

29th August 2019

NOTICE

Sub: Disclosure of reasons for encumbrance by promoter of listed companies

To all Listed Companies

Attention of such aforesaid listed companies are drawn to SEBI Circular Ref. No. [SEBI/HO/CFD/DCRI/CIR/P/2019/90](#) dated August 07, 2019 (copy available at CSE web-site at [www.cse-india.com](#) and SEBI web-site at [www.sebi.com](#)) wherein

“In order to bring greater transparency regarding reasons for encumbrance, particularly when significant shareholding by promoter along with persons acting in concert (PACs) with him is encumbered, it has been decided to prescribe additional disclosure requirements under Regulation 31(1) read with Regulation 28(3) of Takeover Regulations, as follows, -

The promoter of every listed company shall specifically disclose detailed reasons for encumbrance if the combined encumbrance by the promoter along with PACs with him equals or exceeds:

- a) 50% of their shareholding in the company; or
- b) 20% of the total share capital of the company,

in the format provided at Annexure – II of this circular, within two working days from the creation of such encumbrance. Such disclosures will be warranted on every occasion, when the extent of encumbrance (having already breached the above threshold limits) increases further from the prevailing levels.”

The said Circular also states as follows:

“The disclosure in Annexure – II shall be in addition to the disclosure of Annexure - I provided vide circular No. CIR/CFD/POLICYCELL/3/2015 dated August 05, 2015.”

The provisions of this circular shall come into effect from October 01, 2019.

This is for information and necessary action.

CS Chandrani Datta
Executive-Listing

