



CIRCULAR

SEBI/Cir/ISD/ 2 /2010

October 26, 2010

To,

All the Recognized Stock Exchanges

Dear Sir/Madam,

Sub: Clarification on Trading Rules and shareholding in dematerialized mode

1. This is further to SEBI circular SEBI/Cir/ISD/1 /2010 dated September 02, 2010 regarding Trading Rules and shareholding in dematerialized mode.
2. It is clarified that while computing the requirement of minimum 50% shareholding of non-promoters in demat form in a company, the government holding in non promoter category may be excluded.
3. The Stock Exchanges are advised to:
 - put in place the adequate systems and issue the necessary guidelines for implementing the above decision.
 - make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision immediately.
 - bring the provisions of this circular to the notice of the member brokers of the Exchange and also to disseminate the same on the website.
 - communicate to SEBI, the status of the implementation of the provisions of this circular in the Monthly Development Report.
4. 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 interests of investors in securities and to promote the development of, and to regulate the securities market.
5. This circular is available on SEBI website at www.sebi.gov.in

Yours faithfully,

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