CDSL/OPS/RTA/POLICY/779 **September 21, 2012**

DATABASE FOR DISTINCTIVE NUMBERS OF SHARES FOR DEMATERIALISATION

SEBI has issued a direction for creation of **Database for Distinctive numbers of equity shares for dematerialization** of listed companies. The details regarding scope, content, process flow, phase-wise operationalisation of the database are enclosed herewith [see **Annexure-A**] for information. The modalities of the scheme will be informed separately.

Issuers / RTAs are advised to take note of the same.

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.

sd/-

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Annexure A

1. Scope:
Depositories shall create and maintain a database to capture Distinctive Numbers (DN) of equity shares issued by listed companies on all stock exchanges. The database shall be created in a phased manner as follows:
   a. *First Phase*- Capturing DNs of equity shares issued by companies listed on NSE and BSE which have not received final trading approval.
   b. *Second phase*: Capturing DNs of all equity shares issued by companies listed on NSE and BSE.
   c. *Third phase*: Expanding the database to capture DNs of companies listed on other stock exchanges.

2. Content of Database:
   a. The fields of database shall include the following information:

i. Distinctive Numbers (From)	*vii. Date of final trading approval*
ii. Distinctive Number s (To)	*viii. Physical/demat*
iii. Number of Equity shares or other securities	*ix. Date of allotment*
iv. Name of stock exchange	*x. ISIN*
v. Date of In principle listing approval	*xi. Nature of ISIN [Temporary (Frozen) or Permanent (Active)]*
vi. Date of final listing approval	

   b. ***Access Rights*** : Access rights shall be provided to the following:
      - Stock exchanges with modification rights for fields (i)-(vii).
      - Registered Depository Participants(DP) for querying on DNs for processing demat requests.
      - RTA/Issuers for data updation for fields (i) to (ix)
      - Depositories with modification rights for fields (x) and (xi)

   c. The depositories shall ensure that database maintained by them is updated and synchronised.

3. Population of Database:
DN data:
   a. *First Phase:* NSE and BSE shall provide DN of equity shares issued by companies which are pending final trading approval along with their corresponding dates of in-principle approvals. Information mentioned at fields (i)-(vi) above shall be collated by NSE and BSE and shared with the Depositories.

   b. *Second Phase:* RTAs/ Issuers in respect of companies listed at NSE and BSE shall provide information on DNs of equity shares. Information mentioned at fields (i)-(vi), (viii) and (ix) shall be updated by the RTA/ Issuer. For this purpose, interface will be provided by the Depository to the RTA/ Issuer.

c. *Third Phase:* Information by other listed companies may be updated in the data base.

Trading Approval Data:

a. *First Phase* : After the final trading approval is granted, the stock exchanges shall update database with final trading approval date at field (vii) above and share this information with Depositories.

b. *Second Phase*:
   - The RTA/ Issuer may not update fields (v) to (vii) for shares which have already been listed and granted trading approval prior to the cut-off date. However, it may be indicated by RTA/ Issuer that trading approval has been granted. The same shall be verified by the stock exchanges.
   - The RTA / Issuer would update fields (v) to (vii) for equity shares which are granted final trading approval after the cut off date.
   - Stock exchanges would continue to update final trading approval date whenever granted.

4. **Process Flow:**

First Phase

a. When a request for dematerialisation of physical shares is received the DP, the DP shall enter the DNs in the Depository system to check the validity of the DNs before accepting the demat request.

b. If such DNs are appearing in database, the DP would send the request to RTA/ Issuer for demat under a temp ISIN. After demat, the shares would be frozen till final trading approval is granted in accordance with SEBI Circular dated August 2, 2012 and any modifications thereof.

c. If DNs do not appear in the database, DP shall process the demat request.

Second Phase

a. When a request for dematerialisation of physical shares is received the DP, the DP shall enter the DNs on the Depository system to check the validity of the DNs before accepting the demat request.

b. If for the DNs submitted, final trading approval is not available (i.e. final trading approval date is not updated in the database) the DP would send the request to RTA/ Issuer for demat under a temp ISIN. After demat, the shares would be frozen till final trading approval is granted in accordance with SEBI Circular dated August 2,2012 and any modifications thereof .

c. If for the DNs, final trading approval is available, the DP shall process the demat request.

5. **Cut-off Date:** Cut-off date for updating the database for Second Phase shall be taken as March 31, 2012.

6. **Operationalisation:**

   First Phase

   a. Stock Exchanges shall provide data to the Depositories by September 30,2012.
   b. Depositories shall build the database for early operationalisation of First Phase, latest by October 31, 2012. This shall include making available interface to DPs for checking DNs.

   Second Phase

   a. RTAs/ issuers shall be provided interface to update DN data by the Depositories. This updation may be completed by December 31, 2012.
   b. Depositories shall follow up with RTAs to ensure data updation.

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