

## **LEGAL SNAP SHOTS**

### **SAT Ruling on minimum public shareholding requirements in listed companies**

The Securities Appellant Tribunal, in the case of M/s Gillette India Ltd. ('Appellant') v. SEBI and ors; dismissed Appellant's plea with respect to achieving the minimum statutory requirement of holding 25 per cent public shareholding in listed company by relegating/classifying the shareholding of the promoter group to the ostensible stature of a public shareholder. The Appellants proposed to achieve the minimum public shareholding by transferring 4% from Poddar Group (Promoter of the Appellant holding 12.9%) to P&G Group (a shareholder of the Appellant holding 75.9% to 79.9%) and thereafter classify Poddar Group as a public shareholder and then P&G group to offer 4.9% of their shares to public. SAT further stated that this proposal was completely against the object and rationale of the minimum public shareholding for listed company.

(SAT Appeal No. 65 of 2013)

### **New Ordinance to confer search and seizure powers on SEBI**

An ordinance was promulgated by the President on 18<sup>th</sup> July, 2013, which contemplates a series of amendments to the SEBI Act, Securities Contracts (Regulation) Act and Depositories Act in order to empower SEBI to carry out search and seizure operations; seek information such as telephone data records; attach assets, among other powers, so that the market regulator can effectively check ponzi schemes and clamp down on unscrupulous entities.

(Source: <http://pib.nic.in/newsite/erelease.aspx?relid=0>)