**Circular No.: NSDL/CIR/II/33/2023** **August 17, 2023**

**Subject: Reconciliation Of Share Capital Audit Report**

All Issuers / R&T Agents are hereby notified that SEBI has directed depositories to jointly carry out reconciliation of share capital of listed companies under equity segments submitted by exchanges (BSE, NSE and MSEI) to depositories on quarterly basis and in case of any mismatch in share capital, the depositories submit the Reconciliation of Share Capital Audit report to SEBI.

Depositories during the process of aforesaid reconciliation of share capital, considers

1. The total number of shares held in NSDL and CDSL depository system
2. Number of shares held in physical form and the issued capital from the reconciliation of share capital audit report submitted by the listed companies to stock exchanges on quarter end
3. in case of any mismatch in share capital, the depositories submit the Reconciliation of Share Capital Audit Report to SEBI.

During the aforesaid exercise, instance of erroneous confirmation of the demat request instead of rejection were reported resulting in mismatch in share capital. SEBI has now directed as follows:

1. Ensure that RTAs put in place appropriate mechanism to ensure non-recurrence of such errors in the future.
2. RTAs are advised to have suitable SOP in this regard.

Issuers / R&T Agents are advised to take note of the above and comply with the aforesaid directions.

For and on behalf of
**National Securities Depository Limited**

RAKESH M MEHTA Digitally signed by RAKESH M MEHTA
Date: 2023.08.17 15:08:50 +05'30'

**Rakesh Mehta**
**Vice President**