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## SYSTEM DRIVEN DISCLOSURES UNDER PIT REGULATIONS

HISTORY

APPLICABILITY

REGULATION 7(2)

PROCESS





**AUTOMATION OF CONTINUAL DISCLOSURES UNDER REGULATION 7(2) OF SEBI  
(PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015 - SYSTEM DRIVEN DISCLOSURES.**

**HISTORY OF AUTOMATION OF CONTINUAL DISCLOSURES UNDER REGULATION 7(2) OF SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015 - SYSTEM DRIVEN DISCLOSURES.**

- Earlier, in December 2015 SEBI had notified SDD in the first phase shall pertaining to acquisition/disposal of equity shares by promoters/promoter group based on specified thresholds under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ('SAST Regulations') and PIT Regulations and pledge of equity shares by promoters/promoter group under the SAST Regulations. Thereafter in May 2018 next phase of SDD was implemented for disclosure under Reg 29 (1) and 29 (2) of SAST Regulations by non-promoters and continual disclosures under Reg. 7 (2) of PIT Regulations for directors and employees.
- With introduction of present Circular the aforesaid circulars dated December 01, 2015, December 21, 2016 and May 28, 2018 stands superseded with respect to implementation of SDDs under PIT Regulations. It continues to remain in force in relation to disclosures under SAST Regulations

**APPLICABILITY**

SDD under PIT Regulations is applicable for continual disclosures relating to trading in equity shares and equity derivative instruments i.e. Futures and Options of the listed company (wherever applicable) by the entities by members of promoter group and designated persons in addition to the promoters and directors of the company (collectively referred as '**Entities**'). Therefore, at this stage, continual disclosure w.r.t. trading in listed debt instruments or listed preference shares are not system driven and requires disclosure in the manner provided in Reg. 7 (2)

**REGULATION 7(2)**

As per Regulation 7(2) of PIT Regulations, every promoter, member of the promoter group, designated person and director of every company are required to disclose to the company, within two trading days, about the transaction related to the acquisition or disposal of securities if the value of such transaction, either individually or combined value of series of transactions **exceed ten lakh rupees over any calendar quarter**. Also, there is an onus on the company to intimate information about such transaction to the stock exchange on whose platform the securities of such company are listed, within two trading days of receipt of the disclosure or on becoming aware of such information.



Entities are required to comply with existing system for providing disclosure to the company under PIT Regulations as applicable to them till March 31, 2021. However, depositories and stock exchanges are required to adopt suitable arrangement for generating SDDs under PIT Regulations and such disclosures shall be disseminated on the website of respective stock exchanges w.e.f. October 01, 2020.

## **PROCESS**

Pursuant to SEBI circular dated May 28, 2018, the listed entity was required to select one of the depositories as a 'Designated Depository' (DD) for the purpose of disclosure of data for that particular company.

Pursuant to the present Circular, the listed entity shall provide the information including PAN number of Entities to the DD in manner and format prescribed by the depositories within 10 days of this circular, i.e. **upto September 19, 2020.**

However, in case of PAN exempted entities, the listed company shall provide demat account number of entities. The DD shall share such information with other depository.

In case of subsequent changes in the details of the Entities, the listed company shall update the DD, on the same day and the DD shall share such updated information to other depository on the same day on which information received from the listed company.

Based on information of PAN or demat account number, as the case may be, the depositories shall tag such demat accounts in their system at ISIN level. This would facilitate depositories to track trading activities of Entities and to monitor ceiling prescribed under Regulation 7(2) of PIT Regulations for the purpose of disclosure requirements.

The depositories shall provide the following data regarding tagged demat account to the stock exchanges on daily basis.

- Details of transactions for pledge/revocation/invocation of shares and other encumbrances such as NDU etc. of the entities.
- Details of off market transactions of the entities.
- Details of transmission of shares of the entities.
- Details of corporate actions such as ESOPs, Bonus, Rights, etc. of the entities
- Additionally, details of market transfers in case of PAN Exempt entities.

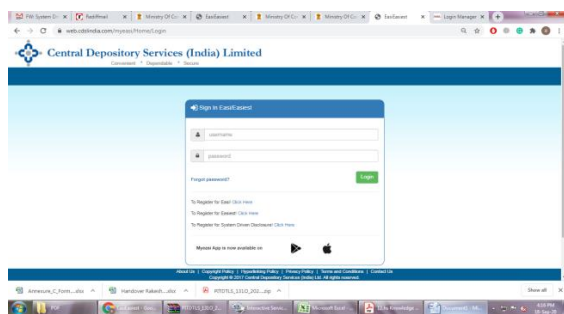
Based on the above data, stock exchange will identify transactions carried out in their trading system and such trading information shall be shared by stock exchange with other stock exchanges where the securities of the company are being listed. Every stock exchange shall consolidate such information of various trading activities and if the consolidated transaction value exceeds the ceiling prescribed under PIT Regulations then the Stock exchange shall disseminate information about these transactions on its websites.

## **DETAILS REQUIRED FOR SYSTEM DRIVEN DISCLOSURE -**

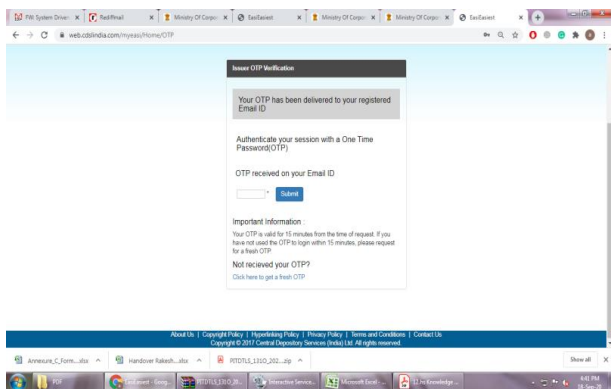
- Issuer code
- Name of Promotor/ Director / Designated person
- Category Level of Promotor/ Director / Designated person
- DIN of directors
- PAN number
- DPID (in case of pan exempted entities)
- Depository flag for BOID (N or C)

## **PROCESS REQUIRED FOR SUBMITTING INFORMATION WITH RESPECTIVE STOCK EXCHANGE**

**Step 1.** Login to CDSL / NSDL Portal and enter User ID and Password.



**Step 2.** Company will receive OTP on registered email ID.





### **Step 3.** Click on prohibition of insider trading upload.

Central Depository Services (India) Limited

Prohibition of Insider Trading

Download Form

Prohibition of Insider Trading Upload

Prohibition of Insider Trading Inquiry

Prohibition of Insider Trading Detail Inquiry

I, the undersigned, being a duly authorized representative of the Issuer/Company, accept and agree to be bound by the terms and conditions.

2. CDSL shall not be responsible or liable for the accuracy, completeness or availability of any information provided by Issuer/Company.

3. I hereby agree that all information submitted by me is correct and authentic.

4. I have read & understood CDSL circular no. SEBI/CD/DP/CS/HR/DP/158 dated May 26, 2016 regarding "System-driven Disclosures in Securities Market".

5. I hereby agree that any change in the information will be intimated to CDSL within the prescribed timeline.

[ Agree ]

### **Step 4.** Select respective stock exchange and upload excel file.

Central Depository Services (India) Limited

Prohibition of Insider Trading

Download Form

PIT Upload

Upload File

Choose File

Upload

Help For PIT Upload :

1. File Naming Convention - PITDTLS\_<Issuer Code>\_<<DATE -YYYYMMDD>>\_<<3 digit running sequence number>>.xls

File Naming example: PITDTLS\_1000\_20160801\_001.xls

Download Sample Upload File

2. Help for the Values in the Data :

1. For a CEO, Director and Employees, PAN is to be provided. In case of PAN exempt cases, BO ID details should be provided.

2. Foreign Nationals who are directors in listed companies and do not have PAN, companies need not provide their details, as and when the foreign directors obtain PAN, the company may provide the details to CDSL.

3. Effective date (YYYYMMDD) is the date on which CDSL would initiate monitoring. To start with the effective date would be 1-Aug-2016 as per SEBI circular dated 28th May 2016. The column viz. Effective date should be in this format.

4. Category / Level/ Director/ Employees can be defined as:

1. Director

2. CEO with Designation

3. CEO - without Designation

4. Employees with Designation

### **Important Points -**

1. File Naming Convention – PITDTLS\_<<Issuer Code>>\_<<DATE -YYYYMMDD>>\_<<3 digit running sequence number>>.xls
2. For a Promoter, CEO, Director and Designated Persons, PAN is to be provided. In case of PAN exempt cases, BO ID details should be provided.
3. Foreign Nationals who are Promoters / directors / Designated Persons in listed companies and do not have PAN or Demat Account, companies need not provide their details. As and when the foreign Promoters / directors / Designated person obtain PAN, the company may provide the details to CDSL.

Using above Material for commercial purpose is subject to prior approval of HS Associates



4. Effective date (YYYYMMDD) is the date on which CDSL would initiate monitoring. The column viz; Effective date should be in text format.
5. Category / Level (Promoter / Director / Designated Person) can be defined as 1) Director, 2) CEO with Directorship, 3) CEO – without Directorship, 4) Employees upto two levels below CEO, 5) Promoter, 6) Promoter Group and 7) Other Designated Person.
6. Director Identification number to be provided in case of Directors / CEO with Directorship. The column should be in text format. For Directors of co-operative Banks where DIN is not present should enter the value as D9999999.
7. In case of PAN exempt entity Issuer needs to enter the value in Depository Indicator column as C for CDSL BOID and N for NSDL BOID along with the BOID in BOID column.

**FEEL FREE TO CONTACT FOR FURTHER ASSISTANCE**

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