

Shareholders' Guide

Transfer of shares

Procedure for transfer of shares in physical form

After executing the share transfer deed in prescribed Form 7-B and affixing appropriate stamp duty thereon, please forward the same along with the share certificate(s) stated therein to Karvy Computershare Private Limited (Share Transfer Agent or 'STA') at the following address:

Karvy Computershare Private Limited
Unit: Bajaj Holdings & Investment Limited (BHIL)
Plot No 17 to 24, Vittalrao Nagar
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

Contact person:

Mr Mohd Mohsinuddin

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

Stamp duty payable on transfer of shares

As per Article 62(a) of Schedule 1 of Indian Stamp Act, 1899, currently stamp duty is payable @ 0.25% of total consideration viz. being the market value of the shares as traded on the date of execution of transfer.

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.

Procedure for revalidation of Transfer Deed

A Transfer Deed (TD) 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 a lapse for 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.

Transposition of shares

Meaning of Transposition

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

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

Transmission of shares

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.

After deletion of name, addition of new name

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

Formalities for transmission if a shareholder who held shares in his sole name dies without leaving a will.

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, 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 elsewhere in this document.

Formalities for transmission if a shareholder who held shares in his sole name dies and has left a will.

The legal heirs will have to get the will probated by the Court of competent jurisdiction and then send a copy of the probated will, along with relevant schedule/annexure setting out the details of the shares, the relevant share certificates in original, transmission form for transmission and a copy of PAN card. List of documents required for transmission of shares is mentioned elsewhere in this document. (These requirements are indicative requirements. Shareholders are requested to get in touch with STA for applicable formalities.)

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 to be filled, signed and submitted with us. Please ensure that your specimen signature is attested by a Nationalized Bank Manager with their Official Seal.
3. No objection letter 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.

Necessity of getting the will probated

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 and 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.

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 recognized as having title to the shares.

Dematerialization of shares

Meaning of Dematerialization

The process of converting securities (i.e. shares, bonds etc.) held in physical form into electronic form is known as dematerialization. Under this process, securities held by an investor in physical form are converted to an equal number of securities in electronic form and credited into the investor's demat account maintained by him with his Depository Participant (DP). It is similar to a bank account, where entry is made in Statement of Account of the number of shares held in a demat account.

Advantages of holding securities in dematerialized form

- 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 BHIL shares only in electronic form. Hence, shareholders intending to trade in BHIL 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.

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) match 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 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 dematerialized form thereafter on your behalf and you will become beneficial owner of these dematerialized shares.

Pledge of 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.

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 by way of guidance only and the same could vary from time to time and from DP to DP.

Procedure for rematerialization

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

Charges for demat of shares

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

Rights on dematerialized shares

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.

Chances of any fraud/disputes in using a demat account

Common risk factors applicable to trading in physical shares like mismatch in signatures, loss in postal transit, etc., are absent since the dematerialized 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.

Issue of duplicate share certificates

Indicative formalities for getting duplicate share certificates

Please inform the STA about loss of share certificates quoting 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.

Shareholder will be required to complete the following formalities for issue of duplicate share certificate. However, shareholder may get in touch with STA for any specific requirements.

1. Lodge a complaint with Police Station and submit a Copy of FIR (mentioning folio no, share certificate(s), unit name, distinctive no(s) and no. of lost shares) in original or attested by notary/gazette officer. Please note that FIR should have/contain clear impression of rubber stamp of the concerned Police Station.
2. Execute Indemnity & Affidavit on a non-judicial stamp paper of the Value of Rs.200/- & Rs.20/- duly attested by Notary Public/Special Executive Magistrate respectively. Affidavit should be attested by notary with appropriate notarial stamps affixed together with the seal and the registration no of the notary.
3. Stamp paper must be purchased only in the name of the executor .i.e., registered shareholder.
4. Questionnaire Form to be filled in by applicant(s) for issue of Duplicate Certificate(s) in respect of security/ies, for which original certificate(s) are lost.
5. Proof of identity like PAN card/Passport/Driving License of surety duly attested by Notary/gazetted officer.
6. Supporting documents of surety like salary certificate/pay slip or copy of latest Assessment Order passed by Income Tax authorities or proposed valuation Report issued by Revenue Authorities/Municipal Authorities /Secretary of Gram Panchayat duly attested y a Notary/Gazetted officer. Annual Income of surety should be more than the then prevailing market value of shares.
7. Full name, address and signatures of the witnesses and sureties should appear in the indemnity Bond Surety form to be filled by same person who has signed as surety on the Indemnity.
8. Shareholders' proof of address, like Electricity Bill/Telephone Bill/Water Bill/Ration Card/ Pass port/Driving License duly attested by notary/Gazetted officer and latest Bank statement/pass book of share holder
9. Share holder's specimen signature duly attested by your Banker.
10. Any correction / modification on these documents would need initials of the executors.

11. All the particulars of the shares like folio no, certificate no. and distinctive numbers to be mentioned in the Indemnity and Affidavit.
12. Advertisement for the loss of shares to be published in any English newspaper, having wide Circulation.
13. Request letter duly signed by share holder for issue of duplicate share certificate(s).

Nomination of shares

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.

Procedure for doing nomination of shares

Please submit Nomination Form (Form 2B)) in duplicate, duly filled and signed by all the shareholders as per format enclosed in 'Download' section. 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.

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.

Do I have to send my share certificates along with the nomination form?

No.

Whether 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 recognized by the company as the holders of the shares.

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.

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.

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.

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.

Request for change of address

Procedure for change in address

If a shareholder (in physical form) wants to change his address in company's records, a request letter along with proof of residence, and a xerox copy of PAN card, duly attested are to be sent to STA. The request letter should be signed by all the shareholders. It is necessary to quote the folio no/s for the sake of reference.

For shares held in dematerialized form, communication is to be sent to the DP, where the demat account is maintained. It may be noted that company does not maintain any separate database of the beneficial owners.

Dividend Payment / NECS Facility

Details of last dividend paid

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 12 May 2010 was @ Rs. 30/- per share (300 per cent) on the face value of Rs. 10/-. It was subsequently declared at the Annual General Meeting held on 22 July 2010 and was paid to all the eligible shareholders / beneficial owners immediately thereafter.

Manner of obtaining the dividend remaining unpaid / unclaimed

Unpaid / unclaimed dividends up to the year 1994-95 have been transferred to General Revenue Account of Central Government. Those who have, so far, not been able to encash their dividend warrants for the period upto and including the year 1994-95 for whatever reasons can claim the same from Registrar of Companies, Maharashtra, PMT Commercial Building, Deccan Gymkhana Pune 411.004 after following a prescribed procedure.

Unpaid and unclaimed dividends for the years 1995-96 to 2002-03 have been transferred to Investor Education and Protection Fund (IEPF) set up by the Central Government. 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 2003-04 and onwards can be claimed from the Company / STA before the expiry of seven years from the respective date of payment / declaration of dividend.

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.

Manner of getting 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 given in 'Download' Section (in case of physical holding) along with a photocopy of a cancelled cheque pertaining to the concerned account.

Advantage of NECS

The advantages of NECS over ECS are faster credit of remittance to the beneficiary's account, coverage of more bank branches and ease of operations for the remitting agencies.

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.

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.

Facts about BHIL

Present paid-up share capital of BHIL

It is Rs.1,112,935,100 divided into 111,293,510 Equity Shares of Rs.10/- each.

Shareholding Pattern

Please refer 'Shareholding Pattern' in 'Investors' Section of web-site. At the start of every quarter, Shareholding Pattern for the previous quarter is uploaded after submission to the stock exchanges.

Share price details

Under 'Investors' Section, you can click on 'Market Tracker' to know the NSE quotes and 'Stock Watch' to know the BSE quotes.

Apart from share prices, details of all information submitted to stock exchanges by the Company can be seen on 'Market Tracker' and 'Stock Watch'.

Preferential Issue

On 16 July 2009, shareholders of BHIL approved an issue of upto 10,110,000 convertible warrants to Promoters on a preferential basis.

On 28 July 2009, Warrant Allotment Committee allotted 10,110,000 warrants to promoters on receipt of 25% of the total consideration at the rate of Rs.449.58 per equity share.

Each warrant has tenure of 18 months from the date of its allotment within which, the warrant holder is entitled to apply for equity shares by paying balance 75% of the consideration.

On 27 March 2010, Share Allotment Committee issued 4,859,000 equity shares of Rs.10/- each upon exercise of an option and payment by the warrant-holders.

On 21 January 2011, Share Allotment Committee issued 5,251,000 equity shares of Rs.10/- each upon exercise of an option in respect of balance warrants and payment by the warrant-holders.

GDRs

BHIL's GDRs are listed on London Stock Exchange in Professional Securities Market (PSM) Segment.