

**OPERATIONAL GUIDELINES FOR TRANSFER AND  
DEMATERIALIZATION OF RE-LODGED PHYSICAL SHARES**

The Securities and Exchange Board of India (“SEBI”), has made amendment in Regulation 40 vide SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 and discontinued the transfer of securities held in physical mode w.e.f. April 01, 2019. Subsequently vide Press Release No. 12/2019 dated March, 2019<sup>i</sup>, it was clarified that the transfer deeds lodged prior to deadline of April 01, 2019 and rejected / returned due to deficiency in the documents may be re-lodged with requisite documents.

The SEBI vide circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/166 dated September 07, 2020<sup>ii</sup>, has fixed March 31, 2021 as the cut-off date for re-lodgment of transfer requests which are rejected / returned due to deficiency (including those request that are pending with the listed company / RTA, as on date) and has stipulated that such transferred shares shall be issued only in demat mode.

In this regard, SEBI has issued “Operational guidelines for Transfer and Dematerialization of re-lodged physical shares” vide Circular No SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 02, 2020<sup>iii</sup> which is as follows:

1. Subsequent to processing of the re-lodged transfer request as submitted with RTA, the RTA shall retain the physical shares and intimate the investor (transferee) about the execution of transfer through Letter of Confirmation in format attached to the SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 02, 2020.
2. The Letter of Confirmation shall contain the details of endorsement, shares, folio of investor (required on Demat request form) as available on the physical shares. This letter shall be sent through Registered / Speed Post or through email and shall be signed digitally.
3. The RTA shall provide the 90 days’ time to investor / transferee to submit the demat request to Depository participant (DP) along with the Letter of Confirmation.
4. The RTA shall issue a reminder at the end of 60 days of issue of Letter of Confirmation, informing the investor to submit the demat request. After receiving the demat request, within 90 days of issue of Letter of Confirmation, the Depository Participant will process the demat request on the basis of Letter of Confirmation issued by RTA.
5. The RTA while approving / confirming the demat request and if required in terms of SEBI Circular SEBI/HO/MIRSD/DOS3/CIR/P/2018/139, dated November 06, 2018 shall also intimate the Depository that the shares shall be locked in for 6 months from the date of registration of transfer.
6. In case of non-receipt of demat request from the investor within 90 days of the date of Letter of Confirmation, the shares will be credited to Suspense Escrow Demat Account of the Company.

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<sup>i</sup> [https://www.sebi.gov.in/media/press-releases/mar-2019/transfer-of-securities-held-in-physical-mode-clarification\\_42503.html](https://www.sebi.gov.in/media/press-releases/mar-2019/transfer-of-securities-held-in-physical-mode-clarification_42503.html)

<sup>ii</sup> [https://www.sebi.gov.in/legal/circulars/sep-2020/re-lodgement-of-transfer-requests-shares\\_47500.html](https://www.sebi.gov.in/legal/circulars/sep-2020/re-lodgement-of-transfer-requests-shares_47500.html)

<sup>iii</sup> [https://www.sebi.gov.in/legal/circulars/dec-2020/operational-guidelines-for-transfer-and-dematerialization-of-re-lodged-physical-shares\\_48336.html](https://www.sebi.gov.in/legal/circulars/dec-2020/operational-guidelines-for-transfer-and-dematerialization-of-re-lodged-physical-shares_48336.html)

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