

## **INSTRUCTIONS TO REGISTRARS TO AN ISSUE / SHARE TRANSFER AGENTS**

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In exercise of the powers conferred on it generally by the provisions of the SEBI Act, 1992 and especially those contained in section 11 thereof as also in implementation of the SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, SEBI has, from time to time, been issuing circulars containing operational guidelines / instructions to be followed by all Registrars to an Issue (RTI) and / or Share Transfer Agents (STA) holding a certificate of registration granted to them in accordance with the Regulations.

In continuation of the previous Circular, dated November 5, 1993, all Registrars to an Issue and Share Transfer Agents are advised to ensure compliance of the Instructions contained herein.

### **Agreement to be entered into with Issuer / body corporate.**

1. In terms of rule 4(1)(b) of the SEBI (Registrars to an Issue and Share Transfer Agents) Rules, 1993, all Registrars to an Issue / Share Transfer Agents are required to enter into a legally valid agreement with the Issuers / Body corporate. SEBI has evolved models of Agreement to be entered into between RTI and Issuer (Annexure A) and STA and Body corporate (Annexure B). The models have been formulated with a view to bringing about standardisation in the legal relationship between the RTI and Issuer and STA and body corporate. While the RTI / STA and the Issuer / body corporate may suitably modify the agreement depending upon the circumstances of each case, they should, as far as possible, observe the spirit behind the various clauses contained in the model agreements. While doing so, it must also be ensured that neither party should reserve for itself any rights which would have the effect of diminishing in any way its liabilities and obligations under the Companies Act, 1956 and SEBI (Registrars to an Issue and Share Transfer Agents) Rules and Regulations, 1993.

Where the Registrar to an Issue / Share Transfer agent is a company the agreement should be executed by persons authorized to execute documents in accordance with the Articles of Associations of the company; in case of partnership firms the Agreement should be executed by all the partners or the Managing partner acting under the authority of the other partners; and in the case of a proprietary concern, by the proprietor himself.

The Agreement must be stamped according to the Local Stamp Laws for the time being in force at the place of execution.

In the case of a large issue, the Issuer may decide to appoint / associate more than one RTI. In such a case the Agreement shall be executed by all the RTIs and the Issuer and the Lead Manager shall be a confirming party. The scope of work and responsibilities of each Registrar shall be clearly spelt out in the Agreement.

The Agreement entered into by a RTI with an Issuer shall be valid at least until the expiry of one year from the date of closing of the Issue and in the case of an Agreement entered into by a STA with a body corporate, it shall be valid for a minimum period of one year renewable if the circumstances so require.

A certified copy of the executed agreement between the RTI and the issuer shall be immediately forwarded to the Lead Managers to the Issue (Pre-issue and Post-Issue).

### **Records to be maintained by registrar to an issue / share transfer agent**

2. In pursuance of the powers conferred upon SEBI by regulation 14(2)(h) and regulation 14(3)(C) of the Regulations, it is hereby stipulated that in addition to the books, records and documents stipulated in regulation 14(1), 14(2) and 14(3) the following records and documents shall also be maintained by the RTI/STA in hard copy / magnetic media.

#### *Records and Documents to be maintained by RTI*

- (i) Original agreement entered into with the Issuer for handling the issue, a print copy of the Prospectus / offer document.
- (ii) Reconciliation of applications received with bank certificate, showing No. of applications, No. of shares applied, amount, particulars of payment along with bank certificates.
- (iii) Full particulars of all applications received / deposited.
- (iv) Details of all stock invests received / deposited and particulars of encashment.
- (v) Full details of despatch of allotment advices, shares / debenture certificates / letters of allotment refund orders, duplicate refund orders, revalidated refund orders.
- (vi) Records of pre-printed issue stationery like allotment advice, share / debenture certificates, letters of allotment, refund orders, duplicate, refund orders, etc., showing details of such stationery received from Issuer, consumed for printing, wastage, destroyed, and handed over to Issuer Company.
- (vii) Copies of basis of allotment approved by Stock Exchange.
- (viii) Record of returned mail showing details of contents of the letter, details of securities / refund orders, warrants despatched, date of despatch, date of return and reasons for being returned.
- (ix) Complaints register containing details of the date of receipt of the complaint, particulars of complainant, nature of complaint (Categorized as Types I, II, III, IV as per SEBI practice), date of disposal and how disposed of. Complaints received from SEBI shall also be recorded in the complains register in addition to complaints received directly.

#### *Records and documents to be maintained by STA*

- (i) Records of allotment made containing all relevant details received from the Registrar to the Issue /Body Corporate where Issue has been handled in

- house; details of securities subject to lock-in-period in respect of each Body corporate.
- (ii) Datewise records of securities received for endorsement, transfer, splitting, consolidation, transmission, etc.
  - (iii) Movement register containing date and details of records sent out of the office of the STA to body corporate or any other person for any reason whatsoever and date of receipt back by the STA.
  - (iv) Board Resolution approving the transfers along with the transfer register containing all particulars of transferor and transferee, their folio Nos., No. of shares transferred, Number and date of Board meeting approving the transfers with signature and seal of Company Secretary / Director.
  - (v) Details of despatch of transferred certificates, certificates received for endorsement, splitting, consolidation, transmission, etc.  
The records at II to V above to be interlinked so as to ascertain the movement of documents and time taken in transfer, etc., and despatch of scrips to investors.
  - (vi) Member register and transfer register in hard copy and in magnetic media.
  - (vii) Specimen signature cards and transfer deeds.
  - (viii) Records of returned mail showing details of contents of the letter, details of securities / refund orders, warrants despatched, date of despatch, date of return and reasons for being returned.
  - (ix) Complaints register containing details of the date of receipt of the complaint, particulars of complainant, nature of complaint (Categorized as Types I, II, III, IV as per SEBI practice), date of disposal and how disposed of. Complaints received from SEBI shall also be recorded in the complaints register in addition to complaints received directly.

These records and documents are required to be maintained by the intermediaries for a minimum period of 3 years in terms of regulation 15. These records and documents should be kept in the custody of an authorized / responsible officer of the RTI / STA.

### **Periodical reports to be furnished to SEBI**

3. Pursuant to the powers vested in SEBI under regulation 14(5) of the Regulations, it is advised that reports relating to the issue / share transfer work handled and complaints status shall be furnished to SEBI. In respect of the work as Registrar to an Issue the report is to be furnished in Proforma PR-R Parts I to III and in respect of the work as Share Transfer Agent the report is to be furnished in Proforma PR-S Parts I and II. The formats of the reports are given in Annexure C. The reports are to be submitted for every calendar quarter beginning with the quarter October 1, 1994 to December 31, 1994 within 15 days of the expiry of the quarter. If no work has been handled a nil report should be furnished within the stipulated period. Where registration / renewal of registration has been obtained by the RTI / STA from Regional Office of SEBI, the reports shall be submitted to the respective Regional

Office. The reports should be duly certified by the whole-time Director / Company Secretary / Managing Partner / Sole Proprietor with date.

RTIs / STAs are advised to strictly adhere to the deadline in submitting the reports.

#### **Mandatory obligations of RTI / STA**

4. (A) In addition to other responsibilities accepted and agreed to by a Registrar to an Issue with the Issuer, the RTI shall only carry out and be responsible for the following activities in connection with an Issue :
- (i) Despatch of allotment advice / share debenture certificates / letters of allotment / refund orders / cancelled stock invest. It is clarified that the RTI shall not handover these to the company or any other person for despatch. The mode of despatch shall be as mentioned in the offer document.
  - (ii) Issue of duplicate refund orders / revalidation of refund orders. The Issuer shall ensure that the refund bankers provide necessary information / reconciliation details to the RTIs.
- (B) The following work shall be undertaken by STA only and they shall be responsible for the work in addition to other responsibilities agreed to and accepted with the body corporate on whose behalf it is carrying on share transfer work :
- (i) Endorsement of certificates / for allotment / call monies.
  - (ii) Transmission, consolidation, sub-division of securities.
  - (iii) Despatch of transferred securities and securities received for transmission / consolidation / sub-division, etc., directly to the investors.

#### **Other directions to RTIs / STAs**

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- (i) Keeping the investors interest in mind, RTI / STA shall not accept work disproportionate to its capacity. RTI / STA shall not unload the entire / substantial portion of its activities to outside agencies except in case of exigencies beyond its control.
- (ii) RTI / STA shall handle its activities only from the offices declared to SEBI and approved by it. The addresses of such offices shall only be informed to the investors and printed in issue stationery, etc. If a RTI / STA has a full-fledged Investor Relations Centre (IRC) and has obtained SEBI's approval for the same, the address of the IRC may be stated, but only in addition to the approval of the same, the address of the IRC may be stated, but only in addition to the approved offices. The RTI / STA shall neither close its offices nor carry on activities from other places, without the prior written permission of SEBI. This will override the earlier instructions given in this regard.
- (iii) RTIs shall not handover applications and other documents / records pertaining to an Issue to the Issuer or to any other persons for any purpose whatsoever until completion of despatch of allotment letters / share / debenture certificates / refund orders and cancelled stock invests. The issuer / persons authorized by it may have access to the applications / records in the office of RTI only.

- (iv) It has also come to notice of SEBI that certain issuers are taking over the allotment letters / share debenture certificates, etc., for despatch citing various reasons like payment of stamp duty, etc. It is clarified that the RTI shall not handover these to the Issuer and it shall only make the despatches to the investors directly. Any violation on this account will be viewed seriously by SEBI.
- (v) It has been observed that the correct date of despatch of share / debenture certificates / allotment letters, to allottees who have applied through stock invests is not being mentioned in the 90 days and other reports submitted to SEBI / Stock Exchanges. It is hereby clarified that while furnishing / certifying the reports, the RTI should furnish separately the actual date of the above despatches.
- (vi) Under Regulation 15 of the Regulations, RTI / STA are required to maintain the records and documents stipulated in regulation 14 for a minimum period of 3 years. These records / documents to be maintained include the records pertaining to any issue handled by the RTI / Share transfer work carried out by the STA. Therefore, it is expected that the RTI / STA shall redress the investors complaints for a minimum period of 3 years, irrespective of the termination of the Agreement entered into with the Issuer / Body corporate. It may be pointed out that the complaints are to be redressed within 1 month as stipulated in rule 4 (e) of SEBI (Registrars to an Issue and Share Transfer Agents) Rules, 1993.
- (vii) It has also come to light that certain RTI / STA hold up their services due to delay / despatch in payments by the Issuer / Body Corporate causing great inconvenience to investors. It is needless to mention that by holding up the work, RTI / STA contribute to the violation of the provisions of the Companies Act, listing agreement and the Regulations of SEBI. It is felt that the RTI / STA should negotiate the payment terms with Issuer / Body Corporate and arrange to procure the funds in advance for meeting the various expenses. In case of any substantial delay / despatch the matter should be immediately brought to the notice of SEBI / Stock Exchanges. In any case, it is desired that services to investors should not be affected.
- (viii) It has been noted that RTI / STA do not keep complete records of receipt, utilisation, wastage and returns to the Issuer Companies / Body Corporate, of the pre-printed stationery like share / debenture certificates, refund orders, interest, dividend warrants, etc. In the interest of the investors and in their own interest RTI / STA should maintain proper records and keep these securities items in control to prevent any misuse.
- (ix) Authorization of transfer on certificates and the authorization of endorsement of a call / allotment money is not delegated by certain body corporates to the share transfer agents thereby resulting in immense delay in sending back the certificates to the investors, as the certificates have to move back and forth between the body corporate and the STA. This usually results in not complying with the time limit stipulated under section 113 of the companies Act, 1956 and listing agreement and the STAs also become responsible for violation. In view

of this the STA may insist on the Body Corporates authorising them to carry out the authorisation.

- (x) The STA are advised that they shall issue acknowledgement to the investors for having received their requests for endorsement, transfer, transmission, consolidation / sub-division, etc., within 7 days of the date of receipt of such requests.
- (xi) The RTI / STA are now required to maintain proper records of mail returned undelivered. While attending to requests for issue of transfer, issue of duplicate refund orders, etc., they may verify the returned mail records to prevent any fraudulent activities.

**ANNEXURE A**  
**DRAFT OF AGREEMENT BETWEEN THE REGISTRAR TO AN ISSUE AND**  
**THE ISSUER COMPANY**

THIS AGREEMENT MADE AT \_\_\_\_\_ ON \_\_\_\_\_ BETWEEN \_\_\_\_\_ (Name of RTI), a company within the meaning of the Companies Act, 1956 and having its Registered Office at \_\_\_\_\_ / a partnership firm carrying on business in the firm name and style of \_\_\_\_\_ at \_\_\_\_\_ / \_\_\_\_\_ a sole proprietorship concern of which Shri/Smt \_\_\_\_\_ is the sole proprietor and having its office at \_\_\_\_\_ (delete whichever is not applicable) (hereinafter referred to as "Registrar") and \_\_\_\_\_ a company within the meaning of the Companies Act, 1956 and having its registered office at \_\_\_\_\_ (hereinafter referred to as the "company").

**WHEREAS**

- (1) The company is proposing to issue ..... (particulars of the Issue like type and No. of securities, value, date of opening of issue, etc., to the public hereinafter referred to as "the said Issue").
- (2) The Registrar is a SEBI registered Registrar to an Issue having Registration No..... and the company has approached the Registrar to act as Registrar to the said Issue (the activities pertaining to the Registrar to an Issue are hereinafter referred to as "the assignment"), and the Registrar has accepted the assignment.
- (3) In terms of rule 4(1)(b) of the SEBI (Registrars to an Issue and Share Transfer Agents) Rules, 1993, the Registrar is required to enter into a valid agreement with the Issuer company *inter alia* to define the allocation of duties and responsibilities between the Registrar and the Issuer and in pursuance of the same the Registrar and the Issuer have entered into an Agreement being these presents.

NOW, THEREFORE, the company and the Registrar do hereby agree as follows :

- (1) The Company hereby appoints the Registrar as Registrars to the said issue and the Registrar accepts such appointment.
- (2) The Registrar hereby undertakes to perform and fulfill such functions, duties and obligations and to provide such services as are mentioned herein.

- (3) The Registrar declares and undertakes that :
- (a) It has obtained certificate of registration from SEBI and that the certificate is valid from .....(date) to .....(date). It shall also ensure that the certificate of registration shall remain in force by taking prompt steps for renewal.
  - (b) It has not violated any of the conditions subject to which registration has been granted and that no disciplinary or other proceedings have been commenced by SEBI and that it is not debarred / suspended from carrying on its activities.
  - (c) It shall perform its duties with highest standards of integrity and fairness and shall act in an ethical manner in all its dealings with the Issuer, investors, etc., and it will not take up any activities which is likely to be in conflict with its own interest, interests of the Issuer and investors or contrary to the directions issued by SEBI.
  - (d) It shall carry out its duties / responsibilities and complete all the formalities within the specified time limits as per the relevant Statutes, SEBI Guidelines and Stock Exchange Regulations.
- (4) The Company hereby confirms that it has satisfied itself about the capability of the Registrar to handle the assignment.
- (5) The Company hereby declares that it has complied with or agrees to comply with all statutory formalities under the Companies Act, Guidelines for disclosure and investor protection issued by SEBI and other relevant statutes to enable it to make the said issue. The company also agrees that it will co-ordinate with the Registrar and that it will not give any instructions which are in violation of any of the Statutes / Guidelines of SEBI.
- (6) The Company and the Registrar agree to their respective functions, duties and obligations pertaining to the assignment in respect of each activity as specified in Schedule – I hereunder written. (The activities listed in Schedule I are indicative and not exhaustive). The Company and the Registrar may include further activities agreed upon but all the activities pertaining to the assignment shall be listed and agreed upon. However, the following activities shall form part of the Registrar's functions and responsibility during the currency of the agreement:
- (a) Despatch of letters of allotment/share certificates/refund orders/cancelled stock invests.
  - (b) Issue of duplicate refund order (after obtaining suitable Indemnity Bond).
  - (c) Revalidation of refund orders.
- (7) The Company agrees that the Registrar will not hand over any application or other documents / records pertaining to the Issue to the company or to any other person until the completion of despatch of allotment letters, refund orders, share / debenture certificates, etc. The company agrees that it will have access to the applications / documents pertaining to the Issue at the office of the Registrar only.

- (8) The Registrar will handle the issue work from its office / s at ... which has been declared to SEBI and approved by it for carrying on its activities. The address of its above said office shall be printed in all relevant stationery pertaining to the said issue.
- (9) The issue stationery including certificates, letters of allotment, allotment advice, refund orders shall be kept ready and handed over to the Registrar by the company within 15 days from the date of closure of Issue and the company shall be responsible for any delay on this account. The company will arrange to obtain prior approval for issue stationery from the stock exchange and refund bankers.
- (10) The company shall make available in advance to the Registrar requisite funds for postage, mailing charges for despatching of allotment letters / allotment advice, share certificates and stock instruments, etc.
- (11) The Registrar will extend all help to the public representative deputed by SEBI. The Employees Quota shall be allotted to the persons given in the list by the company duly signed by the Managing Director / Company Secretary certifying that they are *bona fide* employees of the company. In the case of oversubscription allotment will be done in the presence of a SEBI representative and the Registrar will extend all facilities to complete allotment process smoothly and speedily. The company shall also extend necessary help to the Registrar in such matter.
- (12) The company agrees to hand over to the Registrar impression of the common seal at the time of clearing the art works of pre-printed share certificates.
- (13) The company agrees that formats of all reports, statements, share or debenture certificates and other documents shall be in conformity with the standard designs approved by the stock exchange.
- (14) The registrar and the company agree that the fees and charges payable to the Registrar for handling the assignment shall be as specified in Schedule II hereunder written.  
(PLEASE INSERT FURTHER CLAUSES REGARDING PAYMENT TERMS).
- (15) The company agrees to take special contingency insurance policy to cover risk rising out of fraud, forgery, errors of commission / omissions, etc.
- (16) Should there be major change in the date of opening of Issue from that indicated above or in the event of complete collapse or dislocation of business in the financial market of the country due to war, insurrection or any other serious sustained, political or industrial disturbance or in any event caused by *force majeure*, the Registrar shall have option to withdraw from the issue before the date of opening of the issue and / or renegotiating the contract with the company. However, RTI shall continue to be responsible for the work till termination of the contract.
- (17) The Registrar shall redress complaints of the investors within one month of receipt of the complaint during the currency of the agreement and continue to do so during the period it is required to maintain records under the SEBI (Registrars to an Issue

and Share Transfer Agents) Regulations, 1993 and the company shall extend necessary co-operation to the Registrar for its complying with the said Regulations.

- (18) The Registrar(s) responsibility under the agreement will be restricted to the duties of the Registrar as agreed to herein and the Registrar will not be in any way construed to be an agent of the company in its any other business in any manner whatsoever.
- (19) It is the company which is primarily responsible for Registrars' work and Registrar shall act with the due diligence, care and skill while discharging the work assigned to it by the company. However, the Registrar shall indemnify the company and its successors from and against all suits, claims, actions and demand which may be made or commenced against the company by any holder of the securities issued or other third party as a consequence of any failure or deficiency on the part of the Registrar in performing or fulfilling, providing any of its functions, duties, obligations and services hereunder, however, the Registrar shall not be liable for any indirect or consequential loss caused to the company due to error or omission committed by them in good faith.
- (20) The company will bear expenses for legal advice / action which have to be taken for no lapse on the part of the Registrar but for any eventuality which may arise in connection with the issue work.
- (21) Any notice, communication or documents may be given by personal delivery, registered post, telex or by fax. The notice, communication or document shall be deemed to have been served upon the party to whom it is given if given by personal delivery when so delivered, if given by post on expiration of three days after the notice, etc., shall have been delivered to the post office for onward despatch, and if given by fax or telex upon transmission thereof. Provided that any notice, etc., given by telex or fax shall be confirmed in writing.  
(PLEASE INSERT CLAUSES REGARDING OTHER TERMS MUTUALLY AGREED UPON)
- (22) The Registrar and the company agree that non-compliance of any of the covenants contained therein by either party shall be reported to SEBI within 7 days by the other party.
- (23) Please insert clauses relating to arbitration in case of any disputes.
- (24) This agreement shall be valid until the expiry of one year from the date of closing of the said issue.

In witness whereof of the parties hereunto have set their hands on the day and year hereinabove written.

Signature of Company

Signature of Registrar

**SCHEDULE I**

Activities (List is illustrative and not exhaustive.

RESPONSIBILITY

Any other activity may also be included)

COMPANY /  
REGISTRAR

## I. PRE-ISSUE WORK

1. Finalisation of bankers to issue, list of branches, controlling and collecting branches.
2. Design of application form, bank schedule, pre-printed stationery.
3. Preparing and issuing detailed instructions on procedure to be followed by collecting and controlling branches.
4. Arranging, despatch of application schedule for listing of applications to collecting and controlling branches.
5. Placing of orders for and procuring pre-printed stationery.

## II. ISSUE WORK

1. Collection of daily figure from bankers to the issue.
2. Expediting despatch of applications, final certificate to the controlling branches.
3. Collection of application along with final certificate and schedule pages from controlling branches of bankers to the issue.
4. Informing Stock Exchange / SEBI and providing necessary certificates to Lead Manager on closure of issue.
5. Preparing underwriter statement in the event of under subscription and seeking extension from stock exchange for processing.
6. Scrutiny of application received from bankers to issue.
7. Numbering of applications and banks schedule and batching them for control purposes.
8. Transcribing information from documents to magnetic media for computer processing.
9. Reconciliation of number of applications, securities applied and money received with final certificate received from bank.
10. Identify and reject technical faults and multiple application with reference to .....
11. Preparation of inverse number.
12. Prepare statement for deciding basis of allotment by the company in consultation with the stock exchange.
13. Finalising basis of allotment after approval of the Stock Exchange.
14. Seeking extension of time from SEBI / Ministry of Finance (Stock Exchange Divn.) if allotment cannot be made within stipulated time.
15. Allotment of shares on the formula devised by Stock Exchange.
16. Obtaining certificate from auditors that the allotment has been made as per the basis of allotment.
17. Preparation of reverse list, list of allottees and non-allottees as per the basis of allotment approved by the stock exchange.
18. Preparation of allotment register-cum-return statement, register of members, index register.
19. Preparation of lists of brokers to whom brokerage is to be paid.
20. Printing covering letters for despatching share certificates, for refunding application money / stock invest, printing of allotment *letter – cum – refund order*.
21. Printing postal journal for despatching share certificate or allotment letters and refund orders by registered post.
22. Printing distribution schedule for submission to Stock Exchange.
23. Preparing share certificate on the computer.

24. Preparing register of member and specimen signature cards.
25. Arranging share certificate in batches for signing by authorized signatories.
26. Trimming share certificate and affixing common seal of the company.
27. Attaching share certificate to covering letter.
28. Mailing of documents by registered post.
29. Binding of application forms, application schedule and computer outputs.
30. Payment of consolidated stamp duty on allotment letters / share or debenture certificates or procuring and affixing stamp of appropriate value.
31. Issuing call notices for allotment money to allottees.
32. Issue of duplicate refund order.
33. Revalidation of refund orders

## **STOCK INVEST**

34. Segregation of stock invest from application and safe custody thereof.
35. Preparation of separate schedule / list for stock invest applications.
36. Filling of right hand portion of stock invest in respect of allottees.
37. Lodging stock invest with computerised stock invest statement to collecting banks.
38. Cancellation of stock invest in case of non-allottees.
39. Printing of covering letters and despatching of cancelled stock invest to non-allottees.

## **SCHEDULE II** **SCHEDULE OF FEES**

### ***ANNEXURE B***

#### **DRAFT OF AGREEMENT BETWEEN THE SHARE TRANSFER AGENT AND THE COMPANY**

THIS MEMORANDUM OF UNDERSTANDING MADE ON \_\_\_\_\_ AT \_\_\_\_\_ BETWEEN \_\_\_\_\_ (name of STA), a Company within the meaning of Companies Act, 1956 and having its Registered Office at \_\_\_\_\_ / a partnership firm carrying on business in the firm name and style of \_\_\_\_\_ at \_\_\_\_\_ / \_\_\_\_\_ a sole proprietorship concern of which Shri / Smt \_\_\_\_\_ is the sole proprietor and having its office at \_\_\_\_\_ (delete whichever is not applicable) (hereinafter referred to as "Transfer Agent" ) and \_\_\_\_\_ a company within the meaning of Companies Act, 1956 and having its registered office at \_\_\_\_\_ (hereinafter referred to as the company).

#### **WHEREAS**

- (1)The company has \_\_\_\_\_ No. of shareholders /folios and has to render services relating to transfer, transmission, etc., in accordance with its Article of Association.
- (2)The Transfer Agent is a SEBI registered Share Transfer Agent having registration No. \_\_\_\_\_ and the company has approached the Transfer Agent to act as Share Transfer Agent and the Transfer Agent has accepted the assignment.

(3) In terms of rule 4(1)(b) of the SEBI(Registrars to an Issue and Share Transfer Agents) Rules, 1993, the Transfer Agent is required to enter into a valid agreement with the body corporate on whose behalf the Transfer Agent has to act as Share Transfer Agent and in pursuance of the same the Transfer Agent and the company have entered into an agreement being these presents.

NOW, THEREFORE, THE COMPANY AND THE TRANSFER AGENT DO HEREBY AGREE AS FOLLOWS:

1. The company hereby appoints the Transfer Agent as Share Transfer Agent and the Transfer Agent accepts such appointment.
2. The Transfer Agent thereby undertakes to perform and fulfill such functions, duties and obligations and to provide such services as are mentioned herein.
3. The Company will ensure that all records /reports/ documents are handed over to Transfer Agency after its appointment. The responsibility of the Transfer Agency will commence on receipt of records/reports/documents.
4. The company will inform shareholders/ debentureholders/ investors by way of Press notice/ Letters/ other media about the appointment and change in STA, if any, one month before handing over the assignment / change in appointment of Transfer Agency.
5. The Transfer Agent declares and undertakes that:
  - a. It has obtained certificate of registration from SEBI and that the certificate is valid from.....(date) to.....(date). It shall also ensure that the certificate of registration shall remain in force by taking prompt steps for its renewal.
  - b. It has not violated any of the conditions subject to which registration has been granted and that no disciplinary or other proceedings have been commenced by SEBI and that it is not debarred / suspended from carrying on its activities.
  - c. It shall perform its duties with highest standards of integrity and fairness and shall act in an ethical manner in all its dealings with clients, investors, etc., and that it will not take up any activities which is likely to be in conflict with its own interest, interest of the company and investors and/or contrary to the directions issued by SEBI.
  - d. It shall carry out its duties/responsibilities and complete all the formalities within the specified time limits as per the relevant Statutes, SEBI Guidelines and Stock Exchange Regulations.

- e. In case of change in status/constitution that it will obtain permission from SEBI.
6. The company before hereby confirms that it has satisfied itself about the capability including the infrastructure especially the computer hardware and requisite software, *i.e.*, share accounting packages of the Transfer Agent to handle the assignment.
7. The company hereby declares that it has complied with or agrees to comply with all statutory formalities under the Companies Act, Guidelines for Disclosure and Investor Protection issued by SEBI, listing agreement of Stock Exchanges and other relevant statues pertaining to Share Transfer activities.
8. The company and the Transfer Agent agree to their functions, duties and obligations in respect of each activity relevant to the Share Transfer as specified in the Schedule I hereto. However, the following activities shall form part of the Transfer agent's functions and responsibility during the currency of this agreement.
  - i. Receipt of request for transfer, transmission, endorsement as fully paid-up, allotment/ call money, split, consolidation, change of address, issue of duplicate certificates in lieu of misplaced/ lost certificates.
  - ii. Processing of requests for transfer, endorsement as fully paid-up, receipt of allotment / call money and other correspondence received in connection with transfer activities.
  - iii. After verification of transfer deeds, preparation of transfer proposals for approval of the transfer committee of the company, endorsement on the certificates.
  - iv. Despatch of transferred certificates to the transferees within the mandatory period as laid down in the Companies Act/ Listing Agreement.
9. The Transfer Agent will handle the transfer work from its office / s at..... which has been declared to SEBI and approved by it for carrying on its activities. The address of its office shall be printed in all relevant stationery pertaining to the said transfers, etc.

10. All the input materials that are to be supplied by the company / agreed to be supplied by the company will be delivered by the company at its cost at the office of the Transfer Agent stated above in clause 7 and all finished tabulations, statement, unused stationery bearing the name and the letterhead of the company and all original documents supplied by the company to the Transfer Agents are to be delivered by the Transfer Agent at company's cost to such address as may be specified.
11. The Transfer Agent's responsibility under this arrangement will be restricted to the duties of the Transfer Agent as agreed to herein and the Transfer Agent will not be in any way construed to be an agent of the company in its other business in any manner whatsoever.
12. The Transfer Agent shall not during the term of this agreement or thereafter, either directly, or indirectly, for any reason whatsoever, divulge, disclose or make public any information whatsoever which may come to their knowledge during or as a result of their appointment as Transfer Agent of the company and whether concerning the business, property, contracts, methods, transactions, dealings, affairs or members of the company or otherwise, save in accordance with the performance of their duties hereunder or as required by law.
13. Transfer Agent shall use its best efforts to perform the duties assigned to it in terms of this agreement with the utmost care and efficiency. Transfer Agent shall ensure that adequate control are established to ensure the accuracy of the reports furnished by it. Transfer Agent shall, however, not be responsible or liable for any direct or consequential omission / commission committed by the Transfer Agent in good faith or in absence of its negligence or breach of the terms of this agreement or due to reasons beyond the Transfer Agent's reasonable control.
14. Company is primarily responsible for the work of share transfer work assigned to STA. The STA should execute the work efficiently and with due diligence and care, however, the Transfer Agent shall indemnify the company and its successors from and against all suits, claims, actions and demand which may be made or commence against the company by any holder of the securities issued or other third party as a consequence of any failure or deficiency on the part of the Transfer Agent in performing or fulfilling, providing any of the functions, duties, obligations and services

hereunder, however, the Transfer Agent shall not be liable for any indirect or consequential loss caused to the company due to error or omission committed by it in good faith and unless such damages are caused by the negligence, willful misconduct, failure to act or recklessness of the Transfer Agent.

15. Any notice, communication or documents may be given by personal delivery, registered post, telex or by fax. The notice, communication or document shall be deemed to have been served upon the party to whom it is given if given by personal delivery when so delivered, if given by post on expiration of three days after the notice, etc. shall have been delivered to the post office for onward despatch, if given by fax or telex upon transmission thereof. Provided that any notice, etc., given by telex or fax, shall be confirmed in writing.
16. The Transfer Agent and the company agree that in case of non-compliance of any of the covenants contained in these presents a report thereof shall be made to SEBI within 7 days.
17. The Transfer Agent shall redress complaints of the investors within *one month* of receipt of the complaint during the currency of the agreement. This, however, shall not exempt the Transfer Agent from redressing the complaint of the investors within one month during the period it is required to maintain the records under the SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 and the company shall do all such things and extend necessary co-operation for the Transfer Agent complying with this Regulation.
18. The company agrees that formats of all reports, statements, share or debenture certificates and other documents shall be in conformity with the standard designs approved by the Stock Exchange.
19. The company and the Transfer Agent agree that the fees and charges payable to the Transfer Agent shall be as specified in schedule II hereunder written.

(PLEASE INSERT CLAUSES REGARDING PAYMENT TERMS)

20. The company shall take special contingency insurance policy to cover risk out of fraud, forgery, errors of commission/ omission, etc.
21. Should there be major change in scope of work from that indicated above or in the event of complete collapse or dislocation of business in the financial market of our country due to war, insurrection or any other serious sustained political or industrial disturbance or in the event of *force majeure*, the Transfer Agent shall have option to withdraw its appointment or renegotiate the contract. However, the Transfer Agent shall be liable for the activities done till termination of the contract.
22. The company will provide all required stationery items, envelopes and postage expenses well in advance to enable Transfer Agent to process all transfers, transposition, transmission and other share transfer related activities. The company shall ensure that after the approval of transfer requests by transfer committee, the funds for despatch will be made available to Transfer Agents to complete despatch of transferred certificates within the stipulated time as prescribed in Companies Act/ Listing Agreement.
23. If the transactions covered under this agreement are liable to any sales tax or other levy the company shall reimburse to the Transfer Agent their liability for payment of such tax / levy including interest and other sum if any payable in respect thereof.
24. The company will bear expenses for legal advice/ action which may have to be taken for no lapse on the part of the Transfer Agent but for any eventuality which may arise in connection with the issue work.
25. The company and Transfer Agent shall maintain following documents and records pertaining to Transfer activities by way of hard copies and if required may be stored by way of tape drives in computers :
- a) Check-list, inward register, transfer register, buyer / sellers register with net effect as on date of approval of transfer proposals, transfer deeds, specimen signature cards / signature captured on signature scanner, despatch register/ postal journal, objection memos, mandates, Power of Attorney/ Board Resolution, RBI Approval in case of NRI Jumbo Transfer

Deeds in case of FII's, Register of Members, Annual Returns / Return of Allotment, Interest/ Dividend Register.

- b) Correspondence with the company, investors, SEBI, Stock Exchange and other statutes and other relevant documents pertaining to transfer activities.
- c) Records pertaining to investors complaints, Board Resolution passed by the company authorising the Transfer Agent to endorse the certificates and other documents on behalf of the company.
- d) Magnetic Tapes containing all the data pertaining to shareholders and related transfer activities.

These records shall be maintained for a minimum period of 3 years as provided in Regulation 15 of SEBI (Registrar to an Issue and Share Transfer Agents) Rules and Regulations, 1993 and the same should be made available for inspection as and when decided by Statutes including SEBI.

26. Other conditions as mutually agreed between the Company and the Transfer Agent.

27. Please insert clauses relating to arbitration in case of any disputes.

28. This Agreement shall be valid for a period of ..... years from ..... (Date). (The validity period shall be minimum one year).

In witness whereof the parties thereunto have set their hands on the day and year hereinabove written.

Signature Of Company

Signature Of Transfer Agent

## **SCHEDULE I**

### **1.SPECIFIC ACTIVITIES**

- a. STA will receive and attend promptly correspondence received from shareholders/ debenture holders / company / stock exchanges / SEBI / other bodies and will segregate the inward mail as transfer requests, request for endorsements as fully paid-up, receipt of call money, request for change of address, transmission, transposition, deletion of name, other letters from investors.

It will inward the mail pertaining to request for transfer/transmission/transposition/other request/complaints by maintaining inward register on a day to day basis and also affix stamp containing inward number and date of receipt on all transfer deeds/letter pertaining to above requests/complaints.

- b. The company shall also maintain inward register to record the date of receipt of transfer requests/request for endorsement as fully paid up/correspondence from investors, SEBI/Stock Exchanges and relevant statutes. Company shall hand over all transfer requests/request for endorsement as fully paid up/other correspondence well in time under a covering letter to Transfer Agent. The receipt of above documents should be acknowledged by Transfer Agents.
- c. Transfer Agents shall process all transfer/transmission/transposition/change of address/other requests/complaints and generate checklist, verify the same and correction of such data.
- d. While scrutinizing transfer deeds, transfer agent shall verify date of presentation, transferors' particulars, certificates enclosed, transferors' signature with specimen signature record, verify the value of stamps, thumb impressions needs to be attested by Magistrate/bank managers or notarised as the case may be and check whether all the columns including address of transferees provided in Transfer Deeds are duly filled up, etc.
- e. Transfer Agent shall generate transfer numbers for each valid transfer and the same may be filled up in the column provided in the transfer deed and also folio numbers (in case of new transferees only). It shall allocate the existing folio number in such cases where the transferee is already holding shares of the company.
- f. After verification of valid transfers, transfer agents shall prepare transfer registers in duplicate and submit the transfer register well in advance to the transfer committee of the company for approval.
- g. The company agrees to conduct share transfer committee meetings at the frequency mutually agreed and *specified in the agreement* which will enable the transfer agent to complete the transfer of securities within the stipulated time under the Companies Act / Listing Agreement.
- h. After receipt of approval of transfer proposals by the transfer committee, transfer agent shall endorse on the back of the certificates authenticating the transfer of shares in the name of transferees. In case of endorsement by Transfer Agent, Companies shall authorize Transfer Agents to do so by passing a resolution in its Board Meeting.
- i. In case of endorsement of share certificates, company/Transfer Agent shall ensure that the authentication is done by an authorized signatory.
- j. Transfer Agent shall despatch the transferred share certificates under a covering letter. Transfer Agent shall maintain postal journal/despatch register for the despatch of transferred certificates. The documents may indicate the date of despatch and name of the post office where the despatch has been made.

- k. Transfer Agent shall preserve all the transfer deeds in safe custody, take steps to cancel the stamps affixed on the back of transfer deeds and also cancel all blank transfer deeds signed by transferors but not used for effecting transfer.
- l. Enter the transfer details on both seller side and buyer side in the register of members, preparation of new ledger sheets for the register of members in case of new share/debenture holders.
- m. Cutting the specimen signature of the new share/debenture holders, pasting and maintaining specimen signature cards up to date. Specimen signature cards of shares and / debenture holders with *nil* holding will be removed and stored separately. Transfer Agents may capture the signatures with the help of signature scanner and store in the computers.
- n. Transfer Agent shall maintain movement register to record the date of receipt of transfer requests/request for endorsement as fully paid up/ other correspondence received directly from the company. Similarly, transfer agents shall record the date of submission of transfer proposals to the transfer committee of the company for approval, date of receipt of the transfer proposal after approval, date of submission of certificates to the company for endorsement and date of receipt of certificates after endorsement and date of despatch to transferee.

## **II. GENERAL**

- 1. Attending to correspondence regarding change of address, consolidation/split of certificates, non receipt of share/debenture certificates, dividend/interest warrants and other letters received from company/SEBI/Stock Exchange, etc.
- 2. Printing of new share/debenture certificates in lieu of misplaced, lost mutilated certificates. Transfer Agent shall issue new certificates against request for consolidation or split.
- 3. Transfer Agent shall update all records and generate all reports and returns required for the AGM/Extraordinary General Meeting, despatch annual reports, circulars and notices, etc. to share/debenture holders.
- 4. Transfer Agents shall process and print dividend warrants / interest warrants/call notices to share/debenture holders.
- 5. In case of rights issues, companies shall inform transfer agents and other bodies about the record date and give sufficient time to transfer agent to affect all transfers, update all records. Transfer Agents shall despatch composite application forms well in time or hand over all the required records to Registrar to Rights Issue so as to enable the Registrar to complete issue in time.
- 6. Transfer Agents shall maintain Register of Members. It will be kept up-to-date by incorporating changes therein during the year.
- 7. Any other reports, statements as mutually agreed between company and the transfer agent.

## **SCHEDULE II**

SCHEDULE OF FEES

ANNEXURE C

FORMATS OF REPORTS TO BE SUBMITTED TO SEBI

1. PR- R PARTS I TO III IN RESPECT OF REGISTRARS TO AN ISSUE ACTIVITY.
2. PR-S PARTS I AND II IN RESPECT OF SHARE TRANSFER AGENT ACTIVITY.

FORMAT OF REPORTS TO BE FILLED BY REGISTERED REGISTRARS TO  
ISSUE / SHARE TRANSFER AGENTS (TO BE SUBMITTED EVERY  
CALENDER QUARTER)

Name of the Registrar / Share Transfer Agent

Address .....

Category .....

Registration No. .... Valid from ..... to .....

Period from which Report is filed ..... To .....

PROFORMA – PR – R : (PARTS I TO III)

*Registrar to Issue Activity*

PART I

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No. of Issues handled during the quarter (with reference to date of opening of issue)	No. of issues handled in last quarter	Total issues handled as on the last date of this quarter	No. of issues accepted and expected to open in next quarter	Issue limit, if any, prescribed by SEBI in its letter granting registration	Deviation if any	Reason therefore
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PROFORMA – PR – R : PART II

Following details in respect of each issue handled during the period to be furnished:

1. Sr. no.
2. Name of issuer company.

3. Details of Issue (Type No. of securities and offer price).
4. Date of Agreement with issuer company.
5. Name of Lead Manager responsible for pre and post – issue work.
6. Date of opening of the Issue.
7. Date of closure of the Issue.
8. No. of times issue subscribed.
9. No. of applications received.
10. No. of applications rejected.
11. Date of finalisation of basis of allotment.
12. Date of allotment.
  - (a) No. of days taken from date of closure of issue to date of allotment.
13. No. of allottees (give stock-invest allottees separately).
14. Date of despatch of letters of allotment / share certificates.
  - (a) No. of days taken for despatch from date of allotment.
15. Date of despatch of refund orders.
  - (a) No. of days taken for despatch from date of allotment.
16. Date of despatch of letter of allotment / certificate to stock invest allottee.
  - (a) No. of days taken for despatch from date of allotment.
17. Date of despatch of non-allottees stock invests.
  - (a) No. of days taken for despatch from date of allotment.
18. Whether despatches of LA/SC/RO made by registered post.
19. Enclose a copy of letter furnished to stock exchanges stating the date of despatch of share / debenture certificate / allotment letters for purpose of listing.

PROFORMA PR – R : PART III  
*Status of Redressal of Investors' Grievances*

Details to be furnished:	TYI	TY III	Total
1. Name of Issue			
2. Number of complaints received (from SEBI separately)			
3. Complaints redressed (from SEBI Separately)			
(i) within 30 days			
(ii) 30 – 60 days			
(iii) above 60 days			
4. Complaints pending (from SEBI Separately)			
(i) within 30 days			
(ii) 30 – 60 days			
(iii) above 60 days			
5. Reasons for pending and action Proposed for resolving			
6. Number of times appearing in fortnightly press release on investor complaints.			

NOTE: Classify complaints as under :

*Type I:* Non-receipt of refund orders / allotment letters / stock invest.

*Type II* : Non-receipt of share / debenture certificates.

FORMAT OF REPORTS TO BE FILLED BY REGISTERED REGISTRAR TO AN  
ISSUE / SHARE TRANSFER AGENTS (TO BE SUBMITTED /  
EVERY CALENDAR QUARTER)

Name of the Registrar / Share Transfer Agent

Address .....

Category .....

Registration No. .... Valid from .....to .....

Period from which Report is filed ..... To .....

PROFORMA PR – S : PARTS I AND II  
*Share Transfer Agent Activity*  
PART I

Following details in respect of each company whose share transfer work is handled by you:

1. S. No.
2. Name of Company
3. Date of agreement with company
4. Date of appointment as STA
5. No. of folios held
6. State whether STA authorised by company to authorise endorsement /transfer on scrips.  
Endr. Trfr. Trmn. Con. Sdn. Others
7. (a) (i) No. of requests received  
(ii) No. of shares involved  
(b) (i) No. of requests processed, effected, despatched  
(ii) No. of shares involved  
(c) Time taken  
(i) up to 30 days  
(ii) 30–60 days  
(iii) above 60 days
8. Reasons for delay for cases in 7( c)(iii)

Note:

Endr. : Endorsement of allotment / call money  
Trfr. : Transfer  
Trmn. : Transmission  
Con/Sdn. : Consolidation / Sub-division

Others : State specifically

For column 7( c) time taken is to be calculated from the date of receipt of request either by the STA or body corporate whichever is earlier upto the date of despatch

PROFORMA PR – S: PART II  
*Status of Redressal of Investors' Grievances*

Details to be furnished:

1. (a) Name of the body corporate  
(b) No. of folios held
2. Number of complaints received  
(from SEBI separately) TY II TY III TY IV Total
3. Complaints redressed  
(from SEBI separately)
  - (i) within 30 days
  - (ii) 30 – 60 days
  - (iii) above 60 days
4. Complaints pending (from SEBI separately)
  - (i) within 30 days
  - (ii) 30–60 days
  - (iii) above 60 days
5. Reasons for pending and action  
Proposed for resolving
6. Number of times appearing in fortnightly press release on Investor complaints.

NOTE: Classify complaints as under:

*Type II:* Non-receipt of dividend /interest on shares / debentures, fixed deposits, non-receipt of maturity amount on debentures / fixed deposits.

*Type III:* Non-receipt of share / debenture certificates.

*Type IV:* Non–receipt of annual reports, right forms, bonus shares / interest on delayed receipt of refund order / dividend and interest

**RRTI Circular: No.1 (94-95), dated 11-10-1994**