



**CIRCULAR**

SEBI/Cir/ISD/ 05 /2011

September 30, 2011

To,

All the Recognized Stock Exchanges,

Dear Sir/Madam,

**Sub: Clarification on 100% promoter holding in demat form**

1. This is further to SEBI circular SEBI/Cir/ISD/3 /2011 dated June 17, 2011 regarding 100% promoter holding in demat form.
2. On review of the promoters holding in demat form it has been observed that there has been improved compliance to the above circular and the companies/promoters have started the process of converting their physical holdings in dematerialized form. At the same time representations have been received from large number of companies as well as various industry bodies regarding practical difficulties being faced in dematerializing promoters holding and seeking exemptions/extension in complying with the provisions.
3. In light of above, it has been decided to extend the current deadline by one quarter i.e. quarter ending December 2011.
4. The Stock Exchanges are advised to:
  - put in place the adequate systems and issue the necessary guidelines to the market for implementing the above decision.
  - make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision immediately.
  - bring the provisions of this circular to the notice of the member brokers of the Exchange and also to disseminate the same on the website.
  - communicate to SEBI, the status of the implementation of the provisions of this circular in a Monthly Report.



**भारतीय प्रतिभूति और विनिमय बोर्ड**  
**Securities and Exchange Board of India**

5. This circular is issued in exercise of powers conferred by sub-section (1) of Section 11 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.
6. This circular is available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in)

Yours faithfully,

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