

## Frequently Asked Questions (FAQs)

### 1. Transfer of shares

#### **1.1. I have purchased physical shares. How do I get them registered? How long will it take?**

You will have to send the share certificates along with the Share Transfer Deed (Form 7-B), (available with Stock Exchange/Share Brokers) duly filled in, executed and affixed with appropriate share transfer stamps (available with authorized stamp vendors) at 0.25% of the market value on the date of execution of the transfer deed.

The shares, along with the Share Transfer Deed will have to be sent to our Share Transfer Agent (STA) at the following address:

**Karvy Computershare Private Limited  
Unit: Bajaj Finserv Limited (BFS)  
Plot No. 17 to 24, Vittalrao Nagar  
Near Image Hospital,  
Madhapur, Hyderabad 500 081 (A P)**

**Tel : (040) 23420815 to 824 or 040 Cell No. +91 9107401094  
Fax : (040) 23420814, E-mail : [mohsin@karvy.com](mailto:mohsin@karvy.com)**

**Contact person: Mr Mohd Mohsinuddin**

It is also mandatory on the part of transferee to lodge a copy of PAN card to the STA for registering the transfer of shares vide SEBI's Circular No. MRD/DoP/Cir-05/2009 dated 20th May, 2009.

Normally, it takes 15 days for processing the transfer the shares are registered in your name, and the share certificates will be dispatched to you thereafter.

#### **1.2. What is the procedure to add the name of another person as a joint-holder?**

Addition of name is deemed to be transfer of shares. In such cases, the procedure laid for transfer of shares as stated above is required to be followed.

#### **1.3. What is the procedure for revalidation of Transfer Deed?**

A transfer deed is valid for a period of one year from the presentation date indicated in the stamp affixed by the Registrar of Companies on the upper portion of the deed or the closure date of Register of Members immediately after the presentation date, whichever is later.

In case of lapse of more than a year from the said date, you are required to get the TD duly revalidated by the office of the Registrar of Companies or such other notified authorities by paying the prescribed fee. Alternatively, you may approach the registered holder/seller whose signatures appear on the transfer deed as seller to execute fresh transfer deeds.

After revalidation as above, you should send the TD along with the share certificate(s) to the STA within one month from the date of revalidation.

## 2. Transposition of shares

### **2.1. What is the meaning of Transposition of shares?**

Transposition is the process of interchanging the order of names in respect of shares held under a folio.

### **2.2. What is the procedure for transposition of shares?**

Please submit your application in writing to the STA, duly signed by all the shareholders requesting for inter-change of names, enclosing therein all the share certificate(s) held under a particular folio. Your application should clearly state the order in which the name(s) should appear in the folio. Part transposition of shares is not permitted.

Submission of a copy of PAN card is mandatory for transposition of shares also in terms of SEBI's Circular no. SEBI/MRD/DoP/SE/RTA/Cir-03/2010 dated January 07, 2010

## 3. Transmission of shares

### **3.1. Deletion of name of the shareholder who dies and continuing the shares in the name of surviving joint-holder?**

The surviving shareholder(s) will have to submit a request letter supported by a notarized copy of the death certificate of the deceased shareholder and the relevant share certificates to our STA at the above-mentioned address.

On receipt of the said documents, STA will delete the name of deceased shareholder from its records and return the share certificates to the applicant /registered holder with necessary endorsement.

Submission of copy of PAN Card by the claimant is necessary vide SEBI's Circular no. SEBI/MRD/DoP/SE/RTA/Cir-03/2010 dated January 07, 2010.

### **3.2. After deletion of name, as above, can I add another name?**

Addition of name is deemed to be transfer of shares hence can be done by following the procedure laid for transfer of shares.

### **3.3. If a shareholder who held shares in his sole name dies without leaving a will. How can his legal heir/s get the shares transmitted in their names?**

Firstly, the legal heirs have to obtain a Succession Certificate or Letter of Administration with respect to the shares and a true copy of the same, duly attested by the Court Officer, or Notary should be sent to our STA along with a dully-filled up transmission form ([click here for the format](#)), request letter along with all the share certificates in original & a copy of PAN card for transmission in their favour. List of documents required for transmission of shares is mentioned below:

List of documents required for processing request for transmission of shares.

1. Copy of Succession Certificate / Letter of Administration/ Probate of Will duly certified by Notary / Gazetted Officer.

2. Transmission Form (click here for the format) to be filled, signed and submitted with us. Please ensure that your specimen signature is attested by a Manager of Nationalized Bank with their Official Seal.
3. No objection letter (click here for the format) from other legal heirs which is required to be executed on Non-Judicial stamp paper of the value of Rs.50/- if applicable, along with their copies of Address proof i.e., Passport / Driving License duly certified by Notary/Bank Manager with their Official Seal.
4. Photo copy of Claimant (s) PAN Card duly certified by a Gazetted Officer. It is mandatory as per SEBI Norms vide Circular No. SEBI /MRD /Dop /SE /RTA /Cir- 03/2010 dated 07th January 2010.
5. Claimant's Proof of address, such as Electricity Bill/Telephone Bill/Water Bill/Ration Card/Pass Port/Driving License, duly attested.
6. Copy of Death certificate of the shareholders, duly certified by Notary/ Gazetted Officer.
7. Original share certificates.
8. Request letter duly signed by the Claimant(s) for transmission of share(s).

All attested/certified copies should bear Official seal, Name, Address and Signature of attesting authority.

**3.4. If the deceased family member who held shares in his/her own name (single) had left a will, how do the legal heir/s get the shares transmitted in their names?**

The legal heirs should obtain a Succession Certificate or Letter of Administration with respect to the shares and a true copy of the same, duly attested by the Court Officer, or Notary should be sent to the company along with a request letter, copy of PAN card, transmission form, (format attached) and all the share certificates in original, for transmission in their favour.

**3.5. I have already produced the attested/registered will. Since getting it probated would take a long time and money can I avoid that procedure?**

You will appreciate that in order to ascertain that the will in question is the last will and testament made by the deceased, it is important & necessary that the same is authenticated/probated by the Court. This is to protect the interest of the investors at large and to obviate any future claims/disputes on the same.

**3.6. The name of a joint holder was included only for convenience by the first holder. I am the only heir. Could you transfer the shares in my name as per the will/probate?**

As per law, the joint holder is deemed to be having indivisible ownership of the joint property and the company cannot ascertain as to how or why the name was included. As per the Articles of Association of the company, the surviving joint holders are the only persons recognised as having title to the shares.

## 4. Dematerialization of shares

### 4.1. What is Dematerialization and its benefits?

Dematerialisation ('Demat' in short form) signifies conversion of a share certificate from its present physical form to electronic form for the same number of holding. It is a direct application of scope provided by the tremendous progress made in the area of Information Technology whereby voluminous and cumbersome paper work involved in the scrip based system is eliminated. It offers scope for paperless trading through state-of-the-art technology, whereby share transactions and transfers are processed electronically without involving any share certificate or transfer deed after the share certificates have been converted from physical form to electronic form.

Dematerialisation of shares is optional and an investor can still hold shares in physical form. However, he/she has to demat the shares if he/she wishes to sell the same through the Stock Exchanges. Similarly, if an investor purchases shares, he/she will get delivery of the shares in demat form.

The Depositories Act, 1996 has been enacted to regulate the matters related and incidental to the operation of Depositories and demat operations. Two Depositories are in operation - National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL).

Advantages of holding securities in dematerialized form are as follows:

- Convenient mode of holding securities, especially if you are holding shares of many companies;
- Immediate transfer of securities;
- No stamp duty is payable on transfer in demat mode
- Elimination of risks such as bad delivery, fake securities etc.;
- Reduction in paper work;
- Reduction in transaction cost;
- Saving of time – Change in address / bank account particulars / NECS particulars etc. / transmission procedure done / recorded with DP is automatically applicable to all companies in which the investor holds securities, thus eliminating the need to correspond with each of the companies separately.
- Facilitates direct credit of shares in case of allotment under IPO, Rights, Bonus, Split etc. and direct credit of dividend to your designated account.

Further, SEBI has made it compulsory for all investors to settle their trades in BFS shares only in electronic form. Hence, shareholders intending to trade in BFS shares are required to hold the same in electronic form.

As a shareholder holding shares in dematerialized form, he / she will have the same rights as a shareholder of the Company viz. right to receive dividend, bonus shares, subscribe to rights shares, attend general meetings, receive communications etc.

### 4.2. How does the Depository System operate?

The operations in the Depository System involve the participation of a Depository, Depository Participants, Company/Registrars and Investors. The company is also called the Issuer.

A Depository (NSDL and CDSL) is an organisation like a Central Bank, i.e. Reserve Bank where the securities of an investor are held in electronic form, through Depository participants.

A Depository Participant is the agent of the Depository and is the medium through which the shares are held in the electronic form. They are also the representatives of the investor, providing the link between the investor and the company through the Depository.

To draw analogy, the Depository system functions very much like the banking system. A bank holds funds in accounts whereas, a Depository holds securities in accounts for its clients. A bank transfers funds between accounts whereas, a Depository transfers securities between accounts.

In both systems, the transfer of funds or securities happens without the actual handling of funds or securities. Both the banks and the Depository are accountable for safe keeping of funds and securities respectively. The company has to sign an Agreement with NSDL/CDSL (the depositories) and install the necessary hardware/software for operations.

#### **4.3. What is the procedure for dematerialization of shares?**

- Open a Beneficiary Account with a DP registered with SEBI and with any one of the Depositories i.e., NSDL or CDSL.
- Submit the Dematerialization Request Form (DRF) (in triplicate) to your DP duly filled in and signed by all the shareholders, along with share certificate(s) and requisite documents. Ensure that the names and order of names as per certificate(s) matches with the names and order of the names as per the DP account.
- Obtain an acknowledgement from the DP.
- On receipt of DRF as above, DP will generate a Dematerialization Request Number (DRN) and the said DRN is electronically transmitted to the Company / STA through the concerned Depository.
- Simultaneously, DP will send the physical certificate(s) with the original DRF to the Company/STA for verification and confirmation.
- The Company/STA, on receipt of DRF and share certificate(s) as above, will process the said request and if the DRF is found to be in order {viz. verification of signature and certificate(s)}, will electronically confirm the said request.
- The DP on receipt of such confirmation, will credit the account with the shares dematerialized.
- The DP will hold the shares in the dematerialised form thereafter on your behalf and you will become beneficial owner of these dematerialised shares.

The procedures indicated above are only by way of guidance only and the same could vary from time to time and from DP to DP.

#### **4.4. Once my shares are dematted, can I get them re-converted into physical shares?**

If you are holding shares in electronic form, you still have the option to convert your holding in physical form by submitting a Rematerialisation Request Form (RRF) through your DP in the same manner as Dematerialisation. Upon receipt of such request from your DP, the Company/Registrars will issue share certificate(s) for the number of share(s) so rematerialised.

**4.5. What are the charges to be paid to demat one's physical shares? Will it be paid by the company or do I have to pay for it?**

The charges for demat have to be borne by the shareholder. The charges differ from DP to DP and you may have to choose your DP for the same.

**4.6. How do I get my dividends on dematted shares? Will I get the Annual Report after I demat my shares and would I be able to attend the AGM?**

The Depositories (NSDL/CDSL) will provide the list of demat account holders and the number of shares held by them in electronic form on the Record date to the company /registrar (known as Benpos). On the basis of Benpos, the company concerned will issue dividend warrants in favour of the demat account holders. The rights of the shareholders holding shares in demat form are at par with the holders in physical form. Hence you will be eligible to get the Annual Report and will have the right to attend the AGM as a shareholder.

**4.7. What are the chances of any fraud/disputes in using a demat account? Whom should I approach in such cases?**

Common risk factors applicable to trading in physical shares like mismatch in signatures, loss in postal transit, etc., are absent since the dematted shares are traded scrip less. However, in the event of any other dispute, the concerned Stock Exchange and/or Depository Custodian viz. NSDL/CSDL or SEBI would have to be approached for resolving such issues.

**4.8. Can I pledge my dematerialized shares ?**

Shares held in dematerialized form can be pledged as security for the purpose of availing loan/credit facility from a bank or as collateral for availing finance from other financial institutions, subject to complying with the terms and conditions prescribed by the DP.

**4.9. What is the procedure for pledging of dematerialized shares?**

- Both the Pledger as well as the Pledgee must maintain depository accounts;
- Pledger has to initiate the pledge by filling and submitting to his DP the "Pledge Request Form" (PRF) in duplicate, duly filled in all respects;
- The PRF should be signed by all joint-holders. The Pledgee may countersign the PRF;
- On receipt of the PRF, the Pledger's DP verifies whether the securities proposed to be pledged are unencumbered and there is enough free balance;
- The Pledger's DP then sets up a pledge in the depository system and a unique Pledge Sequence No. is generated;
- The Pledger is required to submit the acknowledged copy of the PRF to the Pledgee;
- The Pledgee's DP can access the request online. Based on the Pledgee's copy of PRF received from the Pledger, the Pledgee's DP either accepts or rejects the request using the accept/ reject flag.

The procedures indicated above are only guidance, since the same could vary from time to time and DP to DP.

## **5. Issue of duplicate share certificates**

### **5.1. I have lost/misplaced my share certificates. What are the steps that I should take to obtain duplicate share certificates?**

Please inform our STA immediately about loss of share certificates quoting the name of the company your folio number and details of share certificates if available. They shall immediately mark a caution on your folio to prevent any further transfer of shares covered by the lost share certificates. Simultaneously, you will have to lodge a complaint with the police regarding loss of share certificates and also furnish an acknowledged copy of the police complaint.

Upon receipt of all the above, our STA shall advise you further formalities to be complied with for issue of duplicate certificates.

### **5.2. What action should I take if I retrieve the original share certificate, which I had reported to be lost to the Company/Registrars?**

Please surrender the original share certificate to us immediately, if the duplicate share certificates have been issued. However, if the original share certificates are found before you comply with the procedure for obtaining duplicate share certificate, please inform us immediately so that we can remove the caution marked against such share certificates

## **6. Nomination of shares**

### **6.1. What are nomination facility and its advantages?**

Nomination refers to the act of nominating a person in whom the shares would vest in the event of death of the shareholder.

Notwithstanding anything contained in any other law or any testamentary deposition or otherwise, in respect of the shares, where a nomination has been made in accordance with the provisions of Companies Act, 1956, on the death of the shareholder, (or in case of joint holdings, on the death of all the joint holders), the Nominee shall become entitled to the rights in relation to such shares held by the deceased shareholder(s), to the exclusion of all other persons unless the nomination is revoked.

### **6.2. How do I make a nomination with regard to my shareholding?**

Please submit Nomination Form (Form 2B) in duplicate, duly filled and signed by all the shareholders as per format attached. Only one nominee can be nominated per folio. On receipt of the request for registration of nomination, the STA will register the same by allotting a registration number. The duplicate copy of the nomination form will be returned to the shareholder(s) indicating the registration number and the date of registration of nomination. For nomination of shares held in demat form, please contact your Depository Participant.

### **6.3. Do I have to send my share certificates along with the nomination form?**

No.

### **6.4. My shares are held in joint names. Are the joint holder/s nominees to the shares?**

Joint holders are not nominees. They are joint holders of the relevant shares having joint rights on the same. In the unfortunate event of death of any one of the joint holders, the surviving joint holder/s of the shares is/are the only person/persons recognised by the company as the holders of the shares.

### **6.5. Can a nomination once made be changed?**

Nomination once made can be revoked by a shareholder by giving a fresh nomination. If the nomination is made by joint holders, and one of the joint-holders dies, the remaining joint holder/s can make a fresh nomination by revoking existing nomination.

### **6.6. What is the legal position of the nominee in case of death of the shareholders?**

Upon the death of a shareholder, the Nominee, to the exclusion of any other legal heir/beneficiary, is the only person in whom the shares vest. In other words, in case of a valid nomination, the company will not entertain any claim from legal heirs or beneficiaries and the shares will be transmitted only in favour of the Nominee.

In case the nomination is made by joint-holders, the nomination will come into play only upon the death of all the joint holders. Therefore, if one of the joint shareholders dies, the shares will devolve on the surviving shareholders to the exclusion of the Nominee. In this case, the surviving shareholders may make a fresh nomination if they so desire.

### **6.7. What is the procedure for the nominee to get the shares in his name?**

Upon death of a shareholder, the nominee is entitled to have the shares transmitted in his favour. He/She will have to give a notice in writing to this effect along with the share certificate(s) of the deceased shareholders. Alternatively, the nominee can transfer the shares held by the deceased shareholder, to a third party.

If a nominee opts for registration of shares in his name, he is required to produce proof of identity, e.g., copy of passport, driving license, voter's identity card or such other proof to the satisfaction of the company. The nominee should also submit his specimen signature duly attested along with a request for transfer.

Upon scrutiny of the documents submitted by the nominee, shares will be transmitted in his favour and share certificates returned to him duly endorsed.

### **6.8. Can the nominee sell the shares without registration in his favour? What is the procedure?**

Yes, a nominee can sell the shares to a third party, without registration of shares in his favour. However, the usual procedure for transfer of shares will have to be followed.

## **6.9. What is the effect of nomination when a shareholder dies leaving a minor nominee?**

In terms of Sub-Section (4) of Section 109A of the Companies Act, 1956, if the Nominee is a minor, it shall be lawful for the holder of the shares to nominate in the prescribed manner any person to become entitled to shares in the event of his death during the minority of the Nominee. In case of a minor Nominee, a person is required to be named as a guardian to whom the shares shall vest in the event of death of the shareholder during minority of Nominee. On attaining majority, the Nominee is required to send a notice of his decision to either become a shareholder or to transfer the shares.

## **7. Request for change of address**

### **7.1. If there is a change in my address what is the procedure to get it recorded?**

If the shares held by you are in physical form, kindly send a request letter (format attached) signed by the shareholder (first named shareholder in case of joint-holders) giving the new address along with the Pin Code. Please quote your folio number without fail. In case the shares held by you are in demat, please inform the change to your DP

### **7.2. Can joint-holders request for a change of address?**

No. The letter of request will require the signature of the first holder only.

### **7.3. Can there be multiple addresses for a single folio?**

No. There can be only one registered address for one folio

### **7.4. If the shares are dematted, what is the procedure for change of address?**

Since your Depository Participant maintains your record of dematted shares, you have to inform them about any change in your address. Your Depository Participant will then pass on this information when any action like despatch of Annual Accounts or payment of dividend etc., is due to be taken by the company.

## **8. Dividend Payment / NECS Facility**

### **8.1. I have not received my dividend. What action do I take?**

You may please write to us quoting the name of the company furnishing the particulars of the dividend not received and also quoting your folio number/client ID particulars (in case of dematted shares). We will verify the records and provide you with the status.

### **8.2. When is the annual dividend payable and when was it paid last?**

Dividend is payable when declared at the Annual General Meeting, which is normally held in July every year.

The last dividend recommended by the Board of Directors at its meeting held on 11 May 2010 was @ Re. 1 per share (20 per cent) on the face value of Rs. 5/-. It was subsequently declared at the Annual General Meeting held on 21 July 2010 and was paid to all the eligible shareholders / beneficial owners immediately thereafter.

### **8.3. How does one obtain the dividend remaining unpaid / unclaimed?**

As per the provisions of the section 205-C of the Companies Act, 1956, dividends remaining unclaimed and unpaid for a period of seven years from the date of transfer to "Unpaid Dividend A/c" are liable to be transferred to IEPF and cannot be claimed after the transfer.

Unpaid dividends in respect of the years 2007-08 & onwards can be claimed from the Company / STA before the expiry of seven years from the respective date of payment / declaration of dividend.

### **8.4. What is the procedure for obtaining a duplicate dividend warrant?**

In case you have not received the dividend warrant or credit thereof is not reflected in your bank statement, you are requested to inform the STA in writing quoting your Folio No. / DP & Client ID.

STA will check the status with Bank and send a demand draft in lieu of dividend warrant, if the same is unpaid.

### **8.5. How to get dividend through National Electronic Clearing Services (NECS)?**

As per RBI Notification with effect from 1 October 2009, the mode of remittance by ECS has been replaced by NATIONAL ELECTRONIC CLEARING SERVICE (NECS) and banks have been instructed to move to the NECS platform with immediate effect.

In your own interest, you are requested to furnish the new Bank Account Number allotted to you after the implementation of Core Banking Solutions (CBS) to your D P (in case of electronic holding) or to STA along with NECS Mandate Form as per format attached (in case of physical holding) along with a photocopy of a cancelled cheque pertaining to the concerned account.

### **8.6. What is the advantage of NECS?**

The advantages of NECS over ECS are faster credit of remittance to the beneficiary's account, no loss of warrant in transit, coverage of more bank branches and ease of operations for the remitting agencies.

### **8.7. Will I receive my dividend if I do not furnish the new bank account number to the Company?**

In case you do not furnish the new bank account number as aforesaid, credit of dividends through NECS to your old bank account number may be rejected or returned by the banking system. However, in such cases, the Company would issue physical dividend warrants to the concerned shareholders post intimation of such rejection.

### **8.8. What in case my bank has not changed the account number or not migrated to the CBS platform?**

You can continue to avail of the ECS facility with the existing account number provided by your bank. However, it is recommended that you periodically verify your bank statement to confirm credit of dividend, interest etc.