CDSL/OPS/RTA/POLCY/2022/56 **March 16 , 2022**

OFF-MARKET TRANSFER PROCEDURE

All Issuers / R & T Agents may be aware that for off-market transfer of securities, account holder has to provide the reason for transfer from specified list of off-market transfer reason codes. In order to ensure that the off-market transfer is indeed for the purported reason as declared by the account holder(s) at the time of such transfers, system level validation is being implemented by Depositories. In respect of off-market transfer reason codes, below mentioned 3 reason codes will be enabled only for specific ISIN and demat account opened for the said purpose by Issuers to receive shares/bonds for 'Open offer for Acquisition', 'Delisting - Exit offer' and 'Buy-back' for a specified period:

Sr. No.	Reason Code No.	Reason Code Description
1	17	Buy-back
2	13	Open offer for Acquisition
3	41	Delisting - Exit offer

Accordingly, Issuers/R&T Agents are advised to take note of the following procedure wherein transfer of securities by way of off-market transfer using aforesaid reason code is required to be enabled. Issuer/R&T Agents are advised to note that the process for tendering of shares/securities using stock exchange mechanism for 'Open offer for Acquisition', 'Delisting - Exit offer' and 'Buy-back' will be as per the procedure prescribed by SEBI and amended from time-to-time.

1. Issuer making an offer under the reasons given above where off-market transfer are necessitated using the Off-market transfer reason shall make a request to CDSL for enabling off-market transfers in an ISIN to a designated demat account for a specified period. The format of the request letter is enclosed as Annexure-A.
2. Issuer shall make this request to CDSL at least two days prior to the date of the opening of the offer for offers opening from March 25, 2022 onwards.
3. CDSL shall enable the off-market reason code as per the request of the Issuer in the CDSL system and holders of the security will be enabled to transfer securities in an ISIN using the off-market reason code to the designated demat account and for the specified period as per the request from the Issuer.

The feature of enabling system level validation for off-market transfer reason codes will be implemented in phases.

In the first phase, the system level validation will be implemented for Intra depository off-market transfers (where source and target accounts are held with CDSL) only with effect from March 25, 2022. Thus, in case, the

designated demat account opened by Issuer and investors' demat account are held with different depositories, transfers shall be allowed as per the existing mechanism.

In the second phase, the system level validation for Inter depository off-market transfers (where the target account is held with other depository) shall be implemented and information of the designated demat account provided by Issuer to one of the depository will be shared amongst depositories for system level validation. Date of implementation of the second phase shall be informed separately.

All Issuers/R & T Agents are advised to take note of the above and ensure compliance. All R & T Agents are advised to inform their client companies suitably.

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/-

Nilesh Shah
Asst. Vice President - Operations

Annexure

Offer details

(On the letter head of the company)

Date:

Central Depository Services (India) Limited
Marathon Futurex, A-Wing,
25th floor, NM Joshi Marg,
Lower Parel, Mumbai 400013

Dear Sir,

<Name of the company/Name of the acquirer> is making an offer for "Buyback/ Open offer/ Delisting" (tick the appropriate offer) and intend to enable off-market reason code as per details given below :

Offer type (Select the relevant offer type)	Buyback/ Open Offer/ Delisting
Security name	
ISIN	
Offer Quantity	
Face value	
Floor Price/Offer price	
Offer start date	
Offer end date	
Demat account (DP ID & Client ID) to which securities will be transferred by Holders	
Off-Market reason code to be enabled (Select the relevant reason code)	Buyback/ Open Offer/ Delisting
Off-market start date	
Off-Market close date	
Company's Contact Person for grievance redressal	
Company email id	
Contact Person's Phone number/Mobile number	

The information furnished above is true to the best of our knowledge and belief and I/we undertake to inform that all necessary checks have been performed by us.

Yours sincerely,

For (name of the company)

(Company Secretary/Compliance officer/Managing Director)

List of Documents

1. Letter of offer/offer document making the offer to the holders of the security