



CIRCULAR

CIR/MRD/DP/ 21 /2012

August 02, 2012

To,

The Depositories,
The Stock Exchanges

Dear Sir,

Subject: Activation of ISIN in case of additional issue of shares/ securities

1. Please refer to SEBI circular No SEBI/MRD/DEP/Cir-2/06 dated January 19, 2006.
2. In addition to the above circular, it has now been decided that in case of IPO for debt securities the ISINs shall be activated only on the date of commencement of trading on the stock exchange.
3. Further, in order to curtail the transfer of additional issue of shares/securities viz. further public offerings, rights issue, preferential allotment and bonus issue of the listed company, prior to receipt of final listing/ trading approval , it has been decided that the depositories shall devise a mechanism so that such new securities created shall be frozen till the time final listing/ trading permission is granted by the exchange.
4. In order to achieve the above, the Depositories are advised to allot such additional shares/securities under a new temporary ISIN which shall be kept frozen. Upon receipt of the final listing/ trading permission from the exchange for such additional shares/ securities, the shares/securities credited in the new temporary ISIN shall be debited and the same would get credited in the pre-existing ISIN for the said security. Thereafter, the additional securities shall be available for trading.
5. The exchanges are advised to provide the details to the depositories whenever final listing/trading permission is given to securities.
6. The Depositories are advised to:-
 - a) make amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision immediately, as may be applicable/necessary ;
 - b) bring the provisions of this circular to the notice of their DPs and also to disseminate the same on their website; and



भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

7. This circular is being issued in exercise of the powers conferred by Section 11 (1) of Securities and Exchange Board of India Act, 1992 and section 19 of the Depositories Act, 1996 to protect the interest of investors in securities and to promote the development of, and to regulate, the securities market.

Harini Balaji
Deputy General Manager
022-26449372
harinib@sebi.gov.in