



One in four listed CPSEs falls short of Sebi's MPS norm

Markets regulator Securities and Exchange Board of India (Sebi) requires all listed companies to comply with the minimum public shareholding (MPS) norm. The regulation mandates that at least 25 per cent of a company's equity shares be held by the public or non-promoters and it has to do so between three and five years of its listing, depending on its market capitalisation.

However, central public-sector enterprises (CPSEs) and financial institutions have been given a relaxed timeline for the same. They are now required to adhere to the minimum public holding norm by August 1, 2026. Life Insurance Corporation (LIC), which listed on May 4, 2022, has been allowed until May 16, 2027, to divest 10 per cent of its holding.

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Compliance status

21 of the 79 listed CPSEs and public-sector financial institutions are currently below the 25% MPS threshold and nearly half of which belong to financial sector

MPS: Minimum public shareholding
*includes public-sector financial institutions

Sectors with less than 25% public shareholding by CPSEs	Number of CPSEs*
Finance	10
Fertilisers	2
Trading	2
Defence	1
Engineering	1
Gas & petroleum	1
Metals & mining	1
Power	1
Telecommunications	1
Tourism and hospitality	1

Financial sector firms fall behind

Financial sector firms, which make up for 47% of 21 CPSEs, have less shareholdings than others. Among the CPSEs and public-sector financial institutions with the lowest public shareholding are Kudremukh Iron Ore Company (0.97%), LIC (3.5%) and IDBI Bank (5.29%)

■ CPSEs with less than 25% shareholding as % of total share capital*

Fertilisers and Chemicals Travancore	10.00
State Trading Corporation of India	10.00
Indian Telephone Industries	10.00
UCO Bank	9.05
Hindustan Machine Tools Limited	6.31
Punjab & Sind Bank	6.15
Indian Overseas Bank	5.39
IDBI Bank	5.29
Life Insurance Corporation of India	3.50
Kudremukh Iron Ore Company	0.97

*includes public-sector financial institutions

Source: PRIME Database