

Return of changes in shareholding position of promoters and top ten shareholders-

Companies Act 1956 had never been a pain for the listed companies, with them being overly concerned with complying with the Listing Agreement and SEBI. However, the advent of Companies Act 2013 has brought a paradigm change in the scope and importance of the Company Law. Almost all the provisions of the new Act are specifically made applicable to the Listed Companies. Moreover many new clauses introduced are applicable to only listed entities.

One such provision is the return to be filed with the Registrar in case promoter's stake changes, as stated in section 93 of the Companies Act 2013. Section 93 states that-

"Every listed company shall file a return in the prescribed form with the Registrar with respect to change in the number of shares held by promoters and top ten shareholders of such company, within fifteen days of such change."

Rule 13 of the Companies (Management and Administration) Rules, 2014 issued by the MCA further explains the provisions. It states that-

"Every listed company shall file with the Registrar, a return in **Form No.MGT.10** along with the fee with respect to changes relating to **either increase or decrease of two percent, or more in the shareholding position** of promoters and top ten shareholders of the company in each case, **either value or volume of the shares**, within **fifteen days** of such change."

Till date, clause 35 of the Listing Agreement required the listed entities to file with the stock exchange, the shareholding pattern in the prescribed formats, separately for each class of equity shares/security, in compliance with the following timelines, namely :-

- a) One day prior to listing of its securities on the stock exchanges.
- b) On a quarterly basis, within 21 days from the end of each quarter.
- c) Within 10 days of any capital restructuring of the company resulting in a change exceeding +/-2% of the total paid-up share capital.”

So now in addition to this, the listed company is also required to file a return for the same with the ROC within 15 days of the change. Moreover, as per the Listing Agreement, the change exceeding +/- 2% is only with respect to the paid up share capital. But in the Act, it is with respect to change in both value and volume of shares. Furthermore, since the said provision has already been effective from 1st April 2014 and since the form MGT 10 is still not available for e-filing, MCA has, vide circular dated 11th June 2014, directed the stakeholders to physically fill the form MGT 10, get it duly signed/certified by professional as required and file the same as an attachment to Form GNL 2. This is to be continued till Form MGT 10 is made available at the MCA portal.

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