



CIRCULAR

CIR/MRD/DP/03/2015

March 24, 2015

To,

All Stock Exchanges

Dear Sir / Madam,

Sub: Establishment of connectivity with both the Depositories NSDL and CDSL – Companies eligible for shifting from Trade for Trade Settlement (TFTS) to Normal Rolling Settlement

1. It was prescribed vide SEBI circular no D&CC/FITTC/CIR-05/2001 dated December 26, 2001 that "the scrips of such companies which have not signed agreements and established connectivity with both the Depositories by September 30, 2001 shall be traded on Trade for Trade Settlement (TFTS) mode in the Rolling Settlement from December 31, 2001. These scrips will be moved into normal Rolling Settlement once they have established connectivity with both the Depositories as per the procedure laid down by SEBI "
2. SEBI has been issuing circulars regularly giving the list of companies which have established connectivity with both the Depositories and have become eligible for shifting from TFTS to Normal Rolling Settlement.
3. It has now been decided that henceforth the following procedure shall be followed for the purpose of shifting of trading in securities from TFTS to Normal Rolling Settlement:
 - a) A company, after establishment of connectivity with both the Depositories, shall approach the stock exchange(s) having nationwide terminals for shifting the trading of its securities from TFTS to Rolling settlement.
 - b) The stock exchange(s) shall verify the establishment of connectivity of the company with both the Depositories.



- c) The stock exchange upon verification of status of establishment of connectivity by the company with both the Depositories may consider shifting the trading in these securities to Rolling Settlement subject to the following:
- i. At least 50% of other than promoter holdings as per clause 35 of Listing Agreement are in dematerialized mode before shifting the trading in the securities of the company from TFTS to Rolling Settlement. For this purpose, the companies shall obtain a certificate from its Registrar and Transfer Agent (RTA) and submit the same to the stock exchange/s. However, if an issuer-company does not have a separate RTA, it may obtain a certificate in this regard from a practicing Company Secretary/Chartered Accountant and submit the same to the stock exchange/s.
 - ii. There are no other grounds/reasons for continuation of the trading in TFTS.
- d) The stock exchanges shall inform the market of the names of companies which have been shifted from TFTS to Rolling Settlement.
4. Stock Exchanges are directed to bring the provisions of this circular to the notice of the companies listed on the exchange and also disseminate the same on their website.
5. This circular is being issued in exercise of powers conferred under 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.

Yours faithfully,

Maninder Cheema
Deputy General Manager
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