

Circular No.: NSDL/CIR/II/22/2021

Date: September 6, 2021

Subject: Processing of request for dematerialization of shares vested with Custodian

Issuers/R&T Agents are hereby informed that SEBI vide its letter dated August 12, 2021 has advised regarding processing of request for dematerialization of shares vested with Custodian. In the aforesaid letter, it has been informed that under some cases, Custodians are appointed under some special Acts such as Trial of Offences Relating to Transactions in Securities Act 1992 (TORTS), Enemy Property Act, 1968 etc. These Custodians are also required to hold shares of listed companies. In such matters, the Custodians may be treated as holder / member in the Register of Member of the company. The Custodians may also hold such shares in dematerialised form in the Depositories Act, 1996 and accordingly clarifies that if any RTA / Company receives an application from such Custodians for dematerialisation of shares:-

1. The Regulation 40(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which disallows transfer of physical shares from April 01, 2019, will not be applicable in such matters.
2. The shares after dematerialisation may be credited to the demat account of such Custodian.

All Issuers/R&T Agents are requested to take note of the above and ensure compliance.

For and on behalf of
National Securities Depository Limited

Rakesh Mehta
Vice President