



**BSE Notifies in Regard to Amendment of Rule 19A (5)
of the Securities Contracts (Regulation) Rules, 1957**

On 31st January 2023, the Bombay Stock Exchange (BSE) issued a Notice in reference to the Notification issued on 18th June 2021, amending Rule 19A (5) of the Securities Contracts (Regulation) Rules, 1957 (SCRR).

The now Amended Rule 19A (5) of SCRR is stated as follows -

(5) Where the public shareholding in a listed company falls below twenty-five per cent, as a result of the 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 the implementation of the resolution plan approved under section 31 of the Insolvency and Bankruptcy Code, 2016.]

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

The BSE has further advised that the Listed Company/RP are to take all requisite steps to modify the resolution plans to ensure compliance with the aforesaid requirement, regardless of the stage of the CIRP process.

Official Notification Attached [here](#)



Sushree Dash
Legal Researcher