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1. INTRODUCTION

This manual describes the procedures to be followed in the Depository environment by the Issuer/ R&T Agents who transfer securities that are eligible for the services offered by National Securities Depository Limited (NSDL).

National Securities NSDL Limited is providing this information solely as a reference guide for Issuer/R&T Agents who deal with NSDL. We request that each Issuer/ R&T Agent follow the procedures described in this Manual. This Manual is meant to supplement the Issuer / R&T Agent's internal operating procedures with respect to dealings with NSDL and is not intended to be a comprehensive book on transfer processing.

2. THE NATIONAL SECURITIES DEPOSITORY LIMITED -- AN OVERVIEW

The National Securities Depository Limited (NSDL), promoted by Industrial Development Bank of India, Unit Trust of India and National Stock Exchange of India Limited, is a company established under the Depositories Act, 1996 to provide electronic depository facilities for securities traded in the equity and in the debt markets. The National Securities Depository Limited has been registered by the SEBI on June 7, 1996 as India's first depository to facilitate Beneficial owner's holding and settlement of securities in the electronic form.

FUNCTIONS PERFORMED BY NSDL :

The various services rendered by NSDL are :

- Enable Dematerialisation and Rematerialisation of eligible securities
- Provide for disbursement of Corporate Benefits to the Beneficial Owners
- Effect settlement of securities traded on the exchanges as well as Off-market trades through book entry transfers
- Facilitate Pledging / Hypothecation of eligible securities at a later stage
- Provide for Securities Lending and Borrowing when the legal framework permits .

Constituents in the NSDL System :

The NSDL System consists of the following constituents to serve the beneficial owners through -

- Participants, and
- Issuers and / or their Issuer/ R&T Agents

The role of each of the above is well defined and described by the Depositories Act, 1996, SEBI(NSDL and Participant) Regulations, 1996, the Bye-Laws and Business Rules framed by NSDL and approved by SEBI. Issuers and R&T Agents are required to enter into an agreement with NSDL. The R&T Agents are advised to refer to the Depositories Act 1996, SEBI(NSDL and Participant) Regulations 1996, Bye-Laws and Business Rules of NSDL and the standard terms of agreement between NSDL and Issuer/R&T Agent for the understanding of the legal relationship among different entities.

The operational procedures to be followed by the Issuer/ R&T Agent in the NSDL system are detailed below in the following order.

- Dematerialisation
- Rematerialisation
- Beneficial Owners Reporting
- Reconciliation of Records

The transfer activity may be handled directly by either the transfer department of the company or entrusted to a Registered Transfer Agent . Therefore, wherever the word Issuer/ R&T Agent is used, the same can be read as Share Department of the company if the company has not engaged the services of R&T Agents.

Dematerialisation and Rematerialisation of securities are some of the core services rendered by any NSDL to Investor. The Investor is called as Beneficial Owner when he avails of the core services from the NSDL.

NSDL will enter into an agreement with one or more participants as its agent. Such an agent is called Participant .

An investor intending to hold securities in the electronic form in a depository system can do so by opening a Beneficiary account with a Participant.

3. OPERATIONAL PROCEDURES FOR DEMATERIALISATION

Definition of Dematerialisation : Dematerialisation is the process by which an Investor can get physical certificate converted into electronic balances maintained in its account with the participant in the NSDL System.

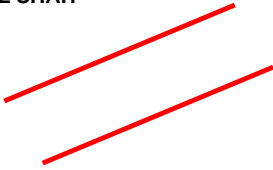
PROCEDURE FOR DEMATERIALISATION OF EXISTING PHYSICAL STOCK

RECEIPT OF REQUEST

- 1 Investors are required to submit their Dematerialisation request along with the securities sought to be dematerialized to the Issuer/ R&T Agents through a Participant. The Participant sends the electronic intimation of such a request through the NSDL to the Issuer / R&T Agent. The Dematerialisation Request Form (DRF) as well as the securities are sent by the Participant directly to the R&T Agent who will acknowledge receipt of the same.
- 2 A system generated Dematerialisation Request Number (DRN) will be entered on the Dematerialisation Request Form. The DRN will also be part of the electronic request.

3 The Dematerialisation Request Form is given in Annexure I. If the Participant sends the Dematerialisation Request Forms in a batch this will be accompanied by a Standard Covering Letter (Annexure II).

4 The certificates received by the Issuer/ R&T Agent will bear the words **“SURRENDERED FOR DEMATERIALISATION”** either in the hand written form or in a stamp form and mutilated by punching holes. The certificates will look as illustrated below.

ABC COMPANY LTD.	
Regd. Address: 2nd Floor ,Victoria Bldg., Fort, Mumbai	
AMOUNT PAID UP PER SHARE	Rs.5/-
FACE VALUE PER EQUITY SHARE	Rs.10/-
Folio No. : A658542	Certificate No.: 0123456
Name : AJAY SHAH JT1 : MEHUL SHAH	
	
Authorised signatory	Company Seal

- In case of large volumes of Dematerialised certificates, the participant may also send a soft copy of details of certificates to be Dematerialised in the ASCII format given below :

DETAILS OF SECURITIES

CLIENT NAME	DRN NO.	FOLIO NO.	CERTIFICATE NO.	DISTINCTIVE NUMBERS- FROM- TO.	QUANTITY

**CHECK POINTS BEFORE COMMENCEMENT OF PROCESSING
DEMATERIALISATION REQUEST BY ISSUER/ R& T AGENT**

- I. The DRF must contain the Participant's authorisation.
- II. No Dematerialisation request shall be processed unless it has been received both in electronic form as well as in the physical form. The request in the electronic form will invariably reach the Issuer/ R&T Agent before the physical request is received.
- III. The Issuer/ R&T Agent shall match the DRNs in the electronic message with the DRNs present in the DRFs received physically through the Participant and only if the both the DRNs match shall the Issuer/ R&T Agent initiate the Dematerialisation process. In case of a mismatch, the following steps shall be taken:

- Intimate the mismatch to the Participant by letter/fax and wait for response; record the mismatch details in a register for control purposes.
- Take up the matched portion of the batch for Dematerialisation process.
- Reject the mismatched portion and send the DRFs and certificates back to DP under a suitable covering letter, if the mismatch corrections are not received within 15 days.

DRFs have to be maintained in safe custody at least for a period of one year .

PROCESSING OF THE REQUEST

- 1 The Issuer/ R&T Agent Inward Counter shall verify the above documents received from the Participant against the details mentioned in the covering letter and each DRF.
- 2 At this stage, the Issuer/ R&T Agent Inward Counter shall acknowledge the receipt of the above mentioned documents to the Participant by returning a duly filled acknowledgment copy of each DRF . If there is any discrepancy between the details on the covering letter sent by the Participant and the actual number of DRFs or certificates, the Issuer/ R&T Agent shall notify the Participant regarding the difference between the control totals in the covering letter and the actual number of certificates received. The correct totals may be taken from the covering letter. However the dematerialisation request may be taken for further processing. The dematerialisation request may be rejected and the physical certificates may be sent back to the Participant if the certificates do not pertain to the Issuer/ R&T Agent(Rejection Code 9); it is to be noted that in this case the Issuer/ R&T Agent may not have received any electronic message from the NSDL and therefore no message be sent to the NSDL.

- 3 The inward counter may also check whether the corresponding electronic intimation is received and then shall forward the documents to the Issuer/ R&T Agent Operations Department which will perform the actual processing of the Dematerialisation requests.
- 4 The steps involved in the processing of the DRFs is akin to the processing of transfer requests . Further processing such as scrutiny, data entry, data processing ,document filing, report generation, checklist-verification is done as per existing procedures for transfer of registered ownership except that verification of stamp duty payments and cancellation of stamps will not be necessary. No stamp duty is payable for a dematerialisation request.

ACCEPTANCE OF THE REQUEST AND INTIMATION TO NSDL

- The Issuer/ R&T Agent shall accept the Dematerialisation request if it passes successfully through the scrutiny process.
- On accepting the request, the Register of Members is amended by reducing the holding standing to the credit of the applicant and crediting the same quantity to the holdings of NSDL.
- NSDL shall be intimated about lock-in details etc., if the shares accepted for Dematerialisation have such features.
- A confirmation is sent to NSDL in the pre-determined SWIFT Format about the acceptance of Dematerialisation request. This message will comprise of DRN, Lock-in details and Lock-in release dates. Such confirmation will result in a corresponding credit in the beneficial owner's account with the Participant.
- The SWIFT message structure and format are given in the Systems user Manual.
- PARTIAL ACCEPTANCE:

⇒ The Issuer/ R&T Agent may accept a part of the dematerialisation request and reject the remaining part.

⇒ The electronic confirmation to the NSDL will inform the part acceptance for each DRN and the part rejected for that DRN. The rejection may be described by one of the codes, given in Annexure V.

The action on the rejected portion shall be in accordance with the procedure given under the heading “Rejection of Dematerialisation Request and Intimation to the NSDL”

REJECTION /OBJECTION OF THE DEMATERIALISATION REQUEST AND INTIMATION TO NSDL

- A dematerialisation request may be rejected for any one or more of the reasons listed in the Annexure- IV Code - Wise, the procedure is given below:

PROCEDURE FOR OBJECTION / REJECTION.

CODE	PROCEDURE
01 and 02	i) Process the request, if the received quantity is otherwise good for dematerialisation; ii) Intimate the DP about the difference; and iii) Send a SWIFT message to NSDL confirming the dematerialisation request accepted.
03,04,05 06 and 09	i) Take custody of the certificates. ii) Reject the Dematerialisation requests. iii) Intimate the participants through NSDL giving the rejection codes.
07,08,and 11	i) send an objection memo to the Participant stating the reason ii) No message to be sent to NSDL. iii) The requests be treated as pending until objection is resolved between the Participant and the Registrar/Transfer Agent iv) If the clarification are not satisfactory or the clarifications are not received within 15 days the request may be rejected; the request form and certificates be sent back to the participant. Rejection message be sent to the NSDL under code-10
10	i) Only electronic message regarding the request to be sent.

12	<p>i) Until the NSDL accepts Dematerialisation requests for shares with correct information, the request be returned to the Participant.(Participant may advise the client to ask for duplicates)</p> <p>ii) Intimate NSDL about the rejection mentioning the codes.</p>
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A Dematerialisation Request Rejection Report shall be sent in the format given in Annexure - III .

DESTRUCTION OF CERTIFICATES

- The Issuer/ R&T Agent may shred the certificates after making entries in the Register of Destroyed Certificates.
- The Issuer / R&T Agents may find it useful to incorporate the NSDL Beneficial Owner account number of the Beneficial owner into the holding master maintained by the Issuer/Transfer Agent for future reference.
- The shareholder is substituted by NSDL on Dematerialisation; however, Issuer/ R&T Agent can seek the details of beneficial owners as and when required from the front end machine connected to the NSDL. NSDL will give a periodic update of beneficial owners to the Issuer/R&T Agent over the system which may be stored and used for reporting to the Issuer company.
- The R&T Agent shall advise the issuer company about the distinctive numbers Dematerialised to enable the issuer company to intimate the stock exchange.

The Issuer/R&T Agent will normally complete the process of Dematerialisation within a period of 15 days from the date of receipt of the DRFs and certificates from the Participant.

PROCEDURE FOR DEMATERIALISATION OF FRESH PUBLIC ISSUES (IPOs)

RECEIPT OF THE DEMATERIALISATION REQUEST

An Issuer may provide an option to applicants in the relative share application form to state whether they want to receive allotment in Depository system (electronic entry) or as physical certificates. An applicant opting for the NSDL system will be required to specify the a/c no with client id, the Participant, and the Depository details. The format of application to be used from such options is at Annexure -V

PROCESSING OF THE REQUEST FOR DEMATERIALISATION

- An agreement has to be entered into as given :
 - ⇒ Where the issuer has an in-house Registry, then the issuer should enter into a Bipartite Agreement with NSDL.
 - ⇒ Where the issuer has appointed a Registrar for the transfer work, the issuer and the transfer agent will enter into a Tripartite Agreement with NSDL.
- The Issuer/R&T Agent shall seek confirmation from NSDL on whether electronic download of allotment details can be made for the security under process. NSDL will intimate the ISIN for the IPO. Different ISIN's will be used for the securities which are not parri passu. In the same class of securities, different ISIN's are used if the securities have different paid up values or if they arise out of different corporate actions until all the securities become parri passu.
- The Issuer / R&T Agent shall sort the forms of successful applicants based on the applicant's request (Electronic or Physical).
- The Issuer / R&T Agent shall invariably print the NSDL, Participant -Id and Client -Id on the allotment advice and the allotment money notice.
- For the securities allotted to the applicants who have opted for the electronic form, NSDL shall be entered as the Registered Owner in the Register of Members. The corresponding successful allottees shall be termed as

Beneficial Owners and their particulars may be maintained outside the Register of Members if the Issuer / R&T Agent so desires.

- Where the investor wants to get the securities allotted in the electronic form but has not mentioned the NSDL name, Participant name, client ID used in the NSDL system in the share application form, the Issuer / R&T Agent shall process the application as if it has been made for physical allotment.
- Application will be considered to have been made for allotment in physical form if the investor has not filled in the fields relating to NSDL option, or the filled in details are inadequate / incorrect, viz., not filling in all columns, NSDL has rejected the allotment due to validation errors etc.
- The refund of application money for unsuccessful applicants including the applicants who have opted for electronic form will be made as per the existing procedure.
- The Issuer / R&T Agent shall download the allocation statement containing details of the Beneficial Owners to the NSDL as given below :
 - ⇒ ISIN
 - ⇒ Depository where the Dematerialised security is to be kept
 - ⇒ Participant
 - ⇒ Client a/c no.
 - ⇒ Beneficial Owner(s) name(s)
 - ⇒ Beneficial Owner(s) address
 - ⇒ Age
 - ⇒ IT PAN No:
 - ⇒ Bank Account details
 - ⇒ Nominee Name
 - ⇒ Allotted quantity
 - ⇒ Lock-in period (if applicable)
 - ⇒ Lock-in release date (in case of blocking)
 - ⇒ Lock-in reason

⇒ Amount paid-up per security

In case the securities are locked-in, then the Issuer/ R&T Agent has to inform NSDL about those holdings & the lock-in period along with the reason code and the lock-in release date. The following are the reason codes :

- 1 Lock in period for minimum contribution
 - 2 Lock in period for excess contribution by promoters
 - 3 Lock in period for contributions not reckoned for minimum specified percentage.
 - 4 Lock in period where promoters' contribution includes holdings prior to issue.
 - 5 Lock in period for firm allotments and preferential allotments.
- In case of partial allotment, the allocation statement containing the details of the securities allotted in the electronic form shall be downloaded to the NSDL. The refunds may be effected as per the existing procedure i.e. the refunds will be sent to the investors by way of refund orders. The refunds will be handled outside the NSDL system.
 - Simultaneously, the Issuer/R&T Agent shall also inform the investor of the allotment, payment schedule and allotment money details, refunds, etc. as per the existing procedures.
 - NSDL will validate the allocation statement and electronically acknowledge the receipt of the allocation statement to the Issuer/R&T Agent. This acknowledgment will serve as proof of the dispatch of the certificates in Dematerialised form.
 - The allotment schedules prepared for listing of the security on the stock exchange shall contain the details of allotment in both the electronic form as well as in the physical form.

- In case of mismatch of Client data between the data downloaded from Issuer/ R&T Agent and the data with the Participants, the mismatched quantity will be kept in a suspense account and resolved through the collective action from NSDL and R&T Agent/ Issuer.
 - ⇒ If NSDL confirms the mismatch to be a valid DP-id, but an invalid Client -id, the allotment should be considered for physical certificate.
 - ⇒ If the DP-id is not valid, the quantity may be returned immediately by the NSDL, and the Issuer / R&T Agent shall proceed to issue physical certificates to the allottee.
 - ⇒ If NSDL confirms that the Participant concerned is under suspension, or not in the "active" on the date of IPO despatch, the Issuer/ R&T Agent may proceed to issue, the physical certificates.
 - ⇒ If the NSDL confirms that the client account is not "active" on the date of allotment, then the Issuer/ R&T Agent may proceed to issue the physical certificates.

4. OPERATIONAL PROCEDURES FOR REMATERIALISATION

PROCEDURE

RECEIPT OF REQUEST

- The investor submits the Rematerialisation Request form (RRF Annexure-VI) to the Participant for Rematerialisation. The Participant, on receipt of the Rematerialisation request form, from the Client, validates the same .
- The validation consists of verifying whether the particular ISIN is valid , quantity of securities of that particular ISIN in free balance in the account of the applicant, verification of the specimen signature of the Client .The Rematerialisation request is then sent electronically to NSDL. NSDL performs the validation and sends an acknowledgment to the Participant .
- When the Rematerialisation request is accepted by NSDL, an electronic message is sent to the Issuer/ R&T Agent in the SWIFT format.
- The Issuer/ R&T Agent will receive the Rematerialisation Request Forms from the Participant .
- The Issuer / R&T Agent shall verify the ISIN, the Client account number, and the quantity for Rematerialisation on the RRF received from the DP with the Rematerialisation Request message, from the NSDL.
- The Issuer / R&T Agent shall also acknowledge the receipt of the RRFs to the Participant by returning the counterfoil of each RRF.

The Issuer / R&T Agent shall initiate the process for Rematerialisation only if the above details match.

PROCESSING OF THE REMATERIALISATION REQUEST

- The Issuer / R&T Agent shall take on record the data available on the RRF.
- The RRF will contain details:

- ⇒ Name/Joint names
 - ⇒ Father's / Husband's name
 - ⇒ Address
 - ⇒ Specimen(s) signature (of all the holders)
 - ⇒ PAN Number
 - ⇒ Tax Status
 - ⇒ Age
 - ⇒ Bank Account No
 - ⇒ Nominee's Name etc.
 - ⇒ Quantity of shares for rematerialisation
- The request shall be rejected if :--
 - ⇒ The RRF has not been completely filled in
 - ⇒ The request does not match with the electronic intimation received from NSDL. In case of such a rejection, NSDL shall be electronically intimated and the rejected RRF will be sent to the DP for necessary correction.
 - In case of a valid RRF, the Issuer / R&T Agent shall initiate the Rematerialisation process.
 - The Issuer/ R&T Agent shall create a folio or add to an existing folio, in accordance with the existing procedure.
 - The Issuer / R&T Agent shall record the name of the Beneficial Owner as the Registered Owner in its books, and simultaneously debit the NSDL account.
 - **The Issuer / R&T Agent shall then print the certificates in the name(s) of the applicant (s).**

NSDL - Depository Operations Module

- The Issuer/R&T Agent shall confirm to NSDL electronically about Rematerialisation. Then dispatch the certificates to the shareholder immediately under intimation to the Participant. The certificates have to be despatched to shareholders directly and not to the Participant.
- The RRF(in particular the specimen signature) shall be preserved for future reference and use in transfer processing.

The processing shall be completed within 30 days from the receipt of a valid RRF.

5. BENEFICIAL OWNERS REPORTING

- NSDL provides the information relating to changes in holding pattern periodically through a SWIFT data format. The following changes in beneficial owners are reported on a pre-determined schedule:
 - a) Change in Address
 - b) Change in the Holding of existing beneficial owners.
 - c) New beneficial owners.
- In case of the addition of a new beneficial owner, the details mentioned under the heading “Processing of Dematerialisation Request of IPO’s” will be communicated to the Issuer/ R&T Agent.
- The Issuer / R&T Agent shall update the Beneficial Owner Master on the basis of the above stated report.
- The Issuer/R&T Agent will request the NSDL, to provide the details of the Beneficial Owners before any corporate action. The beneficial owner report will contain the following details:
 - 1 ISIN
 - 2 Client ID
 - 3 Beneficial Owner
 - 4 Beneficial Owner Holdings
 - 5 Beneficial Owner Address
 - 6 Lock -in- details
 - 7 Amount paid -up on security
 - 8 Effective date of holdings
- In case of any holdings in the suspense account, NSDL will download the quantity held in suspense account to enable reconciliation of total holdings.

6. RECONCILIATION

The following types of reconciliation are done on a daily basis:

- ⇒ Reconciliation between NSDL holding in its own books with the holdings in Register of Members (ROM).
- ⇒ At NSDL's end
- ⇒ At the Participant end

Reconciliation between NSDL and the Issuer/ R&T Agent:

The reconciliation is an End of Day[EOD] process. When EOD commences the Issuer / R&T Agent shall keep the system free for interacting with the NSDL system. As a part of EOD process, NSDL will download all the Dematerialisation requests and Rematerialisation requests pending in the queue, if the queue was not cleared by that time. Similarly, Issuer/R&T Agents system will complete the communication of Dematerialisation, Rematerialisation confirmation that may be lying in the queue. After this stage Issuer/R&T Agent will firm up the holdings of NSDL with the holding in the Register Of Members, the quantity of dematerialisation requests pending and quantity of Rematerialisation requests pending. Simultaneously, NSDL will firm up its holdings vis-a-vis the Issuer/R&T Agent and quantity of Dematerialisation and Rematerialisation requests pending as per NSDL records. Issuer/R&T Agent shall then report NSDL holdings in the ROM at the EOD, Dematerialisation requests and Rematerialisation requests pending at the EOD to NSDL electronically.

The NSDL holdings as per NSDL records are matched with the NSDL holdings as reported by the R&T Agent about mismatch between NSDL balance and Issuer/R&T Agent's balance can arise due to Requests in transit between DP and the Issuer/ R&T Agent or vice versa. Other reasons could be due to

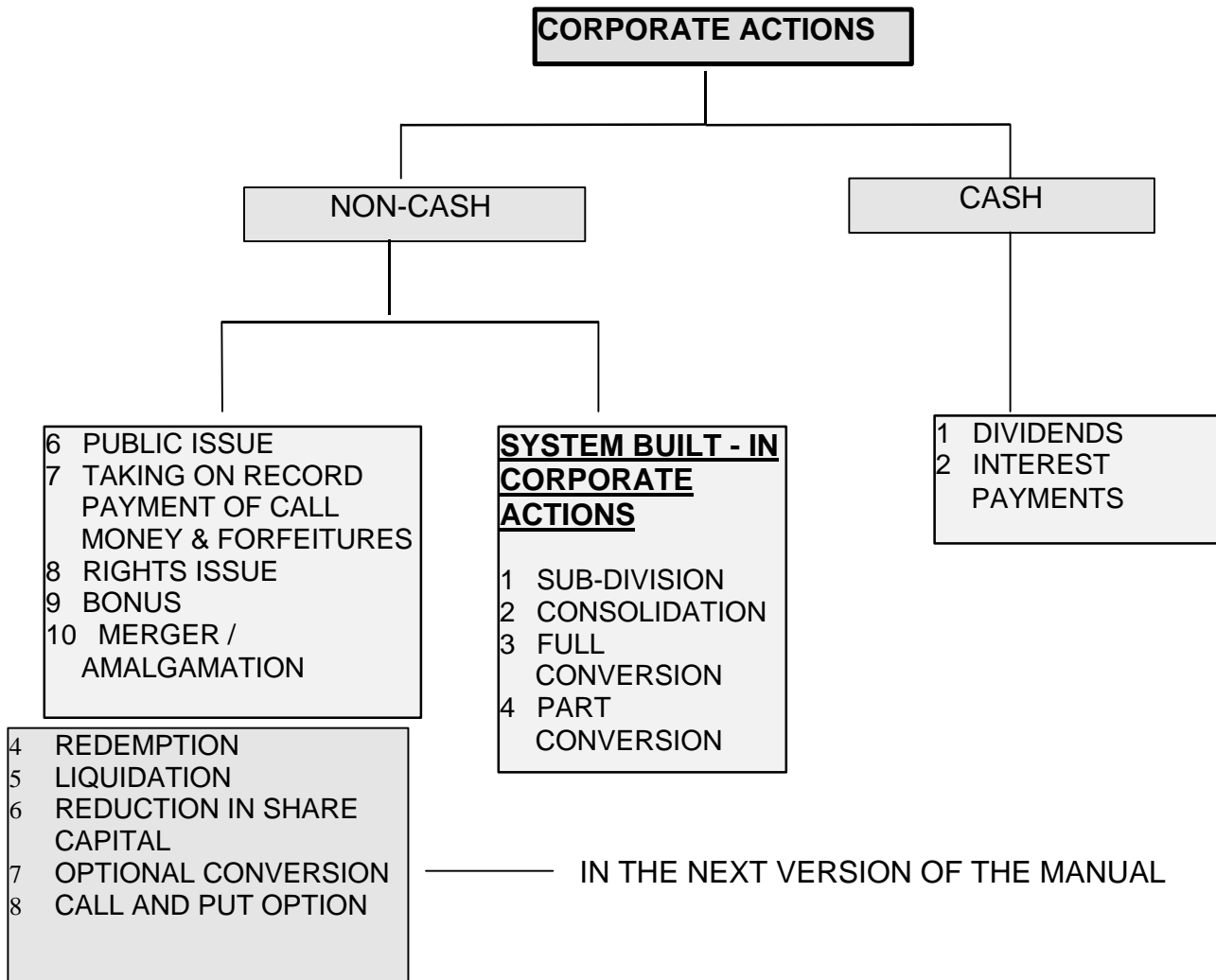
snags in communication between NSDL and the Issuer/ R&T Agent. In case of mismatch, a separate communication session may be initiated between the NSDL and the Issuer/R&T Agent to resolve the mismatch. The contents of the communication will be decided by the nature of difference. The Issuer/ R&T Agent has to wait for successful Reconciliation message from NSDL before shutting down the machine or initiating new sessions after EOD.

If the Issuer/R&T Agent is unable to communicate on the system to NSDL due to technical snags, power failure etc., R&T Agent may inform the following information to NSDL by way of fax :

- Opening balance of NSDL holdings
- Opening balance of Dematerialisation requests pending
- Opening balance of Rematerialisation requests pending
- Dematerialisation requests received during the day(Electronic)
- Rematerialisation requests received during the day(Electronic)
- Dematerialisation requests received during the day (Physical)
- Rematerialisation requests received during the day(Physical)
- Dematerialisation requests confirmed OK credited to NSDL during the day and sent in queue to NSDL.
- Dematerialisation requests confirmed Rejected during the day reduced from pending amount and sent in queue to NSDL.
- Closing balance of NSDL holdings at the end of the day.
- EOD time as per the Issuer / R& T Agent.
- Time upto which communication was OK.

7. CORPORATE ACTIONS

From the operational point of view, corporate actions have been classified into the following categories :



1 PUBLIC ISSUE:

Detailed procedure for Dematerialisation of public issues is discussed under the heading “Dematerialisation of fresh public issues”(IPO)

2. TAKING ON RECORD PAYMENT OF CALL MONEY :

In the case of partly paid up shares, the following procedures have to be followed :

- Collect details of beneficiary Owners from NSDL .
- Send call money notice to the Beneficial Owners. The notice shall contain the Client - Id given, DP - ID, NSDL for future reference and communication to NSDL.
- On receipt of confirmation from the Issuer/ R&T Agent of receipt of call money, the holdings to the extent fully paid-up will be transferred to the **ISIN** with which the securities become parri-passu.
- NSDL will freeze the partly paid -up shares into non-transferable account until they are fully paid up. Therefore Issuer / R&T Agent shall communicate daily (SWIFT Message) to NSDL about payments received, Client - Id-wise.

3 .RIGHTS ISSUE :

- In the case of a rights issue, the rights application form will contain a provision for the share holder to receive the rights either in the Physical or in the Dematerialised form.
- The Issuer/ R&T Agent shall seek the details of beneficial owners details from NSDL informing the following:

⇒ ISIN

- ⇒ Issuer /R&T Agent id
- ⇒ Book Closure Period / Record Date

NSDL will send the details of beneficiary owners to Issuer/R&T Agents.

- The rights entitlements are calculated by the Issuer/ R&T Agent as per the usual procedure for both securities held in electronic and physical form.
- The Issuer / R&T Agent shall send rights application forms to the existing share holders including the Beneficial Owners . The rights advise shall contain the client-id and the DP-id.
- The Beneficial Owners / Renouncees will apply for the Rights through the Collection Banks as usual. However, the investor may indicate the mode in which he desires to receive the shares.
- The allotment process is as per the usual procedure.If the shareholder/beneficial owner has not clearly indicated choice of delivery (electronic/physical) or if the information is inadequate, the allotment shall be in physical form.
- Refund process takes place outside the NSDL system as per the existing procedures.
- The allotted entitlement to beneficial owners/ Renouncee shall be credited to NSDL account in the Register of Members.
- Issuer / R&T Agent shall intimate the Beneficial Owner about the quantity allotted as per the existing procedure.
- The Issuer/ R&T Agent may validate on the front end machine the DP -id and the Client-id of the allottees who opted for the electronic shares before sending the information to the NSDL. In case of errors detected during the validations the Issuer/ R&T Agent will process the allotment for the physical certificates.

- The NSDL is informed of the rights allotted to those who opted for electronic holdings through the corporate allocation statement containing the following details:
 - ⇒ Client account no.
 - ⇒ DP-id
 - ⇒ ISIN
 - ⇒ Quantity allotted
- NSDL will validate the allocation statement and electronically acknowledge the receipt of allocation statement to the Issuer/R&T Agent. This acknowledgment will serve as a proof of dispatch of the certificates in Dematerialised form.
- In case of mismatch of client data between the data downloaded from Issuer/ R&T Agent and the data with the Participants , the mismatched quantity will be kept in a suspense account and resolved as described under the heading “Dematerialisation of fresh Public Issues”.
- The NSDL downloads the details of the rights allotments to the respective DPs who in turn intimate their Clients.
- The allotment schedules prepared for listing of the security on the stock exchange shall contain the details of allotment both in the electronic form as well as in the Physical form.

4. BONUS ISSUE

- The Issuer/ R&T Agent intimates a book closure or record date to NSDL once bonus issue is announced.
- The Issuer/R&T Agent seeks downloading of Beneficial owner data from NSDL . NSDL will send the details of Beneficial owners.
- The bonus entitlements are calculated by the Issuer/ R&T Agent for the Beneficial Owner on par with the share holders .

- Beneficial owners will be informed of the bonus entitlements by the Issuer/R&T Agent .
- NSDL will allot new ISIN code for the bonus shares if they are non pari passu with the original securities.
- The details of bonus allotted is downloaded by the Issuer/ R&T Agent to the NSDL through a Corporate Allocation report.
- NSDL will validate and acknowledge the download. This acknowledgment is proof of dispatch of share certificates to Beneficial Owners in the electronic form.
- Listing of Bonus shares and treatment of fractional allotments shall be as per the normal procedures.

5. MERGER/AMALGAMATION

- The following types of mergers/Amalgamations are possible:
 - ⇒ Company A merges with Company B where Company B is the ultimate entity.
 - ⇒ Company A acquires Company B with Company A as the ultimate entity.
 - ⇒ Company A and Company B amalgamate into company “C” (with Company C as the ultimate entity).
- In the above it is possible that :
 - ⇒ Company A and Company B are admitted into the NSDL.
 - ⇒ Only one of the two is admitted to the NSDL.
 - ⇒ Company C is eligible for NSDL
 - ⇒ Company C is not eligible for NSDL
- If both the companies are admitted to NSDL, the exchange of securities will be done by electronically transferring appropriate quantity of holdings per Client as per the approved scheme of amalgamation.

- If the acquiring company is admitted to the NSDL already, the share holders of the merging company will automatically have the option of taking electronic delivery.

The shareholders will have to be offered the option in the letter that communicates the approved scheme .

- If the acquiring company is not admitted to the NSDL and merging company is an admitted security, NSDL will give a certified copy of Beneficial Owner's holding to the acquired company based on which physical shares can be given to the share holders.
- If the securities of the new company formed out of amalgamation have been admitted on the NSDL, the share holders of Company A & B will have the option of receiving the shares electronically.
- If the securities of the new company formed out of amalgamation have not been admitted to NSDL, the shareholders of Company A & B will have to be given only the physical security. The NSDL shall provide the list of beneficial owners if the securities of Company A or B or both the Companies were already admitted based on which the securities in the new entity may be allotted.

PROCEDURE

- The Issuer/ R&T Agent of the ultimate entity may take the steps relating to exchange of securities.
- If the ultimate entity is an eligible entity. Issuer / R&T Agent shall ensure that all the correspondences communicating the approved scheme has an information about the NSDL option.
- If the ultimate security is not admitted security and the merging entity is an admitted security the beneficial owner shall be advised of the fact that the securities of the ultimate entity have to be held in physical mode.

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- Issuer/ R&T Agent may accept the list of Beneficial owner given by NSDL as adequate proof of shareholding by NSDL and allot securities for the new entity.
- The security of the ultimate entity may need allocation of a new ISIN. Issuer / R&T Agent shall check this.
- The down load of allotments ,listing procedure,etc. shall be as discussed under rights issue.

6. SYSTEM BUILT CORPORATE ACTIONS.

The following actions are defined as system built corporate actions for the purposes of this manual.

- 1 Subdivision
- 2 Consolidation
- 3 Full conversion
- 4 Part conversion

The procedure for seeking data and uploading data between Issuer/ R&T Agent and NSDL will be the same as given below:

- Seek the data of the beneficial owners from NSDL for the proposed action.
- NSDL will give the beneficial owner details.
- The Issuer / R&T Agent shall check with NSDL whether the corporate action will result in the creation of a new ISIN.
- Issuer/R&T Agent will intimate the subdivision/consolidation/full conversion/part conversion details to the beneficial owners also along with the other shareholders.
- Issuer/R&T Agent will compute the entitlements for the beneficial owners as per the holdings
- The beneficial owners holdings are credited to NSDL under the appropriate ISIN number in the Register of Members and intimate to NSDL electronically
- NSDL will inturn credit the accounts of the beneficial owners. Issuer/ R&T Agent will inform the issuer/stock exchange about the changes in the securities as per the usual procedure but clearly indicating that the securities are held in the electronic form.

7 . CASH BENEFITS

The following are the cash benefits the beneficial owners are entitled to:

- 1 Dividends
- 2 Interest payments

The process for the payment of dividends and interest will be as follows:

- The Issuer/ R&T Agent announces a record date or a book closure prior to the declaration of dividend or interest due date.
 - a) The Issuer/ R&T Agent will seek from NSDL, the list of beneficial owners as on the record date.
 - b)The DPs will be required to advise the beneficial owners to intimate , the changes in tax status, bank mandates etc. to the Issuer/R&T Agent.
- The dividend / interest are calculated by the Issuer/ R&T Agent based on the holdings of the beneficial owners.
- The dividend / interest warrants are printed and dispatched to the beneficial owners.
- The intimation regarding this is given to the Participants.

8. RECORD MAINTENANCE

In a Depository environment the Issuer / R&T Agent shall maintain the following records in addition to the records usually maintained.

- Register of Dematerialisation requests received
- Physical files containing Dematerialisation request forms
- Register of Rematerialisation requests received
- Physical files containing Rematerialisation request forms
- Register of distinctive no. of certificates Dematerialised
- Register of Dematerialisation rejected and Rematerialisations rejected.
- NSDL / Beneficial Owners Master and Transactions containing changes in Beneficial Owners

Registers may be maintained either in computer or on physical format. The Issuer/R&T Agents must leave columns to throw out pending requests on day to day basis.

It is desirable that Issuer/ R&T Agent captures records relating to Client Id in the NSDL system to folio no. / any other share holder identification in the Issuer / R&T Agent system.

Annual updations like tax status, bank mandates or changes in the NRI status or GPAs etc. for the Beneficial Owners will reach the Issuer/R&T Agent either directly from the Beneficial Owner or through the Participant. Issuer/ R&T Agent will continue to be responsible for the record and application of this information.

9. LIST OF ANNEXURES

- I. Dematerialisation Request Form
- II. Covering Letter
- III. Dematerialisation Request Rejection Report
- IV. Dematerialisation Request Rejection Codes
- V. Share Application Form
- VI. Rematerialisation Request Form
- VII. Glossary

Annexure - I

Participant's Name, Address & DP Id
(pre-printed)

DEMATERIALISATION REQUEST FORM

DRN _____
(to be filled-in by the DP)

Serial No. (Pre Printed)

Date : _____

I/We request you to dematerialise the enclosed certificates into my/our account as per the details given below:

Client Id																		
Sole/First Holder Name																		
Second Holder Name																		
Third Holder Name																		
Company Name																		
Type of Security	<i>Equity/Others (please specify)</i>																	
Quantity to be Dematerialised (in figures)																		
	(in words)																	
Face Value																		
ISIN (To be filled in by the DP)	I	N																

Details of Securities :

<input type="checkbox"/> Free Securities					<input type="checkbox"/> Locked-in Securities				
Folio No.	Certificate Nos.		Distinctive Nos.		Quantity				
	From	To	From	To					

Total No. of Certificates : _____

Details of Locked-in Securities:

Lock-in reason	
Lock-in release date	

(In case the space is found to be insufficient, an annexure containing the certificate details in the same format may be attached. Please use separate form for free securities and locked-in securities)

Declaration

I/We hereby declare that the above mentioned securities are registered in my/our name. The original certificates are hereby surrendered by me/us for dematerialisation. I/We also hereby declare that the securities surrendered by me/us for dematerialisation are free from any lien or charge or encumbrance and represents the bonafide securities of the company to the best of my/our knowledge and belief.

<i>Holder(s)</i>	<i>Signature(s)</i>
Sole/First Holder	
Second Holder	
Third Holder	

Participant Authorisation

We have received the abovementioned securities for dematerialisation. The application form is verified with the certificates surrendered for dematerialisation and we certify that the application form is in accordance with the details mentioned in the enclosed certificates. It is also certified that the holders of the securities have beneficiary account with us in the same name(s).

Name of the Executive :
Signature :

Participant's Stamp & Date

=====

Acknowledgement

Serial No. (pre-printed)

We hereby acknowledge the receipt of _____ shares/units/bonds/debentures of _____ surrendered for dematerialisation by Mr/Ms/M/s _____ having Client Id _____.

Date :

Participant's Stamp & Signature

ANNEXURE : II

The standard covering letter : This form is used by the Participant as a batch control to cover the Dematerialisation requisition forms. It gives a control totals for the total certificates, the number of certificates sent in by the Participant to the respective R&T Agent for Dematerialisation.(Annexure 1)

(DP Letter Head)

REGISTRAR/ISSUER NAME :		
COMPANY NAME :		
ISIN :		
SR NO.	DRN NO.	NO. OF CERTIFICATES
TOTAL NO OF CERTIFICATES :		
SIGNATURE :		

ANNEXURE-III
DEMAT REQUEST REJECTION REPORT

TO,

THE PARTICIPANT,

Dear Sir,

Unit :

Ref : DRN NO:

The DRN cited in reference is rejected for the reason given below:

REASON CODE	DESCRIPTION

Thanking you,
Yours Faithfully,

(Signature)

ANNEXURE-I V

DEMATERIALISATION REQUEST REJECTION CODES

SR.NO	REASON CODE	REASONS FOR REJECTION
1.	01	The quantity of shares mentioned in the DRF is more than the actual certificates sent
2.	02	The quantity of shares mentioned in the DRF is less than the actual certificates sent
3.	03	The certificates sent are fake
4.	04	The certificates sent are reported Stolen
5.	05	Original certificates present are those for which the duplicates have already been issued.
6.	06	Endorsements on the certificates are forged.
7.	07	Securities stand on a different name than those mentioned in the DRF.
8	08	The details mentioned on the certificates do not match with the details on the DRF, or the order of the holders name on the DRF is different from the names given on the certificates. The scrutiny by the DP is incomplete.
9	09	The securities attached/DRF does not pertain to the R&T Agent to whom the DRF is sent.
10.	10	Electronic request received but physical certificates are not received within 15 days.
11	11	Specimen Signature on the DRF differs from the signatures recorded with the Registrar/Transfer Agents.
12	12	The certificates sent have a court injunction against them.

ANNEXURE - V

SHARE APPLICATION FORM

Application form for equity shares for the Indian Public(Please read instructions carefully before filling up this form)

THE ABC COMPANY LIMITED

Reg. office : First Floor , Victoria Bldg., S.A.Brelvi Road, Fort, Mumbai - .
The ABC Company limited (hereinafter referred to as “The Company”)
was incorporated on , etc., etc.

Equity issue open on	: Monday, 13th May 1996
Earliest closing	: Friday, 17th May 1996
Issue closing not later than	: Thursday, 23rd May 1996

Serial no : 0252185

Broker's stamp & code	Sub-broker's stamp & code	Bank's stamp	Bank's serial no.	Registrar's serial no.

Public issue of 18,00,000 equity shares of Rs. 10 each for cash at par aggregating to Rs 180 Lakhs.	Application must be for a minimum of 500 equity shares & in multiples of 100 thereafter.										
Cheques/DD/Stockinvest must be drawn in favour of company from the account of the first/sole applicant.	Amount payable per equity share on application @ Rs 5/- per share.										
Please write the application no. on the reverse of the Cheque/DD/Stockinvest.	<table border="1"> <thead> <tr> <th>No. of equity shares applied for</th> <th>Amount payable on application</th> </tr> </thead> <tbody> <tr> <td>500</td> <td>2500</td> </tr> <tr> <td>600</td> <td>3000</td> </tr> <tr> <td>800</td> <td>4000</td> </tr> <tr> <td>1000</td> <td>5000</td> </tr> </tbody> </table>	No. of equity shares applied for	Amount payable on application	500	2500	600	3000	800	4000	1000	5000
No. of equity shares applied for	Amount payable on application										
500	2500										
600	3000										
800	4000										
1000	5000										

To
The Board of Directors,
ABC COMPANY LIMITED
First Floor , Victoria Bldg.,
S.A.Brelvi Road, Fort, Mumbai - .
Dear Sirs,

On the basis of the company's prospectus I/we hereby apply to you for allotment to me/us of the equity shares stated below, out of the above issue. The amount payable on application as shown below is remitted herewith. I/we hereby agree to accept the equity shares applied for or for lesser number as may be allotted to me etc.

No. of shares applied in figures	Amount paid (Rs) In figures	Cash	Instrument No.
In words	In words	Cheque	Date of issue
		Demand Draft	Drawn on (Bank)
		Stockinvest	Branch

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Sole / first applicant	Name	Surname	Date	Occupation of first applicant
Name in full (Mr./Mrs./Miss/Ms)			Age	1.Service 2.Business
Address			Status (Please tick) Individual <input type="checkbox"/> Ltd. co. <input type="checkbox"/> Others <input type="checkbox"/>	3.Student 4.Housewife 5.Professional 6.farmer 7.Others
Father's /Husband's name				
Second Applicant				Age
Third Applicant				Age
Option for receipt of allotted securities (Please Tick)				
Physical <input type="checkbox"/> Electronic (Depository) <input type="checkbox"/>				
In case of Electronic (Depository) : Name of Depository Name of Depository Participant Account Number -- _____				

Investor's bank particulars for refund		Specimen Signature	PAN / GIR No.	Circle/ward/district.
SB a/c no.	Sole/First Applicant			
Bank	Second Applicant			
Branch	Third Applicant			

THE ABC COMPANY LIMITED

Reg. office : First Floor , Victoria Bldg., S.A.Brelvi Road, Fort, Mumbai - .

Serial No.:0252185

Acknowledgment slip (To be filled in by the first applicant)

Date :

Received from	Equity shares applied for		Amount paid		Cash (₹)	Bank stamp & signature
Address.....	in figures	in words	in figures	in words	Cheque/DD/Stockinvest No.	Dated
Pin code					Drawn on	
<u>For electronic holdings</u> Account No.....	All future communication in connection with the application should be addressed to the registrars to the issue quoting the				(Cheques / DD / Stockinvest are subject to	

Name of the Depository Name of the DP	full name of the First/sole applicant, application sr. no., no. of equity shares applied for, Date & name of the bank branch where the application was submitted, at the following address : In House Share Registry First Floor , Victoria Bldg., S.A.Brelvi Road, Fort, Mumbai -	realization)
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Notes :

- 1. For subscription in electronic form, names in the share application form should be identical to those appearing in the account details in the depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the depository.**
- 2. Share application forms for part subscription in electronic form and part in physical form will be treated as invalid and rejected.**
- 3. This IPO form may not be complete in all respects.**

Additions made to the existing share application form are shown in shaded area.

GLOSSARY

1. ACTIVE : The operational status of the master entry where operations have to be performed.
2. ASCII : American Standard Code for Information Interchange.
3. BLOCKING : The temporary ear-marking of a portion of a client's holding to prevent transaction. This is done internally in the system.
4. BO : Beneficial Owner -which means a person whose name is recorded as such with a Depository.
5. BOD : Beginning of Day for the commencement of operations for a business day as defined by the system.
6. BP : Business partner . This refers to all external agencies interacting with NSDL (eg : Share Registrars / Issuers, Clearing Corporations, Clearing Members, other depositories and Depository Participants).
7. CA : Corporate Actions .
8. CAPTURE : The status of the master/transaction entry when it is being captured by the system.
9. CC : Clearing Corporation of a stock exchange.
10. CLIENT ID : Refers to the Client Identification (Account) Number - being a unique number which is allotted to each Beneficial Owner or clearing member or transfer agent opening an account with a Participant.
11. CM : Clearing Member registered with a CC.
12. "DELETE" : The status for deleting a record in the Master Data.
13. DEMATERIALISATION : The process by which the physical certificates are converted into electronic holdings
14. DFP : Delivery-free- Payment . This is a system generated dummy instruction to settle inter DP transaction .This instruction is generated by the source DP.
15. DM : Depository Module, which maintains the details

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- about the Participants , handles requests from the Participants of the Depository system and manages the Depository System as a whole.
16. DO ORDER/
STATEMENT : Delivery out order.
17. DP ID : The Participant Identification Number-being a unique number which is allotted to each DP by the Depository on registration.
18. DPM : Depository Participants Module which maintains details about the clients and handles requests from clients of the Depository Participants and has 3 versions -Participants, Registrars, and Clearing Corporations.
19. DRF : Dematerialisation Request Form, which is filled in by the client for the purpose of dematerialisation
20. DRN : This is the unique number generated by the system for every Dematerialisation request.
21. EOD : End of Day for termination of operations for a business day as defined by the system.
22. EXECUTION DATE : The date specified by a client for the triggering of a delivery out/ receipt in transaction.
23. FREEZING : Keeping away the balance of holdings from transfer.
24. HOLDING
STATEMENT : Statement giving the total holdings of securities held by all the beneficial owner of a particular DP.
25. IPO : Initial public offering.
26. ISIN : International Securities Identification Number
This is a unique identification number for each security type allotted by SEBI
27. LUD : Logical Unit Device. A BP will communicate with a DM through a LUD.
28. MARKET TYPE : The name used to denote the type of trade taking place in the stock exchange. eg : Normal lot, odd lot, Negotiated trade, etc.
29. MESSAGE : A string of data in the SWIFT format for the transfer of information between various BP.
30. PARTICIPANT/ DP : Depository Participant ,who has entered into an agreement with the Depository.
31. REMATERIALISATION : The process of converting the electronic holdings in the Physical form.
32. RFP : Receipt - Free - of -payment.
This is the counter instruction to a DFP given by the target DP .

- 33. RI STATEMENT : Receipt -in Statement.
- 34. RRF : Rematerialisation Request Form which is to be filled by the client for the purpose. of rematerialisation of securities.
- 35. S I : Standing Instruction . An instruction given by the CM to his associated DP authorizing the receipt of all credits into his account.
- 36. SETTLEMENT : The exchange of money and securities through the stock exchanges in respect of trades posted on the stock exchange .
- 37. SETTLEMENT NUMBER : A unique number given by the stock exchange to each settlement.
- 38. SUSPEND : Master data can be suspended to prevent it from being used by applications.
- 39. SUSPENSE A/C : The account for storing the electronic holdings that are unresolved and unidentified.
- 40. SWIFT : Society for World wide Inter Bank Financial Telecommunication.
- 41. TRADING : The matching of orders on a stock exchange .