



## **SHAREHOLDERS' HANDBOOK**

### **Kirloskar Brothers Limited**

“Yamuna”, Survey No. 98 (3-7), Plot No. 3, Baner, Pune,

Maharashtra – 411 045

Tel No.: (020) 2721 1030 | Fax: (020) 2721 1136

Email: [secretarial@kbl.co.in](mailto:secretarial@kbl.co.in)

Website : [www.kirloskarpumps.com](http://www.kirloskarpumps.com)

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### **Introduction and Basic Details**

Dear Shareholders,

The Investors' handbook aims to guide the shareholders of Kirloskar Brothers Limited in resolving their general queries relating to the shareholding, dividend, investor service requests and matter related thereto. This handbook aims to provide relevant details to the shareholders with the objective of quicker resolution to their queries and ensuring compliances.

### **BASIC DETAILS**

<b>Registered and Corporate Office</b>	<b>Kirloskar Brothers Limited</b> “Yamuna”, Survey No. 98 (3-7), Plot No. 3, Baner, Pune, Maharashtra – 411 045 Tel No.: (020) 2721 1030   Fax: (020) 2721 1136 Email: <a href="mailto:secretarial@kbl.co.in">secretarial@kbl.co.in</a> Website : <a href="http://www.kirloskarpumps.com">www.kirloskarpumps.com</a>	
<b>Investors' Grievance Redressal – Email ID</b>	Email IDs for investors to register their queries and grievances. <a href="mailto:secretarial@kbl.co.in">secretarial@kbl.co.in</a> & <a href="mailto:grievance.redressal@kbl.co.in">grievance.redressal@kbl.co.in</a>	
<b>Registrar &amp; Transfer Agent (RTA)</b>	<b>M/s Bigshare Services Private Limited,</b> (Unit: Kirloskar Brothers Limited), Office No. S6-2, 6 <sup>th</sup> Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai - 400 093 Tel. No. 022 – 62638200, 022 62638222   Fax No. +91 22 62638299 Email: <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a> Website: <a href="http://www.bigshareonline.com">www.bigshareonline.com</a>	
<b>BSE Limited</b> 2 <sup>nd</sup> Floor, New Trading Ring, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 BSE Scrip Code – <b>500241</b>		<b>National Securities Depository Limited</b> 3 <sup>rd</sup> Floor, Naman Chamber, Pot C-32, G -Block, Bandra-Kurla Complex, Bandra East, Mumbai – 400 051, Maharashtra
<b>National Stock Exchange of India Ltd.</b> 5 <sup>th</sup> Floor, Exchange Plaza, Bandra (East) Mumbai - 400 051 NSE Symbol – <b>KIRLOSBROS – EQ</b>		<b>Central Depository Services (India) Ltd.</b> Marathon Futurex, A-Wing, 25 <sup>th</sup> floor, NM Joshi Marg, Lower Parel, Mumbai- 400013

International Security Identification Number (ISIN) – **INE732A01036**

### **Capital Structure**

<b>I. Authorized Share Capital:</b>	Rs. 50,00,00,000 [25,00,00,000 Equity shares of Rs. 2/- each]
<b>II. Issued, Subscribed and Paid up share capital:</b>	Rs. 15,88,17,852 [7,94,08,926 Equity shares of Rs. 2/- each]



With the existing large shareholder base there are multiple investor service requests which are raised and are required to be addressed/ replied and processed accordingly. Thus, below are the standard procedures with required formats and documents to help the investors while submission of their service requests and related queries:

**Standard procedure for Investor Service Requests:**

Commonly for all applications like transmission, duplicate, unclaimed dividend, IEPF claim, requiring submission of original documents physically, kindly follow below steps:

1. Send an email to ([investor@bigshareonline.com](mailto:investor@bigshareonline.com) & [secretarial@co.in](mailto:secretarial@co.in) ) with necessary attachment like share certificate, dividend warrant and KYC documents explaining the case and background.
2. Accordingly, necessary procedure and formats will be provided to complete the said investor service request.
3. On necessary execution of documents in prescribed formats, send the originals through post / courier to:

**Bigshare Services Private Limited, Registrar and Share Transfer Agent (RTA)**

(Unit: Kirloskar Brothers Limited),

Office No. S6-2, 6<sup>th</sup> Floor, Pinnacle Business Park,

Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai - 400 093

4. Further, send the dispatch details of documents sent, through email on:
  - [Investor@bigshareonline.com](mailto:Investor@bigshareonline.com)
  - [secretarial@kbl.co.in](mailto:secretarial@kbl.co.in)
5. The said application documents will be reviewed by RTA & Company and update will be given accordingly.

**How to update KYC details like Address, Mobile number, Email ID, etc.?****For shares held in electronic / demat form:**

<b>A.</b>	Intimate the change of address to the depository participant (where you hold the demat account) and not to the company or the Registrar and share transfer agent.
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**For shares held in physical form:**

<b>A.</b>	Write to the Registrar and Transfer Agent i.e. Bigshare Services Private Limited, informing about the KYC details to be updated.
<b>B.</b>	Please ensure that your signature appearing in request letter is as per the specimen signature registered with us. In case of joint holding, all the joint holders should sign such request.

**Document requirement:**

Request letter	On plain paper
Self-attested proof of identity (PAN / Passport / Driving License)	-
Self-attested proof of Address (Passport / Aadhar / Utility Bill)	-
KYC Form	Form ISR-1
Bank signature verification form signed and attested by the Bank where bank account is held.	Form ISR-2
Cancelled Cheque or Passbook 1 <sup>st</sup> Page copy	-

**How to register the Electronic Clearing Service (ECS) Mandate Request?****For shares held in electronic / demat form:**

<b>A.</b>	Instruct the same to depository participant (where you hold the demat account) and not to the company or the Registrar and share Transfer Agent.
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**For shares held in physical form:**

<b>A.</b>	An application for electronic clearing service (ECS) mandate to be submitted for electronic credit of dividend / other payments pertaining to shares held in physical form.
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**Document requirement:**

Electronic Clearing Service (ECS) Mandate request, certified by Bank	ECS Mandate Form
Self-attested PAN Card	-
Self-attested- bank statement not older than 3 months	-

**How to register, change, remove nominee for shares held?****For shares held in electronic / demat form:**

<b>A.</b>	Update the nominee details at your depository participant (where you hold the demat account) and not with company or the Registrar and share transfer agent.
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**For shares held in physical form:**

<b>A.</b>	A shareholder may at any time nominate a person to whom his/her shares shall vest in the event of his/her death. Where the shares are held by more than one person jointly, the joint holders may together nominate a person to whom all the rights in the shares shall vest in the event of death of all the joint holders.
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**Instructions:**

1.	The Nomination can be made by individual only, holding shares on; their own behalf, singly or jointly. Non-individuals including trust, society, partnership firm, Karta of Hindu Undivided Family, holder of power of attorney cannot nominate. If the shares are held jointly, all joint holders will have to sign the nomination form.
2.	A minor can be nominated by a holder of shares and in that event the name and address of the guardian shall be given by the holder.
3.	The nominee shall not be a trust, society, body corporate, partnership firm, Karta of Hindu Undivided Family or a power of attorney holder.
4.	Nomination stands rescinded upon transfer of share(s).
5.	Transfer of shares in favour of a nominee shall be a valid discharge by the Company against the legal heir.

**Document requirement:**

To register a nominee	- Form SH-13
To revise / cancel the nominee	- For SH-14
For Opting-out of Nomination	- ISR-3
Self-attested copy of PAN Card of nominee	-

**How to get the Duplicate Share Certificate in case of loss of original one?**

<b>A.</b>	<p>Please send an email to RTA and the Company with attachment of torn share certificate, letter received in past from RTA / Company, dividend warrant, KYC docs, etc and confirm below details with the Company about the shareholding:</p> <ol style="list-style-type: none"> <li>Whether your shares have been transferred to IEPF.</li> <li>Certificate Nos / Distinctive Nos / Folio No / Number of Shares</li> </ol>
<b>B.</b>	In case of torn, mutilated, defaced, destroyed or lost share certificate(s), the shareholders are eligible to receive duplicate share certificate(s) in lieu of the same.
<b>C.</b>	The shareholder(s) have to surrender their original torn, defaced or mutilated share certificates to the company, along with a request for issue of a duplicate share certificate(s).
<b>D.</b>	In respect of lost / misplaced share certificates, immediately on receipt of the complaint from the concerned shareholder(s), company registrar would be marking a “stop transfer” in the system to enable not to proceed with any further transaction on the said share certificate(s).
<b>E.</b>	Upon verification of the records, shareholder shall submit the request along with original executed copies of below listed documents:
<b>F.</b>	After processing the service request, the RTA shall issue a ‘Letter of Confirmation’ to the securities holder/claimant, which will be valid only for 120 days. Using this ‘Letter of Confirmation’, the securities holder/claimant shall request the DP to dematerialize the securities, failing which the securities shall be credited to the Suspense Escrow Demat Account of the Company.

**Document requirement:**

An indemnity bond to be executed on a Rs.500/- stamp paper in favour of the Company and duly attested/notarized.	Annexure A
An affidavit to be executed on a Rs. 500/- stamp paper and duly attested by the S.E.M or Oaths Commissioner or Notary Public.	Annexure B
Newspaper Advertisement regarding loss of share certificate in a widely circulated newspaper format <u>(if value of the securities exceeds Rs. 5 Lakhs)</u>	Advertisement Format
Copy of First Information Report (FIR / e-FIR / Police Complaint/ Court Injunction order) having details of securities, folio number, distinctive number range & certificate number. <u>(if value of the securities exceeds Rs. 5 Lakhs)</u>	-



Investor Service Request	ISR-4
Attested copy of PAN card	-
Self-attested copy of address proof i.e. Aadhar Card, Election Card, Driving License, Passport, Electricity Bill, Telephone Bill, etc. to be provided by applicant/s (shareholder/s). Utility bill should not be older than 3 months.	-
KYC Form	ISR-1
Bank signature verification form signed and attested by the Bank where bank account is held.	ISR-2
Client Master List (CML) for demat account. (Provided by depository participant where demat account is held confirming account status as 'Active'. Name on CML shall sync with name of shareholder in company register)	-
Cancelled cheque of bank account from which ISR-2 is obtained	-

- Other Documents

- a. In case any of the joint holder is deceased, notarized copy of his/her death certificate will have to be furnished. If the death certificate is in any other language other than English, a translated copy duly attested by Gazetted Officer or Notary Public to be furnished.
- b. In case of name change due to marriage or any other reason, notarized copy of marriage certificate/ government gazette will have to be furnished.
- c. If the signature of the shareholder/s is not registered with the Company, signature verification form duly attested by the bank will have to be furnished.

**In case of the death of shareholder(s), how to get shares transmitted in name of legal heir(s)?**

<b>A.</b>	<p>Please send an email to RTA and the Company with attachment of torn share certificate, letter received in past from RTA / Company, dividend warrant, etc and confirm below details with the Company about the shareholding:</p> <ol style="list-style-type: none"> <li>Whether your shares have been transferred to Investor Education and Protection Fund (IEPF).</li> <li>Whether any nominee is registered for the said shares, if yes, name of the same.</li> </ol>
<b>B.</b>	Upon verification of the records, shareholder shall submit the request along with original executed copies of below listed documents for transmission of shares:
<b>C.</b>	After processing the service request, the RTA shall issue a 'Letter of Confirmation' to the securities holder/claimant, which will be valid only for 120 days. Using this 'Letter of Confirmation', the securities holder/claimant shall request the DP to dematerialize the securities, failing which the securities shall be credited to the Suspense Escrow Demat Account of the Company.

**Document requirement:**

Where securities are held in single name with a nomination:

Signed transmission request form by nominee	Annexure C
Original death certificate or copy of death certificate attested by nominee or attested by a notary public or by a gazetted officer.	-
Original share certificate	-
Self-attested copy of PAN card of nominee.	-
Self-attested copy of address proof i.e. Aadhar Card, Election Card, Driving License, Passport, Electricity Bill, Telephone Bill, etc. to be provided by applicant/s (shareholder/s). Utility bill should not be older than 3 months.	-
KYC Form	ISR-1
Bank signature verification form signed and attested by the Bank where bank account is held.	ISR-2
Investor service request	ISR-4
Client master list for demat account (Provided by depository participant where demat account is held confirming account status as 'Active')	-
Cancelled cheque of bank account from which ISR-2 is obtained	-

Where securities are held in single name without nomination, below docs in addition to above:

Notarized affidavit from all legal heirs on stamp paper of INR 500/-  In case the legal heir is named in any of the documents listed below, then affidavit from such legal heir would suffice.	Annexure D
Notarized Indemnity Bond from legal heir on stamp paper of INR 500/-	Annexure E
Notarized No objection certificate from all non-claimants on stamp paper of INR 500/-	Annexure F
<u>Any of the below if value of the securities exceeds Rs. 5 Lakhs):</u>  a. Succession Certificate or b. Will / Probate of Will or c. Letter of administration or d. Court Decree or e. Legal Heirship Certificate with Indemnity Bond in Annexure E and NOC in Annexure F	-

### Important Points to be noted:

- There is no limit on maximum number of legal heirs in whose name shares can be transmitted however, shares can be held jointly by maximum three persons (legal heirs).
- If the applicant is/are illiterate, his/her/their thumb impression must be attested by a Magistrate or Notary Public under the seal of his office or Bank Manager.
- Proof of identification and Signature verification form has to be provided for each applicant.
- A passport size photograph of applicant duly signed by him/her on the reverse.
- Please annex all the documents required along with this application itself to avoid delay in transmission process. The application will be accepted and processed only on receipt of all the documents.

### How to transfer the shares held through physical share certificate?

As per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 and vide Notification dated November 30, 2018, requests for effecting transfer of shares shall not be processed unless the shares are held in the dematerialized form with a depository w.e.f. April 01, 2019.

Hence, if you are holding shares in physical form and wish to sell the shares to a third party through Stock Exchange/ off market, please get the shares dematerialized and credited in your demat account. The shareholders need to contact their depository participant (DP) with whom your demat account is maintained to know the procedure for transferring the shares.

**How to claim unpaid dividend?**

As per the SEBI circular on “Strengthening the Guidelines and Raising Industry standards for RTA, Issuer Companies and Banker to an Issue” dated April 20, 2018, payment of unpaid/unclaimed dividend, revalidation of dividend warrant/demand draft etc. would be executed via electronic bank transfer only (RTGS/NEFT).

**Procedure for claiming the unpaid/unclaimed dividend:**

<b>A.</b>	Please send an email to RTA and the Company attaching scanned unpaid dividend warrants and confirm below details:  1. Year-wise details of total unpaid dividend. 2. Whether the dividend is transferred to IEPF.
<b>B.</b>	Upon verification of the details, shareholder shall submit the request along with original executed copies of below listed documents for payment of unpaid dividend:
<b>C.</b>	Upon receipt of the application and after verification & reconciliation of Bank statement, Company will pay the unclaimed/unpaid dividend via electronic bank transfer.

To register the bank details with the Registrar and Transfer Agent:

**Document requirement:**

Where securities are held in single name with a nomination:

Request letter with subject line “Revalidation of Dividend Warrant” with Folio No. or Demat a/c no. and Company Name duly signed by the shareholder(s).	-
PAN and Aadhaar Card self-attested	-
Original Dividend warrant(s), if not in possession, provide Letter of Undertaking duly signed by the shareholder(s) (Format of LOU attached herewith as per format)  [Notarized LOU on stamp paper of INR 500 is required in case claim value more than INR 10,000]	Format for letter of undertaking
Original personalized cancelled cheque leaf	-
Client Master List of Demat a/c (If shares are held in Demat Form) – Bank details should match with the original cancelled cheque leaf	-

**Procedure – Claim back shares / unclaimed dividend from IEPF**

Details of Nodal Officer for **Kirloskar Brothers Limited**

**Name:** Mr. Devang Trivedi

**Designation:** Company Secretary & Nodal Officer

**Email ID:** [grievance.redressal@kbl.co.in](mailto:grievance.redressal@kbl.co.in)

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Auditing, Transfer and Refund) Rules, 2016, the shares on which dividend has remained unpaid or unclaimed for seven consecutive years or more, will be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government in terms of Section 125 of the Companies Act, 2013.

Shareholders / their legal heirs may claim the said shares under the provisions of the Companies Act, 2013 by following the below mentioned procedure:

**Procedure for claim of refund of shares from IEPF authority:**

<b>A.</b>	A separate application has to be made to the IEPF Authority in Form IEPF-5 by registering yourself for filing Web IEPF-5 Form on below given link:  <a href="https://www.mca.gov.in/content/mca/global/en/foportal/fo-user-registration.html">https://www.mca.gov.in/content/mca/global/en/foportal/fo-user-registration.html</a>
<b>B.</b>	The claimant, after making an application in Form IEPF-5, has to send the requisite documents to Bigshare Services, RTA / Kirloskar Brothers Limited, Company, for verification of claim.
<b>C.</b>	After submission of documents, claimant is required to update the dispatch details against the said IEPF-5 Claim submitted, by logging into the registered account through which claim has been submitted.
<b>D.</b>	After updating dispatch details, send an email communication on below IDs with details of IEPF-5 SRN, Dispatch Details, Folio No. / DP & Client ID, Name of the shareholder, etc.
<b>E.</b>	RTA and Company will review the documents and shall file IEPF Verification report against the claim, within 30 days.
<b>F.</b>	Upon filing of IEPF Verification report by the Company, the application gets forwarded to IEPF Authority for necessary review and processing.
<b>G.</b>	On approval of IEPF Authority, to the application made, shares and unpaid dividend thereto, which were transferred to IEPF will be credited to respective Demat and Bank account, details of which were given in the IEPF Claim.

**Document requirement:**

Self-attested copy of IEPF-5 Form filed along with Acknowledgment	-
Notarized Indemnity Bond in original	-
Client Master List for demat account wherein shares are to be credited	-
Cancelled Cheque of bank account linked to the said demat account	-
Original Share Certificate or Certificate of Entitlement, in case of Transmission / Duplicate, etc.	-
Self-attested PAN Card and Address proof like Aadhar Card / Passport / Utility bills not older than 3 months.	-

1. Please read instructions provided on website/instruction kit carefully before filling the form.
2. On successful uploading of form, an 'acknowledgement' will be generated indicating the SRN. Shareholders are requested to note the SRN for future tracking of the form.

**Procedure for claim of dividend from IEPF authority**

In terms of the provisions of Section 125 of the Companies Act, the dividend which remained unclaimed / unpaid for seven years is liable to be transferred to Investor Education and Protection Fund (IEPF) ("IEPF Authority"). Shareholders may claim such dividend, by following the below mentioned procedure;

<b>A.</b>	A separate application has to be made to the IEPF Authority in Form IEPF-5 by registering yourself for filing Web IEPF-5 Form on below given link.  <a href="https://www.mca.gov.in/content/mca/global/en/foportal/fo-user-registration.html">https://www.mca.gov.in/content/mca/global/en/foportal/fo-user-registration.html</a>
<b>B.</b>	The claimant, after making an application in Form IEPF-5, has to send the requisite documents to Bigshare Services, RTA / Kirloskar Brothers Limited, Company, for verification of claim.
<b>C.</b>	After submission of documents, claimant is required to update the dispatch details against the said IEPF-5 Claim submitted, by logging into the registered account through which claim has been submitted.
<b>D.</b>	After updating dispatch details, send an email communication on below IDs with details of IEPF-5 SRN, Dispatch Details, Folio No. / DP & Client ID, Name of the shareholder, etc.
<b>E.</b>	RTA and Company will review the documents and if found okay, shall file IEPF Verification report against the claim, within 30 days.
<b>F.</b>	Upon filing of IEPF Verification report by the Company, the application gets forwarded to IEPF Authority for necessary review and processing.
<b>G.</b>	On approval of IEPF Authority, to the application made, shares and unpaid dividend thereto, which were transferred to IEPF will be credited to respective Demat and Bank account, details of which were given in the IEPF Claim.

**Document requirement:**

Self-attested copy of IEPF-5 Form filed along with Acknowledgment	-
Notarized Indemnity Bond in original [on stamp paper of INR 500]	-
Client Master List for demat account wherein shares are to be credited	-
Cancelled Cheque of bank account linked to the said demat account	-
Original Share Certificate / Certificate of Entitlement	-

**Note on Shares After Scheme of Arrangement**

The Scheme of Arrangement between Kirloskar Brothers Limited (KBL), Kirloskar Brothers Investments Limited (KBIL) and their respective shareholders had been duly approved by the Hon'ble High Court of Judicature at Bombay on January 22, 2010. The Appointed Date for the scheme was April 16, 2009 and the Effective Date as per the scheme was March 2, 2010.

In accordance with the Scheme, the shareholders of KBL holding say 20 (Twenty) equity shares of Rs. 2/- each as on the Record Date, were entitled to receive 15 (Fifteen) new equity shares of Rs. 2/- each of KBL after reduction of capital and 1 (One) equity share of Rs. 10/- of KBIL.

Shareholders holding share certificate/s for their KBL shares, desiring to continue to hold KBL new equity shares and KBIL equity shares in the physical form, were issued new share certificates in lieu of the original KBL share certificate/s.

The KBL and KBIL new share certificates for such equity shares, in the above mentioned ratio, under the Scheme were directly dispatched to the concerned shareholder/s by M/s. Link Intime India Private Limited (erstwhile Registrar and Transfer Agent). In case on non-receipt of such certificates, shareholders will have to comply with procedure for issue of duplicate share certificates.

Shareholders are advised that they should deface the old share certificates in order to safeguard their interests against any misuse; as such certificates would be null and void and cannot be dealt with in the market.



**Frequently Asked Questions (FAQs)****How to delete one name from the joint holders?**

(Deletion of name from joint holding and conversion of single name into joint holding)

In case the shares are held in Joint names and one of the shareholder/s expires, please send the following documents:

1. Name deletion form duly filled and signed by the surviving shareholders;
2. Original Death Certificate of the deceased shareholder(s) or a Copy duly attested by Gazetted Officer or Notary Public; If the death certificate is in any other language other than English, a translated copy duly attested by Gazetted Officer or Notary Public;
3. Original Share Certificate(s);
4. Self-attested copy(ies) of PAN and Adhar Card of surviving shareholder(s) along with attached ISR-1 form duly filled and signed;
5. Attached ISR-4 form duly filled and signed by the surviving shareholders;
6. Attached ISR-2 form duly attested by bankers along with original or copy of cancelled cheque pre-printed with surviving shareholders name or copy of bank passbook duly attested by the bankers;
7. Self-attested photo copies of latest Electricity or Telephone bill (not more than 3 months old) to update the new folio allotted post name deletion process;
8. Self-attested photo Copy of Client Master list (Demat Account) opened in surviving shareholders name;
9. If change in address proof please provide Old address proof i.e. Copy of Voter ID or Dividend warrant foil, copy of communication received from the Company on old address.

Note: Please make sure that Demat account is opened in surviving joint-holders name and the details such as Name, address & Bank details updated in demat account matches with the details provided on ISR forms.

Based on the supporting documents, the company shall delete the name of the deceased shareholder/s from the records and make endorsement on the share certificate showing the remaining shareholder as the only holder.

After processing the service request, the RTA shall issue a 'Letter of Confirmation' to the securities holder/claimant, which will be valid only for 120 days. Using this 'Letter of Confirmation', the securities holder/claimant shall request the DP to dematerialize the securities, failing which the securities shall be credited to the Suspense Escrow Demat Account of the Company.

**How to convert single holding into joint holding?**

To convert single holding into joint holding, such requests even within the family amounts to transfer as these lead to a change in the ownership pattern. As per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 and vide Notification dated November 30, 2018, requests for effecting transfer of shares shall not be processed unless the shares are held in the dematerialized form with a depository w.e.f. April 01, 2019. You are requested to contact your depository participant (DP) with whom your demat account is maintained to know the procedure for transferring the shares.

**CONSOLIDATION OF FOLIOS****What is meant by Consolidation?**

- i. The consolidation of Folios would avoid multiple communication including dividend warrants from the company to you and shall thus reduce the risk of loss/ fraudulent interception of share certificates/ dividend warrants/ other documents during postal transit.
- ii. The request for consolidation of folios should be signed by all the holders as per the specimen signature registered with the Company.
- iii. If you have more than one folio in the same name or with identical names in the same order, in case of joint holdings, then please intimate us immediately along with relevant share certificates to help us to consolidate such holdings in a single folio.

**TRANSPOSITION OF NAMES****What is meant by transposition of names?**

Transposition of shares refers to change in the order of names of registered holders. Such requests do not attract any stamp duty.

These requests have to be signed by all the joint holders in respect of the entire holding and should submit the original share certificate(s) to us.

**DEMATERIALISATION****What is meant by Depository System?**

The depository concept is similar to the Banking system with the exception that banks handle funds whereas a depository handles securities of the investors. A depository can therefore be conceived of as a “Bank” for securities.

An investor wishing to utilize the services offered by a depository, has to open an account with the depository through the Depository Participant. This is very similar to opening an account with a bank in order to utilize the banking services.

The depository system evolved by the National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) enables investors to overcome all problems related to handling physical certificates. NSDL and CDSL are organizations formed to provide electronic depository facilities for securities traded. The securities of investors are held in electronic form through the medium of Depository Participants.

**What is a Depository?**

A depository is an organization where the securities of a shareholder are held in the electronic form at the request of the shareholder through the medium of a depository participant. Depositories will perform the following functions through its various participants.

- a) enable surrender and withdrawal of securities to and from the depository (i.e. dematerialization and re-materialization)
- b) maintain investor holdings in the electronic form
- c) effect settlement of securities trade on the exchanges
- d) carry out settlement of trades not done on the stock exchanges (i.e. off-market trades)

**What is meant by Dematerialisation / Re-materialisation?**

**“Dematerialisation”** is a process by which the physical certificates of an investor are taken back by the Company/Registrar and actually destroyed and an equivalent number of securities are credited in the electronic holdings of that investor.

An investor will have to first open an account with a depository participant and then request for the dematerialisation of his certificates through the depository participant so that the dematerialised holdings can be credited into that account. Re-materialisation is exactly the reverse process of dematerialisation

**How can the Member convert the shares into demat form?**

In order to dematerialize physical share certificate(s), the Member has to fill in a DRF which is available with the DP and submit the same along with physical share certificates to the DP. Separate DRF has to be filled for each ISIN.

Process of dematerialisation is outlined below:

- i. Surrender certificates for dematerialisation to the DP.
- ii. Upon receipt of the original share certificate, DP defaces the certificate with a remark “received from dematerialisation” and mentions the Client ID or BO ID of the owner.
- iii. The DP raises a DRN and intimates the Depository of the request through the system.
- iv. The DP submits the certificates to the RTA.
- v. The Company confirms the dematerialisation request from the Depository.
- vi. After dematerializing certificates, RTA updates accounts and informs the Depository of the completion of dematerialisation.
- vii. The Depository updates its accounts and informs the DP.
- viii. The DP updates the account and informs the Member.

Charges to demat the shares differ from DP to DP and therefore Members are advised to contact their DP.

The entire process should be completed within 15 days.

**“Rematerialisation”** is the term used for converting electronic holdings back into certificates. This is done only at the request of the investor.

**Can the Member reconvert the shares to physical form?**

Yes, to get back the shares in physical form, the accountholder has to fill in the RRF and request the DP for rematerialization of the shares. The process of rematerialization is outlined below:

- i. Make a request for rematerialization.
- ii. The DP intimates the Depository of the request through the system.
- iii. The Depository confirms rematerialization request to the RTA.
- iv. The RTA updates accounts and prints certificates.
- v. The Depository updates accounts and downloads details to the DP.
- vi. RTA dispatches certificates to the Member.

If the process of rematerialization takes more than 30 days, please contact the RTA. If it is unable to provide the information, one may send the grievance to the Depository. However, as per the guidance issued by SEBI, shares in physical form cannot be transferred /traded on the stock exchanges.

### **Who is a depository Participant (DP)?**

Similar to the brokers who trade on your behalf in and outside the stock exchanges, a depository participant is a representative (agent) in the depository system. Depository participant will maintain securities account balances and intimate the holder the status of holdings from time to time. According to SEBI guidelines, financial institutions, banks, custodians, stock brokers, etc. can become participants in the depository. Investor will have to obtain statements for his account for securities transactions from DP from time to time.

### **What are the benefits of depositing securities in NSDL / CDSL?**

Benefits of converting securities in the electronic form are:

- Reduction of risks associated with loss, mutilation, theft and forgery etc.
- The paper work required will be reduced to a minimum, while dealing with securities.
- Greater liquidity, faster settlement and completion of transaction.
- Enhances the acceptability in securities market.
- Reduction in transaction cost through greater efficiency.
- Faster receipt of corporate benefits/rights attached to the security.
- Thus, investor will increasingly find it easy to deal in the shares.

### **How to open an account with a depository participant?**

The process of opening an account with a depository participant is similar to the opening of a bank account. A list of depository participants can be obtained from NSDL / CDSL. The depository participants may also advertise the services offered by them once they are registered. Investor will have to approach any depository participant of his choice and fill up an account opening form.

### **Can a Member open multiple accounts?**

Yes, one can open more than one account in the same name with different DPs but not with same DP.

**Can a Non-Resident Indian open Demat Account?**

Yes, a Non-Resident Indian can open a Demat Account.

**Whether securities allotted to Investor in public issue can directly be obtained in the electronic form?**

In the public issue application form there will be a provision for an investor to indicate the manner in which he wants the securities allotted. However, investor will have to mention his client account number and the name of the depository participant. This will enable the issuer company to credit the securities allotted directly to such investor's demat account.

**How an investor will get corporate benefits arising out of his holdings, like a bonus / rights or a dividend?**

On declaration of any corporate benefit viz. rights or bonus or dividend for a particular security, the depository will give all the details of the clients having electronic holdings of that security as of record date/book closure to the registrar.

The registrar will then calculate the corporate benefits due to all the shareholders. The disbursement of cash benefits such as dividend/interest will be done by the registrar whereas the distribution of securities entitlements will be done by the depository based on the information provided by the registrar.

In case of discrepancies in corporate benefits, investor can approach respective depository participant who in turn will contact the registrar for clarifications regarding allotment of securities or otherwise.

You may refer further FAQs on RTA Website Link: <https://www.bigshareonline.com/Resources.aspx>