



Central Depository Services (India) Limited

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COMMUNIQUÉ TO REGISTRAR & TRANSFER AGENTS

CDSL/OPS/RTA/POLCY/1131

December 04, 2015

SEBI CIRCULAR - INTRODUCTION OF SYSTEM-DRIVEN DISCLOSURES IN SECURITIES MARKET

Issuers/RTAs are advised to refer to SEBI circular no. **CIR/CFD/DCR/17/2015** dated December 01, 2015 regarding **Introduction of System-Driven Disclosures in Securities Market [refer Annexure-A]** for compliance.

Issuers/RTAs are advised to note that the operational modalities with respect to exchange of information between RTAs and CDSL pursuant to the said SEBI circular will be communicated separately.

Queries regarding this communiqué may be addressed to:

CDSL – Helpdesk on (022) 2272-8642, 2272-8427, 2272-8624, 2272-8693, 2272-8639, 2272-1261 or 2272-2075. Emails may be sent to: helpdesk@cdslindia.com.

Nayana Ovalekar
Sr. Vice President – Operations



CIRCULAR

CIR/CFD/DCR/17/2015

December 01, 2015

To

All Listed Entities

All Registered Registrar & Share Transfer Agents

All Depositories

All Nationwide Stock Exchanges

Dear Sir/Madam,

Introduction of system-driven disclosures in securities market

1. SEBI has specified the disclosure requirements relating to acquisition, sale and pledge of securities under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter referred to as "SAST Regulations") and SEBI (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as "PIT Regulations") in order to bring in transparency and promote orderly conduct in the market. Since the Stock Exchanges, Depositories and Registrar and Share Transfer Agents (hereinafter referred to as "RTAs") have adopted advanced systems and technologies, it has been decided to explore the possibility of disclosing such information based on these systems.

Implementation in phases:-

2. Since the entire information as required under the current disclosure obligations is not available in the current systems (e.g. details of instruments other than equity shares, PACs etc.), the proposed system shall be implemented in phases. In the first phase, the systems shall disclose the changes in shareholding of promoter/promoter group of the listed entities. The disclosures in the first phase shall pertain to acquisition/disposal of equity shares by promoters/promoter group based on specified thresholds under the SAST Regulations and PIT Regulations and pledge of equity shares by promoters/promoter group under the SAST Regulations.



3. Initially, this system would run in parallel with the existing system i.e. the promoters/promoter group shall continue to comply with the disclosure obligations as applicable to them.
4. Based on the experience gained in the first phase, subsequent phase(s) would be implemented to include the information for non-promoters and instruments other than equity shares.
5. The listed entities, RTAs, Depositories and Exchanges shall make necessary arrangements in their systems such that the first phase is implemented from **January 01, 2016**.
6. The procedure required for implementation of the first phase is provided at Annexure - A.
7. The disclosures generated through the system shall be displayed separately from the regular disclosures filed with the exchanges.
8. The Depositories and Exchanges shall prescribe the detailed modalities for uploading and exchange of data with RTAs in order to maintain uniformity and consistency of data.
9. This circular is issued in exercise of powers conferred by 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.
10. This circular is available on SEBI website at www.sebi.gov.in under the categories "Legal Framework/Circulars".

Yours faithfully,

V. Divya Veda
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Encl: as above



ANNEXURE - A

Procedure

The following would be the steps / process required to be taken for implementation of the first phase:

1. The first step would be to build an accurate database of the existing holdings at ISIN level of all the promoters / promoter group. The listed company through its RTA will be required to provide to the depositories the information about promoters and promoter groups of the companies. The information provided by the listed company to the RTA must be authenticated and shall be provided within 15 days from the date of this circular. The information provided by the RTAs to the depositories shall be in the manner prescribed by depositories and must also include the PAN of the promoter/promoter group. In respect of PAN exempt entities, the account numbers will be provided.
2. Based on the PAN/account numbers, the depositories will tag such demat accounts in their depository systems at ISIN level as of the promoter/promoter group.
3. In case of any subsequent changes in the promoter or promoter group of the listed company, the company through RTA shall provide the information of the new promoter(s) to the depositories.
4. In respect of the identified promoters and promoter groups for an ISIN, the respective depositories will generate the required information and send it to the RTAs on a daily basis at the end of each working day.
5. The RTAs will then aggregate the dematerialised shareholding data received from both the depositories and the physical shareholding of the promoter/promoter group. Based on the defined criteria as per the regulations (For e.g., aggregate holding of a promoter across both depositories and physical shareholding exceed



a specified percentage or value), the RTAs will generate reports and provide it to the respective stock exchange(s). The stock exchanges shall then disseminate the data on its website in accordance with the respective regulations.

6. The RTAs may then check the disclosures made by the promoter entities as per the current regulatory requirements and match the same with the disclosure generated by the systems so that any discrepancies may be found and necessary action taken for rectification of the same. The Promoters or members of the Promoter Group must also take up the issue of discrepancy with the respective Stock Exchanges which may then be communicated to the respective RTA.