contracts (Regulation) Rules, 1957”*.

Issued on: August 18, 2025

Annexure - A

Public Shareholding and Liquidity of select large issuer and Nifty 100
Companies for the quarter ended June, 2025

Sr. No.	Name of the Issuer Company	No. of Public Shareholders	Public Shareholding (In %)	Annualised Trading Turnover as a % of Mcap
1	Life Insurance Corporation of India	22,77,179	3.5%	4.5%
2	Hyundai Motor India Limited	9,26,593	17.5%	32.4%
3	Bajaj Housing Finance Limited	25,10,338	11.3%	31.8%
4	FSN E-Commerce Ventures Limited	4,36,350	47.9%	70.8%
5	NTPC Green Energy Limited	13,86,016	11.0%	36.3%
6	Swiggy Limited	5,13,631	92.3%	132.3%
7	One 97 Communications Ltd	9,15,364	100.0%	212.7%
8	Zomato Limited	24,99,812	94.1%	56.4%
9	SBI Cards and Payment Services Limited	7,74,640	31.5%	37.0%
10	PB Fintech Limited	1,64,550	99.7%	88.1%
11	Star Health and Allied Insurance Company Limited	2,03,556	42.0%	57.7%
12	Vishal Mega Mart Limited	6,62,905	45.8%	153.6%
13	Hexaware Technologies Limited	1,09,851	25.3%	38.4%
14	Ola Electric Mobility Limited	16,72,487	58.0%	271.8%
15	Delhivery Limited	1,77,546	100.0%	99.5%
	Maximum	25,10,338	100.0%	271.8%
	Median	7,74,640	45.8%	57.7%
	Minimum	1,09,851	3.5%	4.5%
Comparable data for Nifty 100 Companies				
		No. of Public Shareholders	Public Shareholding (In %)	Annualised Trading Turnover as a % of Mcap
	Maximum	67,52,765	100.0%	304.1%
	Median	7,07,193	46.2%	37.6%
	Minimum	25,576	3.5%	4.5%

Annexure - B

Existing provisions	Proposed Amendments
<i>19 (2) (b) The minimum offer and allotment to public in terms of an offer document shall be-</i> <i>(i) at least twenty five per cent of each class or kind of equity shares or debenture convertible into equity shares issued by the company, if the post issue capital of the company calculated at offer price is less than or equal to one thousand six hundred crore rupees;</i> <i>(ii) at least such percentage of each class or kind of equity shares or debentures convertible into equity shares issued by the company equivalent to the value of four hundred crore rupees, if the post issue capital of the company calculated at offer price is more than one thousand six hundred crore rupees but less than or equal to four thousand crore rupees;</i> <i>(iii) at least ten per cent of each class or kind of equity shares or debentures convertible into equity shares issued</i>	<i>19 (2) (b) The minimum offer and allotment to public in terms of an offer document shall be-</i> <i>(i) at least twenty five per cent of each class or kind of equity shares or debenture convertible into equity shares issued by the company, if the post issue capital of the company calculated at offer price is less than or equal to one thousand six hundred crore rupees;</i> <i>(ii) at least such percentage of each class or kind of equity shares or debentures convertible into equity shares issued by the company equivalent to the value of four hundred crore rupees, if the post issue capital of the company calculated at offer price is more than one thousand six hundred crore rupees but less than or equal to four thousand crore rupees;</i> <i>(iii) at least ten per cent of each class or kind of equity shares or debentures convertible into equity shares issued</i>

by the company, if the post issue capital of the company calculated at offer price is above four thousand crore rupees but less than or equal to one lakh crore rupees: (iv) at least such percentage of each class or kind of equity shares or debentures convertible into equity shares issued by the company equivalent to the value of five thousand crore rupees and at least five per cent of each such class or kind of equity shares or debenture convertible into equity shares issued by the company, if the post issue capital of the company calculated at offer price is above one lakh crore rupees:	by the company, if the post issue capital of the company calculated at offer price is above four thousand crore rupees but less than or equal to <u>fifty thousand crore rupees</u>: (iv) at least such percentage of each class or kind of equity shares or debentures convertible into equity shares issued by the company equivalent to the value of five thousand <u>one thousand</u> crore rupees and at least five <u>eight</u> per cent of each such class or kind of equity shares or debenture convertible into equity shares issued by the company, if the post issue capital of the company calculated at offer price is above <u>fifty thousand crore rupees but less than or equal to one lakh crore rupees</u>: (v) <u>at least such percentage of each class or kind of equity shares or debentures convertible into equity shares issued by the company equivalent to the value of six thousand two hundred and fifty crore rupees and at least two point seven five per cent of each such class or</u>
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kind of equity shares or debenture convertible into equity shares issued by the company, if the post issue capital of the company calculated at offer price is above one lakh crore rupees but less than or equal to five lakh crore rupees:

(vi) at least such percentage of each class or kind of equity shares or debentures convertible into equity shares issued by the company equivalent to the value of fifteen thousand crore rupees and at least one per cent of each such class or kind of equity shares or debenture convertible into equity shares issued by the company, if the post issue capital of the company calculated at offer price is above five lakh crore rupees, so however that the minimum public offer of at least two and half percent to be ensured by all companies.

Provided that the company referred to in sub-clause (v) and (vi) shall increase its public shareholding as under:

- In case, public shareholding is less than 15% as on the date of listing,

<i>Provided that the company referred to in this sub-clause (iv) shall increase its public shareholding to at least ten per cent within a period of two years and at least twenty-five per cent. within a period of five years, from the date of listing of the securities, in the manner specified by the Securities and Exchange Board of India;</i> <i>Provided that the company referred to in sub-clause (ii) or sub-clause (iii), shall increase its public shareholding to at least twenty five per cent within a period of three years from the date of listing of the securities, in the manner specified by the Securities and Exchange Board of India:</i>	<u><i>MPS of 15% to be achieved within 5 years; and 25% within 10 years from date of listing.</i></u> • <u><i>In case, public shareholding is above 15% as on the date of listing, MPS of 25% to be achieved within 5 years from date of listing.</i></u> <i>Provided further that the company referred to in this sub-clause (iv) shall increase its public shareholding to at least ten per cent within a period of two years and at least twenty-five per cent within a period of five years, from the date of listing of the securities, in the manner specified by the Securities and Exchange Board of India;</i> <i>Provided further that the company referred to in sub-clause (ii) or sub-clause (iii), shall increase its public shareholding to at least twenty five per cent within a period of three years from the date of listing of the securities, in the manner specified by the Securities and Exchange Board of India:</i> <u><i>Provided further that the extended timeline shall also be available for past issuance of initial public offer, if available, so however that penal provisions from the date of non-compliance till the date of this notification shall continue to apply.</i></u>
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Provided further that this clause shall not apply to a company whose draft offer document is pending with the Securities and Exchange Board of India on or before the commencement of the Securities Contracts (Regulation) Third Amendment Rules, 2014, if it satisfies the conditions prescribed in clause (b) of sub-rule (2) of rule 19 of the Securities Contracts (Regulation) Rules, 1956 as existed prior to the date of such commencement.

Provided also that the applicant company referred to in clause (b), who has issued equity shares having superior voting rights to its promoters or founders and is seeking listing of its ordinary shares for offering to the public under this rule and the regulations made by the Securities and Exchange Board of India in this regard, shall mandatorily list its equity shares having superior voting rights at the same recognized stock exchange along with the ordinary shares being offered to the public;

Provided further that this clause shall not apply to a company whose draft offer document is pending with the Securities and Exchange Board of India on or before the commencement of the Securities Contracts (Regulation) Third Amendment Rules, 2014, if it satisfies the conditions prescribed in clause (b) of sub-rule (2) of rule 19 of the Securities Contracts (Regulation) Rules, 1956 as existed prior to the date of such commencement.

Provided also that the applicant company referred to in clause (b), who has issued equity shares having superior voting rights to its promoters or founders and is seeking listing of its ordinary shares for offering to the public under this rule and the regulations made by the Securities and Exchange Board of India in this regard, shall mandatorily list its equity shares having superior voting rights at the same recognized stock exchange along with the ordinary shares being offered to the public;
