



Central Depository Services (India) Limited

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COMMUNIQUE TO REGISTRAR & TRANSFER AGENTS

CDSL/OPS/RTA/POLCY/2019/133

November 18, 2019

SEBI CIRCULAR ENHANCED DUE DILIGENCE FOR DEMATERIALIZATION OF PHYSICAL SECURITIES

Issuers/RTAs are advised to refer to SEBI Circular no. **SEBI/HO/MIRSD/RTAMB/CIR/P/2019/122** dated November 05, 2019 regarding **Enhanced Due Diligence for Dematerialization of Physical Securities** [refer Annexure A].

All Listed companies or the respective RTAs shall provide the data of their members holding shares in physical mode as on March 31, 2019 latest by December 31, 2019 through upload facility in the attached format (**refer Annexure B**).

Issuers/RTAs are further advised to note that the operational modalities regarding the same will be informed to you separately.

Issuers/RTAs are directed to take note of the same and ensure compliance.

Queries regarding this communiqué may be addressed to **CDSL – Helpdesk**: on telephone numbers (022) 2305-8624, 2305-8639, 2305-8642, 2305-8663, 2305-8640, 2300-2041 or 2300-2033. Emails may be sent to: helpdesk@cdslindia.com.

sd/-

Ashish Bhatt
Vice President - Operations



CIRCULAR

SEBI/HO/MIRSD/RTAMB/CIR/P/2019/122

November 05, 2019

To

All Depositories

All Registrars to an Issue & Share Transfer Agents (RTA)

All Recognised Stock Exchanges

All Listed Companies (through Stock Exchanges)

Dear Sir/ Madam,

Sub: Enhanced Due Diligence for Dematerialization of Physical Securities

1. In terms of Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (IV Amendment) Regulations, 2018 (LODR), transfer of securities held in physical mode is not permitted w.e.f. April 01, 2019. Standardised norms with respect to documentation / procedure for transfer of physical securities were issued vide SEBI circular No. SEBI/HO/MIRSD/DOS3/CIR/P/2018/139 dated November 06, 2018.
2. To augment the integrity of the system in processing of dematerialization request in respect of the remaining physical shares, the Depositories and the listed companies / RTAs are directed to implement the following due diligence process:
 - I. All Listed companies or their RTAs shall provide data of their members holding shares in physical mode, viz the name of shareholders, folio numbers, certificate numbers, distinctive numbers and PAN etc. (hereinafter, **static database**) as on March 31, 2019, to the Depositories, latest by December 31, 2019. The common



format for this data shall be specified jointly by the Depositories and be communicated to Issuer companies / their RTAs.

- II. Depositories shall capture the relevant details from the static database as per clause I above and put in place systems to validate any dematerialization request received after December 31, 2019. Accordingly, the depository system shall retrieve the shareholder name(s) recorded against the folio number and certificate number in Static Data for each DRN request received after this date and validate the same against the demat account holder(s) name as available in the records of the Depositories.
- III. In case of mismatch of name on the share certificate(s) vis-à-vis name of the beneficial owner of demat account, the depository system shall generate flag / alert. In instances, where such flags / alerts have been generated, the following additional documents explaining the difference in name, as prescribed in paragraph 2 (b) of the cited SEBI circular of November 06, 2018, shall be sought, namely
 - i. Copy of Passport
 - ii. Copy of legally recognized marriage certificate
 - iii. Copy of gazette notification regarding change in name
 - iv. Copy of Aadhar Card
- IV. In the case of complete mismatch of name on the share certificate(s) vis-à-vis name of the beneficial owner of demat account, the applicant may approach the Issuer company / RTA for establishing his title / ownership.

3. Depositories shall;
 - a) make necessary amendments to the relevant byelaws, rules and regulations for the implementation of the above directions, as may be applicable
 - b) bring the provisions of this circular to the notice of their participants and also disseminate the same on their websites; and
 - c) communicate to SEBI, the status of implementation of the provisions of this circular in their Monthly Report.
4. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.
5. The Stock Exchanges are advised to bring the provisions of this circular to the notice of Listed Entities and also to disseminate the same on their websites.

Yours faithfully

Manjesh Roy S.
General Manager
Tel. no: 022-26449710
Email id: manjeshsr@sebi.gov.in

FILE FORMAT: Static Database

File Name : <<RTA ID>>_DEM_PHY_DTLS_<<DDMMYYYYHH24MISS>>

E.g. 00000107_DEM_PHY_DTLS_05112019154100 (for CDSL)
IN000018_DEM_PHY_DTLS_05112019154100 (for NSDL)

Input Type : **Mandatory / Optional**

Header Record: This record will contain:

FIELD DESCRIPTION	FIELD TYPE	INPUT TYPE	FIELD SIZE	REMARKS
RECORD IDENTIFICATION	NUMBER	M	2	VALUE = 01 Header Record
BATCH ID	NUMBER	M	8	Distinct Serial Number for each File.
Depository ID	CHAR	M	8	For NSDL Depository Id-"IN000018" For CDSL Depository id -"IN000026"
RTA ID	NUMBER	M	8	RTA ID
RTA INTERNAL REFERENCE NUMBER	CHAR	O	16	
ISIN	CHAR	M	12	ISIN for equity shares as on March 31, 2019
COMPANY NAME	CHAR	M	100	ISIN DESCRIPTION
Information As On DATE	DATE	M	8	DDMMYYYY
TOTAL NUMBER OF SHARES	NUMBER	M	(16,3)	Sum of the field "Quantity being uploaded in ISIN" in "02" records.
TOTAL NUMBER OF DETAIL RECORDS	NUMBER	M	5	Total number of Lines/records including record type "02"

Details Records: This record will contain following lines:

FIELD DESCRIPTION	FIELD TYPE	INPUT TYPE	FIELD SIZE	REMARKS
RECORD IDENTIFICATION	CHAR	M	2	Value = 02 DETAIL RECORD
BATCH ID	NUMBER	M	8	Distinct Serial Number for each File.
RECORD LINE NUMBER	NUMBER	M	5	
FOLIO NUMBER	CHAR	M	16	Folio number for physical certificates.
CERTIFICATE NUMBER FROM	CHAR	M	10	Certificate Number From
CERTIFICATE NUMBER TO	CHAR	M	10	Certificate Number To
DISTINCTIVE NUMBERS FROM	INTEGER	M	18	Distinctive Number From
DISTINCTIVE NUMBERS TO	INTEGER	M	18	Distinctive Number To
QUANTITY OF SHARES	NUMBER	M	(16,3)	
FIRST HOLDER'S NAME	CHAR	M	164	
PAN OF SOLE/FIRST HOLDER	CHAR	O	10	
SECOND HOLDER'S NAME	CHAR	O	164	
PAN OF SECOND HOLDER	CHAR	O	10	
THIRD HOLDER'S NAME	CHAR	O	164	
PAN OF THIRD HOLDER	CHAR	O	10	
FOURTH HOLDER'S NAME	CHAR	O	164	
PAN OF FOURTH HOLDER	CHAR	O	10	
Physical Shares Status as on Upload Date	NUMBER	M	02	01- Physical 02- Dematerialized 03- Physical shares Transferred 04- Physical Shares Transmitted 05- Physical Shares where Transposition effected 06- Pending Physical Transfer request (i.e., physical transfer request was rejected by RTA before April 1, 2019)
TRANSFeree SOLE/FIRST	CHAR	M / O	164	Mandatory only in case

HOLDER'S NAME				value of Physical Shares Status as on Upload Date is either 03, 04, 05 or 06, else optional.
TRANSFEE PAN OF SOLE/FIRST HOLDER	CHAR	0	10	
TRANSFEE SECOND HOLDER'S NAME	CHAR	0	164	
TRANSFEE PAN OF SECOND HOLDER	CHAR	0	10	
TRANSFEE THIRD HOLDER'S NAME	CHAR	0	164	
TRANSFEE PAN OF THIRD HOLDER	CHAR	0	10	
TRANSFEE FOURTH HOLDER'S NAME	CHAR	0	164	
TRANSFEE PAN OF FOURTH HOLDER	CHAR	0	10	
FILLER	CHAR	0	100	

NOTES:

- Double Hash(##) should be used as field separators.
- Padding should not be used for any field. Only actual values to be entered.
- If any field does not have value, then 4 consecutive hashes(####) should be entered.
- Transferee Sole/First Holder's name will be mandatory if value for "Physical Shares status as on Upload Date" is either 03, 04, 05 or 06, else optional.