

Neelam Bhardwaj
General Manager
Corporation Finance Department
Division of Issues and Listing
Phone: +91 2644 9350 Email:
neelamb@sebi.gov.in

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The Managing Director/ Executive Director/ Administrator of all the Stock Exchanges

Dear Sir/Madam,

Sub.: Amendments to the Equity Listing Agreement

1. In order to enhance disclosures regarding shareholding pattern in a listed company and also to bring more transparency and efficiency in the governance of a listed company, it has been decided to amend certain clauses in the Equity Listing Agreement. Accordingly, 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 interest of investors in securities and to promote the development of, and to regulate the securities market.
2. The full text of amendments is given at **Annexure A** and the brief of the amendments are as under:

(A) Uniform procedure for dealing with unclaimed shares – Insertion of clause 5A

It has been brought to the notice of the Board that there is a large quantum of shares issued pursuant to the public issues, which remain unclaimed despite the best efforts of the Registrar to Issue or Issuers and that there is no uniform practice for dealing with such shares.

It has been decided to provide a uniform procedure for dealing with unclaimed shares i.e., shares which could not be allotted to the rightful shareholder due to

insufficient/incorrect information or any other reason. Accordingly, the new Clause 5A is to be inserted, which, inter alia, provides the following:

- (a) The unclaimed shares shall be credited to a demat suspense account opened by the issuer with one of the depository participants.
- (b) Any corporate benefit in terms of securities, accruing on unclaimed shares such as bonus shares, split etc., shall also be credited to such account.
- (c) Details of shareholding of each individual allottee whose shares have been credited to such suspense account shall be properly maintained by the issuer.
- (d) The allottee's account shall be credited as and when he/she approaches the issuer, after undertaking the proper verification of identity of the allottee.
- (e) The voting rights of these shares will remain frozen till the rightful owner claims the shares.
- (f) Details (in aggregate) of shares in the suspense account including freeze on their voting rights, shall be disclosed in the Annual Report as long as there are shares in the suspense account

(B) Notice period for Record Date and Board Meeting – Amendments to clause 16 and clause 19

It has been decided to reduce the timelines for notice period for all corporate actions like dividend, bonus etc, for all scripts whether in demat or physical, whether in F&O segment or not. The notice period for record date has been reduced to 7 working days and for board meeting has been reduced to 2 working days.

(C) Uniformity in dividend declaration – Insertion of clause 20A

It has been decided to mandate that listed companies shall declare their dividend on per share basis only. This is expected to bring uniformity in the manner of declaring dividend amongst the listed companies.

(D) **Shareholding pattern for each class of shares and voting rights pattern – Amendment to clause 35**

It is clarified that clause 35 of the listing agreement which gives a format for disclosures of shareholding pattern, is required to be given for each class of security separately. Further, it has been decided to amend clause 35 to provide an additional format for disclosures of voting rights pattern in the company.

3. **All Stock exchanges are advised to :**

- (a) give effect to the above mentioned policy amendments and appropriately amend the relevant Clauses of the Equity Listing Agreement in line with the text of the amendments specified in annexure.
- (b) communicate to SEBI the status of implementation of the requirements of this circular in the next Monthly Development Report.

4. **Applicability**

All the amendments as specified in **Annexure A** shall come into force with immediate effect.

5. This circular is available on SEBI website at www.sebi.gov.in under the categories “Legal Framework” and “Issues and Listing”.

Yours faithfully,

Neelam Bhardwaj

Encl.: Annexure A

Annexure A

1. After clause 5, the following clause shall be inserted, namely:-

“5A. For shares issued pursuant to the public issues or any other issue which remain unclaimed and are lying in the escrow account, the issuer agrees to comply with the following procedure:

- (a) The registrar to the issue shall send at least three reminders at the address given in the application form as well as captured in depository's database asking for the correct particulars. If no response is received, the unclaimed shares shall be credited to a demat suspense account with one of the Depository Participants, opened by the issuer for this purpose.
- (b) Any corporate benefits in terms of securities accruing on such shares viz. bonus shares, split etc., shall also be credited to such demat suspense account.
- (c) The issuer shall maintain details of shareholding of each individual allottee whose shares are credited to such suspense account.
- (d) As and when the allottee approaches the issuer, the issuer shall credit the shares lying in the suspense account to the demat account of the allottee to the extent of the allottee's entitlement after proper verification of the identity of the allottee.
- (e) The suspense account shall be held by the issuer purely on behalf of the allottees who are entitled for the shares and the shares held in such suspense account shall not be transferred in any manner whatsoever except for the purpose of allotting the shares to the allottee as and when he/she approaches the issuer.

- (f) The voting rights on such shares shall remain frozen till the rightful owner claims the shares.
- (g) The issuer shall disclose the following details in its Annual Report, as long as there are shares in the suspense account :
 - (i) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year;
 - (ii) Number of shareholders who approached issuer for transfer of shares from suspense account during the year;
 - (iii) Number of shareholders to whom shares were transferred from suspense account during the year;
 - (iv) aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year;
 - (v) that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares

2. In clause 16:

- (a) the words “or the issue of right” shall be inserted after the words “declaration of dividend” and before the words “or the bonus shares”;
- (b) the words “of at least twenty one days,” appearing after “to exchange the notice in advance” shall be substituted by “of at least seven working days”;
- (c) the sentence “provided that such notice period be reduced from twenty one days to fifteen days in respect of securities which are announced by Securities and Exchange Board of India from time to time to be

compulsorily delivered in dematerialised form by all investors” appearing after “other recognized stock exchanges in India” and before “The issuer further agrees” shall be deleted;

(d) The proviso “Provided that for the purpose of issue of rightother recognized Stock Exchange as well.” shall be deleted ;

(e) In last paragraph, the words “30 days” appearing after the words “a notice period of” and before the words “to the Exchanges for” shall be substituted by “atleast 7 working days”.

3. In clause 19:

(a) In sub-clause (a):

(i) the words “at least 7 days” appearing after the words “issuer will notify exchange” and before “in advance of the date” shall be substituted by “at least 2 working days”; and

(ii) the words “or the issue of right” shall be inserted after the words “the passing over of the dividend” and before the words “is due to be considered”;

(iii) the proviso to sub-clause (a) shall be omitted.

(b) In sub-clause (d), the words “at least 7 days” appearing after “give prior notice” and before “to the stock exchanges” shall be substituted by “at least 2 working days”.

4. After clause 20, the following clause shall be inserted, namely:-

“20A The Issuer agrees to declare and disclose the dividend on per share basis only.”

5. In clause 35:
- (a) In the opening paragraph, after the words “to file the following details” and before the words “with the exchange”, the words “separately, for each class of equity shares/ security” shall be inserted;
- (b) In item (I)(a), in the table containing “**Statement showing Shareholding Pattern**”, in the second row, after the words “Scrip code” the words, “Name of the scrip, class of security” shall be inserted;
- (c) After item (II)(b), the following item shall be inserted, namely:-

“(III)(a) Statement showing the voting pattern of shareholders, if more than one class of shares/securities is issued by the issuer.

(Give description of voting rights for each class of security.

Class X:

Class Y:

Class Z:)

Category code	Category of shareholder	Number of Voting Rights held in each class of securities			Total Voting Rights (III+IV+V)	Total Voting rights i.e. (VI)	
		Class X	Class Y	Class Z		As a percentage of (A+B)	As a percentage of (A+B+C)
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)
(A)	Promoter and Promoter Group						
(1)	Indian						
(a)	Individuals/ Hindu Undivided Family						
(b)	Central Government/ State Government(s)						
(c)	Bodies Corporate						

Category code	Category of shareholder	Number of Voting Rights held in each class of securities			Total Voting Rights (III+IV+V)	Total Voting rights i.e. (VI)	
		Class X	Class Y	Class Z		As a percentage of (A+B)	As a percentage of (A+B+C)
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)
(d)	Financial Institutions/ Banks						
(e)	Any Other (specify)						
	Sub-Total (A)(1)						
(2)	Foreign						
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)						
(b)	Bodies Corporate						
(c)	Institutions						
(d)	Any Other (specify)						
	Sub-Total (A)(2)						
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)						
(B)	Public shareholding						
(1)	Institutions						
(a)	Mutual Funds/UTI						
(b)	Financial Institutions/ Banks						
(c)	Central Government/ State Government(s)						
(d)	Venture Capital Funds						
(e)	Insurance Companies						
(f)	Foreign Institutional Investors						
(g)	Foreign Venture Capital Investors						
(h)	Any Other (specify)						
	Sub-Total (B)(1)						
(2)	Non-institutions						
(a)	Bodies Corporate						
(b)	Individuals - i. Individual shareholders holding nominal share						

Category code	Category of shareholder	Number of Voting Rights held in each class of securities			Total Voting Rights (III+IV+V)	Total Voting rights i.e. (VI)	
		Class X	Class Y	Class Z		As a percentage of (A+B)	As a percentage of (A+B+C)
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)
	capital up to Rs. 1 lakh. ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.						
(c)	Any Other (specify)						
	Sub-Total (B)(2)						
	Total Public Shareholding (B)= (B)(1)+(B)(2)						
	TOTAL (A)+(B)						
(C)	Shares held by Custodians and against which Depository Receipts have been issued						
	GRAND TOTAL (A)+(B)+(C)						

6. In schedule IV, for the words and marks “Dividend (%)”, the words “Dividend Per share” shall be substituted.