



## Metropolitan Stock Exchange of India Limited

Department: Investigation

Segment: All

Circular No: MSE/ID/8025/2019

Date : August 20, 2019

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**SEBI order in the matter of Non-Compliance with the Requirement of Minimum Public Shareholding by Listed Companies in respect of Bhilai Engineering Corporation Limited (BECL)**

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To All Members,

This is with reference to the Exchange circular no: MCX-SX/ID/1224/2013 dated June 05, 2013 regarding SEBI order no. WTM/PS/08/CFD/JUNE/2013 dated June 04, 2013 and Exchange circular no. MSE/ID/3693/2015 dated December 29, 2015 regarding SEBI order no. WTM/PS/20/CFD/DEC/2015 dated December 29, 2015 inter-alia, issued directions against various listed public companies, who had failed to comply with the Minimum Public Shareholding ("MPS") requirements

SEBI now vide order no. WTM/GM/CFD/30/2019-20 dated August 19, 2019, has issued, the following directions:-

- a) For the purpose of the proposed delisting of equity shares, the company shall be exempt from compliance with the MPS norms and the requirement to maintain promoter / promoter group shareholding in dematerialized form. However, the company shall ensure completion of all the pending compliances with the BSE, as mentioned in the Table under para 9 in SEBI order.
- b) For the purpose of delisting under the special provisions applicable to small companies, as provided under Regulation 27 of the Delisting Regulations, the company shall be exempt from meeting the eligibility conditions stipulated under Regulation 27(1)(a) of the Delisting Regulations, to the extent they pertain to net-worth, and that stipulated under Regulation 27(1)(c) of the Delisting Regulations.
- c) The company shall complete the delisting process by March 31, 2020 and shall report the outcome within one (1) month's period from the date of completion of the delisting process.
- d) The direction issued in paragraph 17(b) of the Interim Order stands modified / relaxed to the extent that it shall not hinder the already commenced voluntary delisting process initiated by the company and that its promoters and directors shall be permitted to buy the equity shares from the company's existing public shareholders as part of the delisting offer.
- e) The direction contained in 17(b) of the Interim Order shall be re-imposed / revived immediately (without the need for passing of a separate order) in case the delisting process of the company is not successful within the period directed in paragraph (c) above.
- f) Upon the company getting delisted in accordance with this order, the directions contained in para 17 of the Interim Order shall stand vacated automatically without any further order.
- g) The company shall ensure compliance with the requirement of Regulation 27(3) of the Delisting Regulations and shall obtain fresh consent of the public shareholders for delisting proposal and carry out fresh valuation exercise for calculation of the exit price, as may be required to ensure eligibility for following the special provisions applicable to small companies, as provided under Regulation 27 of the Delisting Regulations.

- h) In case the proposed delisting is successful, the promoters / promoter group shall continue to accept shares tendered by any remaining public shareholder holding such equity shares, for a minimum period of one year from the date of the delisting, at the same price at which the shares were earlier accepted from other public shareholders while delisting.

The order shall come into force with immediate effect.

Members of the Exchange are advised to take note of the full text of the order available on SEBI's website [[www.sebi.gov.in](http://www.sebi.gov.in)] and ensure compliance.

**For and on behalf of  
Metropolitan Stock Exchange of India Limited**

Prachi Lendhe  
Assistant Vice President