Procedure to be followed by Cos. / STAs

1. The Company / STA shall issue receipt / acknowledgement in the prescribed format, as per Annexure-1 in favour of the transferee of receipt of transfer documents in its office and post it to the transferee, latest within 7 working days of its receipt, at the address mentioned on the Transfer Deed/s.

2. The Company / STA shall use the prescribed format of covering letter as per Annexure-2 for returning shares under objection and furnish relevant details / enclosures, as stated in Annexure-3.

3. Covering letter and Objection memo must be printed on the Letter head / stationery respectively of either the concerned company or its Share Transfer Agent.

   Objection Memo must bear a unique serial number issued between two book closure dates.

4. The Company/ STA must affix date receipt stamp of the Company / STA on Transfer Deed/s returned with the objection memo.

5. The Company / STA shall return the Share Certificate/s and Transfer Deed/s alongwith the objection memo within the prescribed time of 1 month of receipt of transfer documents, as stipulated in the Listing Agreement. The responsibility for any delay in this regard by the Company/ STA, whereby the rights of the transferee are affected, shall solely rest on the Company/ STA. Where the signature of the transferor tallies with the records of the Company/ STA, the Company/ STA shall normally transfer the shares within 7 working days of the Board meeting /Transfer Committee meeting/ Approval by the official authorised to transfer shares and in any case within a period not exceeding 30 days.

   In case the shares are not transferable, the same should be returned under objection within the above stated period.

6. Any disputes arising out of any matter, and/ or delay relating to registry/ non-registry of transfer, between/ or among Company and the transferee/ transferor/ holder in due course/ Stock Exchange member, shall be subject to the provisions of Arbitration/ Dispute Resolution mechanisms available with the Stock Exchanges.

7. The Company / STA shall scrutinise the transfer documents in its totality and send objection memo by marking whatever are the defects observed in such documents, duly attaching all documents as detailed in general guidelines 18 to 21 hereunder, and advising the transferee/s and / or transferor/s to ensure due rectification in the manner guided by the Company / STA, while resubmitting the document.

8. It shall not be competent for the Company/ STA to raise additional objections on rectified document where the rectification in the manner guided by the Company / STA is carried out by the transferor/s / transferee/s and, which ought to have been observed at the first instance, while releasing the objection. However, in case, subsequent to the last rejection of transfer, if additional facts have emerged for rejection of transfer, the Company/ STA may reject transfer once again.
9. Where the Shares Certificates bear fully paid stickers for allotment / call money paid genuinely affixed, the company or the STA shall not impound such certificates when they are lodged for transfer on the pretext that allotment/ call money has not been realised. The Company/ STA shall proceed to transfer such shares as if 'fully paid up'.

10. The Company / STA shall despatch the Share Certificate/s issued under Stockinvest, after realisation of the Stockinvest. Company /STA shall list all shares with the Stock Exchanges with the qualification "all shares despatched except shares allotted under Stockinvest, which would be despatched on realisation of Stockinvest".

11. The Company/STA shall ensure to use adequate security marks on the certificates, with stationary control number, approved quality of security paper for printing of the certificates and approved size of the certificates, in order to detect fake certificates and minimise possibility of printing / introducing fake certificates.

12. Pre-printed uniform format stickers of good quality shall be used by all the Company/ STA for endorsement of allotment / call money payment and endorsement of holders name on the certificate/s after transfer. Such stickers shall either be signed in hand or through pre-printed signature by the Company/ STA. The information to be provided on the sticker shall include date, transfer no., folio no., names, initial/ signature of the authorised signatory and thereafter to be intimated to all Stock Exchanges where the security is traded.

13. Defaced certificate must be kept in custody of the Company/ STA and disposed off in the manner as provided in the Rules pertaining to Issue of Share Certificates, authorised by the Board of the Company.

14. Fake / Forged / Stolen certificates or certificates where duplicate certificate is issued, must be seized and defaced by the Company/ STA and disposed off in the manner, authorised by the Board of the Company.

15. The Company / STA shall submit a report in the prescribed format as per Annexure-04 to all the Stock Exchanges where traded, as on the last date of every quarter, relating to certificates found to be missing/ lost/ stolen/ other category shares, which are non-transferable and particulars relating to embargo on transfer/ fake certificates.

    The Company shall submit a report duly certified as per section 47 C of Listing Agreement with the Stock Exchanges.

16. Where value of shares is less than Rs. 1000 based on the closing price on the date of issue of Company objection memo at any one of the recognised Stock Exchange, and the sign of the transferor differs with the records of the Company/ STA, the companies/ STAs may follow a simplified procedure for transfer as used for minor sign difference cases, after giving due notice to seller.

17. Company objections issued by Companies/ STAs for the reason of sign differs shall necessarily have the following documents:
    1. Original transfer deed
    2. Original certificate
    3. Original objection memo with the reason
18. Companies/ STA to retain copy/ies of transfer deed/s where the signature/s of the transferor/s does not tally with the specimen signature/s registered in the records of the Company/ STA. This is to facilitate issue of company objection memo together with copies of transfer deeds, in case the original set of documents returned under objection earlier, may been lost in transit. The transferee would be in a position to lodge the objection against the relevant introducing member as per the provisions provided under guideline number 9 of the Objection Norms.

19. Company objections issued by companies/ STAs for the reason of ‘fake shares/ forged endorsements on certificates’ shall necessarily be accompanied with the following documents:
   1. Copy of both sides of transfer deed
   2. Copy of both sides of certificate
   3. Original objection memo with the reason

20. Company objections issued by companies/ STAs for the reason of ‘missing/ lost/ stolen/ transferred on basis of forged transfer deeds’ shall necessarily be accompanied with the following documents:
   - Copy of both sides of transfer deed (s)
   - Copy of both sides of certificate
   - Original objection memo with the reason
   - Copy of FIR/ police complaint/ Court injunction order/ Copy of plaint where the Suit filed has been accepted by the Court and Suit no. has been given, which shall necessarily have details of date of loss, DNRs, certificate nos.

   Alternatively, Company/ STA may also issue:

   - A notice to Stock Exchange detailing the DNRs/ certificate nos. involved alongwith name of person filing FIR/police complaint/ court case/ Summary of court case like name of court, date of loss/ Original holder stop transfer or third party stop transfer/ date of court order/ summary of court order to enable the identification of broker who has introduced the shares after loss.
   - A copy of notice issued by Stock Exchange to the company for loss of shares from the Clearing House with details as above
   - A copy of advertisement issued for loss of shares issued by Company/ STA/ registered holder

Note:

In the absence of valid police complaint/ FIR/ Court order/ Copy of plaint filed in the Court alongwith the case no, Company/ STA shall not issue an objection and Company/ STA shall necessarily demand such document from the person lodging the complaint for stopping transfer or reporting missing/ loss/ stealing of securities.

In case duplicate shares have already been issued, date of issue of duplicates, and name and address of the person to whom duplicates have been issued and copy of indemnity bond based on which duplicates were issued, are to be provided

21. Company objections issued by companies/ STAs for ‘stop transfer for reasons other than missing/ lost/ stolen /fake/ forged shares’ shall necessarily be accompanied with the following documents:
- Original transfer deed
- Original share certificate (subject to order passed by the Court / Govt. bodies)
- Original objection memo with the reason
- Copy of FIR/ police complaint/ Court injunction order / Copy of plaint filed in the Court alongwith the case no which shall necessarily mention the date on which the cause of action has arisen, DNRs and certificate nos.

Note:

In the absence of valid police complaint/ FIR/ Court order/ Copy of plaint filed in the Court alongwith the case no., Company/ STA cannot issue an objection and Company/ STA shall necessarily demand such document from the person lodging the complaint for stopping transfer or reporting missing/ loss/ stealing of securities.

If value of shares is less than Rs. 5,000, based on the closing price at any one of the recognised Stock Exchanges, as on the date of intimation of loss, Company/ STA may not insist on a Court case.

22. Wherever value of loss of shares as on the date of execution of indemnity/ affidavit is less than Rs. 10,000, reckoned on the basis of the closing price at any one of the recognised Stock Exchanges, the Company may not insist on levying advertisement expenses for loss of shares on the original holders.

23. The Company/ STA shall necessarily obtain the following documents duly executed by the claimant, prior to issue of duplicate shares to him:
   a. Indemnity for issue of duplicate Share Certificate/s in the name of the person, in whose name the duplicates are being issued that he has not sold / disposed off the involved shares or acted in any manner by which any interest of third party would have been created, as per the applicable Annexure as detailed here under –
      - Annexure 8 – Indemnity by registered holder
      - Annexure 8A – General purpose indemnity
      - Annexure 9 – Indemnity by unregistered transferee/holder in due course
      - Annexure 10 – Affidavit by transferee
      - Annexure 11 – Indemnity by transferee for issue of duplicates without producing transfer deeds
      - Annexure 12 – Letter from buyer under provisions of Section 108 of Companies Act, 1956.
   b. Final Court order for issue of duplicate shares required in case of a third party stop transfer (‘third party’ does not include genuine bonafide transferee).

Company/ STA to:
   i. inform all the Stock Exchanges where the shares are traded regarding the loss of shares in lieu of which duplicate shares are being issued, if not already informed
   ii. issue an advertisement in a widely circulated newspaper if the value of the shares is greater than Rs 10,000

In case the Company/ STA issues duplicate share certificate based on any other documents, then the Company/ STA shall be solely responsible for the issue of such duplicate share certificates.

24. Where the deals / transactions are done through the Trading, Clearing & Settlement system of the Stock Exchanges, any complaint for non-receipt of payment by the investor
from his broker / sub-broker / purchaser shall lie only with the Investor Grievance Cell of the respective Stock Exchange for redressal. The Company/STA shall not take cognisance of any such complaint while processing the transfer but shall advise such complainant to approach the relevant Stock Exchange, at which the investor had transacted the deal through their SEBI registered broker/ SEBI registered sub broker, with the complaint.

25. For any court cases filed by any individual/ entity in any Court for ‘stop transfer’ of shares, on which third party claim subsists, the Company / STA shall, without fail and exception, file an appropriate affidavit categorically specifying therein about the third party interest / right having already been created and pleading necessity of having criminal proceedings for the reason of 3rd party interest / right already existing. If the Company / STA chooses not to file affidavit as above, the Company / STA shall be directly responsible and accountable for indemnifying the TPC. The Company is required to compulsorily intimate the registered holders of the Court case instituted with respect to the shares.

26. In case the Company/STA has effected transfer and despatched either
   i. fake share Certificate/s or certificates with forged last transfer endorsements or
   ii. transferred missing/ lost/ disputed/ stolen shares despite a FIR/ police complaint/ court injunction order, even if it was inadvertently,

   It shall not be competent then for the Company/STA to raise an objection memo, subsequently. In such an event, the Company/STA shall make necessary arrangement of procuring identical quantity of shares, bearing good title, from the open market to be handed over to the transferee duly transferred in his name, as if such procured shares were lodged for transfer by the transferee, within a period not exceeding 60 days from the date of an error or omission detected by the Company/ STA, alongwith all benefits accrued thereon, from the date of lodgement.

27. The Company/ STA shall not mark any shares under ‘stop transfer’ for reason other than ‘missing/ lost/ stolen’ shares (provided accompanied with valid documents), except if the ‘stop transfer’ is on account of a Court Case where Suit no. has been given/ Police complaint/ FIR, which shall necessarily mention the date on which the cause of action has arisen, alongwith DNRs and certificate nos.

28. Where the signature of the transferor tallies with the records of the company, the Company/ STA shall transfer the shares within 15 working days.

29. To give effect to the requirements relating to transfer / objection norms and to safeguard and protect the interest of the Company/, the Company shall seek appropriate insurance cover towards the risk arising out of the requirements contained as aforesaid.

30. Non-compliance of any of the norms contained in the "General Norms / Transfer Norms / Objection Norms (for Cos. /STA) shall render the Company / STA liable for disciplinary action by any one or more of the Stock Exchanges where the security/ies of the company is/ are listed and / or by SEBI, and shall not affect the validity of the documents.