

Circular No.: NSDL/POLICY/2019/0044

July 24, 2019

Subject: Enhancement in Tender Offer Process.

Attention of Participants is invited to NSDL Circular Nos. NSDL/POLICY/2017/0007 & NSDL/POLICY/2017/0010 dated February 6, 2017 & March 2, 2017 respectively regarding Acquisition of Shares pursuant to Tender-Offer through Stock Exchange Mechanism. In this regard, the tender offer process has been enhanced and the detailed features of enhanced Tender Offer process is enclosed as **Annexure**. The aforesaid features have been released in eDPM on EOD of July 23, 2019.

Participants are requested to take note of the above.

For and on behalf of
National Securities Depository Limited

Chirag Shah
Senior Manager

Enclosed: One

FORTHCOMING COMPLIANCE			
Particulars	Deadline	Manner of sending	Reference
Investor Grievance Report (Monthly)	By 10 th of the following month.	Through e-PASS	Circular No. NSDL/POLICY/2015/0096 dated October 29, 2015
Compliance Certificate (January - June)	July 31st every year	Digitally signed compliance certificate by email at nsdl-bp-inspection@nsdl.co.in Alternatively, by hard copy to Inspection Department.	Circular No. NSDL/POLICY/2010/0017 dated February 22, 2010 and Circular No. NSDL/ POLICY/2018/0028 dated May 21, 2018.

Digitally signed by

Name : Chirag Shah
Date : 24-07-2019 20:03:34
Reason : Authentication

**National Securities Depository Limited**

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Enhancement in respect of Tender Offer process:

1 Allowing Submission of Tender Offer instructions till EOD of Bid end date.

In the current Tender Offer Process, Participants were allowed to execute account transfer instructions in respect of Tender offer in eDPM system after the Bid end date, till pay-in deadline time on Settlement Date. The aforesaid tender offer instructions executed after the Bid end date were not considered by exchanges as bidding process was already over. Hence, Tender Offer instructions execution process has been enhanced wherein the Participants will be allowed to submit Tender Offer instructions in eDPM system only till **EOD of Bid end date**. The Tender offer instructions submitted after the EOD of Bid end date will not be allowed and the error viz., "Execution date is after the Offer End date" will be shown on eDPM system. Accordingly, following error code is added in the static codes of DPM system.

Error Code	Error Code Description
TOBH74	Execution date is after the Offer End date

2 Cancellation of Tender Offer Instruction which are in 'Overdue' status at the EOD of Bid end date in eDPM system.

As per the existing process, upon submission of the account transfer instruction in respect of tender offer in eDPM system, if sufficient balance is available in the demat account of the client, requisite quantity is blocked till the execution of Pay-in process on Settlement date. However, if sufficient balance is not available in the demat account of the client, the instruction will remain in 'Overdue' status till execution of Pay-in process

on Settlement date and after execution of Pay-in process such instructions will get rejected.

The aforesaid process has been enhanced and the Tender Offer instructions which are in 'Overdue' status will get 'Rejected' at EOD of Bid end date with the following rejection reason. Accordingly, following reason code is added in the static codes of DPM system.

Rejection Code	Reason Code Description
TND004	Cancelled, overdue status on Tender Offer Bid End Date

3 Facility for Cancellation of Tender Offer Instruction to the Clearing Corporations (CCs)

In existing mechanism, based on the intimation received from CCs regarding Bid cancellation, NSDL enables the facility to Participants to cancel the Tender Offer-Account Transfer Instructions in eDPM system. Further, the cancellation of Tender Offer - Inter Depository Transfer (IDT) Instructions is being executed from NSDL end.

The aforesaid facility for cancellation has been enhanced and the provision for cancellation of Tender Offer – Account Transfer and IDT Instructions is being provided to the CCs. Further, in respect of cancellation of Tender Offer - Account Transfer Instructions, the securities which are in blocked account in respect of tender offer instructions will become free in the client's demat account. Further, in case of cancellation of Tender Offer – IDT Instructions, the securities will be credited to the Clearing Member pool account maintained with NSDL, and the Clearing Member will need to monitor and transfer the securities out of the pool account.

Accordingly, Participants are requested to take note that a new booking narration code is added in back-office system for cancellation of Tender offer in respect of IDT instructions by CCs.

Booking Narration Code	Booking Narration Description
11535	TENDER_OFR_CC_SETTLEMENT_CM_POOL_CANCEL