

**CIRCULAR**

SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655

November 03, 2021

To

**All registered Registrars to an Issue and Share Transfer Agents (RTA)**

**All Listed Companies through Recognized Stock Exchanges**

**Recognized Stock Exchanges**

**All Recognized Depositories**

**Depository Participants through Depositories**

Sir / Madam,

**Common and Simplified Norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination**

1. As an on-going measure to enhance the ease of doing business for investors in the securities market, the following norms, with respect to the captioned matter, shall be applicable;
  - 1.1. Common and simplified norms for processing any service request from the holder, pertaining to the captioned items, by the RTAs
  - 1.2. Electronic interface for processing investor's queries, complaints and service request
  - 1.3. Mandatory furnishing of PAN, KYC details and Nomination by holders of physical securities
  - 1.4. Freezing of folios without valid PAN, KYC details and Nomination
  - 1.5. Compulsory linking of PAN and Aadhaar by all holders of physical securities
2. **Standardized, simplified and common norms for processing investor service request**

Investors holding securities in physical mode interface with the RTAs, *inter-alia*, for

  - i) Registering of / Change in / Up-dation of: a) PAN, b) Nominee, c) Contact details (postal address, Mobile number & E-mail), d) Bank details and e) Signature.
  - ii) Processing of request for: a) Issue of Duplicate securities certificate b) Replacement / Renewal / Exchange of securities certificate, c) Consolidation of securities certificate d) Sub-division / Splitting of securities certificate, e) Consolidation of folios, f) Endorsement, g) Change in the name of the holder, h) Change in status from Minor to Major and Resident to NRI and vice versa, i) Claim for undelivered securities certificate, prior to its transfer Unclaimed

Suspense Account, j) Claim from Unclaimed Suspense (demat) Account k) Transmission and l) Transposition.

iii) Services through Depository Participants (**DPs**) for Demat and Remat

In this regard, Norms for processing investor service requests, including the aforementioned are standardized, simplified and made common across all service request, as follows;

### 2.1. Minor mismatch in signature

- a) In case of minor mismatch in the signature of the securities holder as available in the folio of the RTA and the present signature, the RTA, while processing the service request, shall intimate the holder by Speed post about the minor mis-match in signature, providing timeline of 15 days for raising objection, if any. In the absence of any objection, the service request shall be processed.
- b) If the letter returns undelivered or if there is an objection, as aforesaid, the RTA shall obtain signature verification by the banker before proceeding the service request.

### 2.2. Major mismatch in signature or Signature Card is not available

In case of major mismatch in the signature of the holder as available in the folio of the RTA and the present signature or if the same is not available with the RTA, then the holder / claimant shall furnish original cancelled cheque and banker's attestation of the signature as per [Form ISR-2](#).

### 2.3. Mismatch in name

- a) For minor mismatch in name between any two set of documents presented by holder / claimant for any service request, the RTA shall additionally obtain any one of the following documents, explaining the difference in names;
  - Unique Identification Number (UID) (Aadhaar)
  - Valid Passport
  - Driving license
  - PAN card with photograph
  - Identity card / document with applicant's Photo, issued by any of the following: Central / State Government and its Departments, Statutory / Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions.
  - Marriage certificate
  - Divorce decree

- b) The existing norms of the Depositories, to process demat request where there is a minor mis-match on account of initials not being spelt out fully, or put after or prior to surname, provided the signature in the Demat Request Form (**DRF**) matches with the signature card with the RTA, shall continue to be in force.

#### 2.4. Furnishing of PAN

- a) PAN is mandatory for all transactions in securities market as per [circular dated April 27, 2007](#) and it is also one of the document for proof of identity. Accordingly, it is reiterated that it is mandatory for all holders and claimants of physical securities to furnish PAN and it is mandatory for RTAs to verify PAN details through the facility as may be provided by the Income Tax Department (**ITD**). In this regard, SEBI registered RTAs have been authorized as an eligible entity by the ITD to verify PANs through its 'Online PAN Bulk Verification' (**PBV**) facility.
- b) Additionally, the 'Exemptions/clarifications to PAN', as provided in clause D to 'Instructions/Check List for Filing KYC Forms' in Annexure – 1 to [SEBI circular No. MIRSD/SE/Cir-21/2011 dated October 05, 2011](#) on Uniform Know Your Client (KYC) Requirements for the Securities Market, shall also applicable for holder(s) / claimant(s) of securities held in physical mode.

#### 2.5. Documents for Proof of Address

- 2.5.1. The RTA shall obtain any one of the following documents from the holder / claimant, if the address is not available in the folio or for processing the request for its change;
- a) Valid Passport / Registered Lease or Sale Agreement of Residence / Driving License / Flat Maintenance bill.
- b) Utility bills like Telephone Bill (only land line), Electricity bill or Gas bill - Not more than 3 months old.
- c) Identity card / document with address, issued by any of the following: Central/State Government and its Departments, Statutory / Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions
- d) For FII / sub account, Power of Attorney given by FII / sub-account to the Custodians (which are duly notarized and / or apostilled or consularised) that gives the registered address should be taken.
- e) The proof of address in the name of the spouse.
- f) Client Master List (**CML**) of the Demat Account of the holder / claimant, provided by the Depository Participant.

2.5.2. RTAs shall forthwith send intimation about the request for change in address to the holder at both the old and new addresses by Speed post, providing, timeline of 15 days for raising objection, if any.

- a) In the absence of any objection, the request shall be processed.
- b) If any one of the letter returns undelivered or if there is an objection, the RTA shall obtain any one of the documents mentioned above reflecting the old address as available in the folio or counterfoil of dividend warrant received from the company or bank statement showing credit of dividend.

#### **2.6. Self-attestation to replace Affidavits, Attestation / Notarization**

For all service request, except transmission, copies of documents that are submitted in hard copy shall be processed by the RTA only if the same is self-attested by the holder(s), with date. It is clarified that the RTA shall not insist on affidavits or attestation / notarization of documents.

#### **2.7. Indemnity**

RTA shall not insist on indemnity for any service request, unless the same is specially provided in the Companies Act, 2013 or the Rules issued thereunder or in SEBI Regulations or circulars issued thereunder.

#### **2.8. Form for availing investor services**

RTA shall process all investor service request by accepting the duly filled up request [Form ISR-1](#) to this circular. Listed companies and RTAs shall make this form available in their websites.

#### **2.9. KYC details across all folios of the holder, maintained by the RTA**

RTAs shall update the PAN and KYC details across all the folios of the holder managed by it, upon specific authorization for the same from the holder, as provided in [Form ISR-1](#).

In this regard, RTA shall update the folio(s) of the holder with the information on 1) present address, 2) bank details, 3) E-mail address and 4) mobile number from the details available in the Client Master List (**CML**), if the holder / claimant provides the CML.

#### **2.10. Mode for providing documents / details by investors**

The RTA shall enable the holder / claimant to provide the aforesaid document / details by any one of the following mode;

- a) through 'In Person Verification' (IPV): the authorized person of the RTA shall verify the original documents furnished by the investor and retain copy(ies) with IPV stamping with date and initials
- b) through hard copies which are self-attested and dated
- c) through electronic mode with e-sign, as elaborated subsequently.

#### 2.11. **Timelines for registering of / up-dation of / change in PAN, KYC and nomination**

RTAs shall process any of the aforesaid request from the holder, within seven working days of receipt of the complete documents / details.

However, as provided in the Rule 19 (10) of the Companies (Share Capital and Debenture) Rules, 2014, as amended from time to time, the cancellation or change in nomination shall take effect from the date on which the intimation for the same is received by the company / RTA.

#### 2.12. **Display of contact details of RTAs**

RTAs shall provide their complete contact details (viz. postal address, phone numbers and e-mail address etc.) in their respective websites. The same shall also be provided in the website of the listed company and also in the stock exchange(s) in which it is listed. RTA shall arrange to update the same forthwith, as and when there is a change.

#### 2.13. **All objections by RTA in once instance**

While processing complaints or service request, the RTAs shall raise all objections, if any / at all, in one instance only; the additional information may be sought only in case of any deficiency / discrepancy in the documents / details furnished by the holder.

### 3. **Electronic interface for processing queries, complaints and service request**

3.1. In addition to responding to queries, complaints and service request through hard copies, the RTA shall also process the same received through e-mails, provided that it is received from the e-mail address of the holder which is already registered with the RTA. Additionally, in the case of service requests, the documents furnished shall have e-sign of the holder(s) / claimant(s)

#### 3.2. Through service portal of the RTA

In case the RTA is offering on-line processing of service request through its portal, then the holder may submit his / her request or complaint through this portal, using appropriate credential for login and password. The scanned copies of the documents furnished shall have e-sign.

The RTA shall also use the electronic / on-line mode for communicating with the holder / claimant for speedier processing.

#### 4. **Mandatory furnishing of PAN, KYC details and Nomination by holders of physical securities**

4.1. It shall be mandatory for all holders of physical securities in listed company to furnish the following documents / details to the RTA;

a) PAN

b) Nomination (for all eligible folios)

Details of nomination details shall be furnished hard copy or through electronic mode with e-signature, separately for each company, as follows;

i. Either,

- Nomination through [Form SH-13](#) as provided in the Rules 19 (1) of Companies (Shares capital and debenture) Rules, 2014 or
- 'Declaration to Opt-out', as per [Form ISR-3](#)

ii. In case of cancellation of nomination by the holder(s) through Form [SH-14](#), then 'Declaration to Opt-out' shall be provided by the holder(s)

iii. Securities holder(s) can change their nominee through [Form SH-14](#)

Listed companies, RTAs and Stock Exchanges shall make available these three forms in their respective websites.

c) Contact details

Postal address with PIN, Mobile number, E-mail address

RTA shall obtain the folio number from the mobile number and E-mail address provided by the holder, so as to validate the same.

d) Bank account details (bank name and branch, bank account number, IFS code)

Upon receipt or up-dation of bank details, the RTA shall *suo-moto*, pay electronically, all the moneys of / payments to the holder that were previous unclaimed / unsuccessful.

e) Specimen signature

4.2. From the date of issue of this circular, RTAs shall obtain documents / details of PAN, KYC details and Nomination, wherever, the same is not available in the folio, while processing any service requests or complaint from the holder(s) / claimant(s).

#### 5. **Freezing of Folios without PAN, KYC details and Nomination**

5.1. The folios wherein any one of the cited document / details are not available on or after April 01, 2023, shall be frozen by the RTA.

5.2. The securities in the frozen folios shall be

- a) eligible to lodge grievance or avail service request from the RTA only after furnishing the complete documents / details as aforesaid
- b) eligible for any payment including dividend, interest or redemption payment only through electronic mode and an intimation from the RTA to the holder that the aforesaid such payment is due and shall be made electronically upon complying with the requirements in paragraph 4 above.
- c) referred by the RTA / listed company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as on December 31, 2025.

5.3. The RTA shall revert the frozen folios to normal status upon

- a) receipt of all the aforesaid documents / details at paragraph 4 above or
- b) dematerialization of all the securities in such folios

## 6. **Compulsory linking of PAN and Aadhaar by all holders of physical securities in listed companies**

6.1. The Central Board of Direct Taxes (**CBDT**), vide Notification S.O. 3814(E) dated September 17, 2021, has extended the date for linking PAN with Aadhaar number to March 31, 2022. SEBI issued [Press Release dated September 03, 2021](#), advising

- a) intermediaries to accept only valid PANs from this aforesaid date, while opening new accounts
- b) existing investors to link their PAN with their Aadhaar number by the date specified by CBDT.

6.2. Accordingly, from March 31, 2022 or any other date as may be specified by the CBDT, RTAs shall

- c) accept only valid PANs and
- d) also verify that the PAN in the existing folios are valid; i.e. whether it is linked to the Aadhaar number of the holder.

In this regard, the RTAs may use of the PBV facility from the service providers of ITD.

6.3. The folios in which PANs is / are not valid as on the notified cut-off date of March, 31, 2022 or any other date as may be specified by the CBDT, shall also be frozen, as detailed in paragraph 5 above.

**7. Intimation to securities holders**

Listed companies, RTAs and Stock Exchanges shall disseminate the requirement of the holders of physical securities of all listed companies to furnish valid PAN, KYC details and Nomination, on their respective websites. Listed companies shall also directly intimate its securities holders about folios which are incomplete viz. the aforesaid requirement.

8. This circular shall come into effect from January 01, 2022 and its provisions shall supersede provisions of previous circulars of SEBI in this regard.

9. RTAs shall provide a certificate of compliance from a practicing Company Secretary, within 45 days of this circular, certifying the changes carried out, systems put in place / new operating procedures implemented etc. to comply with the provisions of this circular.

10. Depositories are advised to take necessary steps to;

- 10.1. implement the provisions of this circular / make necessary amendment(s) to the relevant bye-laws / business rules / regulations / operational instructions, as the case may be,
- 10.2. bring the provisions of this circular to the notice of their constituents and
- 10.3. disseminate this circular on their websites.

11. The Stock Exchanges are advised to;

- 11.1. comply with the relevant portion(s) of this circular applicable to them,
- 11.2. bring the provisions of this circular to the notice of listed companies and
- 11.3. disseminate the same on their websites.

12. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992, read with Regulation 101 of SEBI (Listing Obligations and Disclosures Regulations) 2015, to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.

This circular is available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in).

Yours faithfully,

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**CIRCULAR**

SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8

January 25, 2022

**To**

**All registered Registrars to an Issue and Share Transfer Agents (RTAs)**

**All Recognized Stock Exchanges**

**All Listed Companies through Recognized Stock Exchanges**

**All Recognized Depositories**

**All Depository Participants (DPs) through Depositories**

Dear Sir / Madam,

**Subject: Issuance of Securities in dematerialized form in case of Investor Service Requests**

1. As an on-going measure to enhance ease of dealing in securities markets by investors, it has been decided that listed companies shall henceforth issue the securities in dematerialized form only (vide Gazette Notification no. SEBI/LAD-NRO/GN/2022/66 dated January 24, 2022) while processing the following service request.

- i. Issue of duplicate securities certificate;
- ii. Claim from Unclaimed Suspense Account;
- iii. Renewal / Exchange of securities certificate;
- iv. Endorsement;
- v. Sub-division / Splitting of securities certificate;
- vi. Consolidation of securities certificates/folios;
- vii. Transmission;
- viii. Transposition;

2. The securities holder/claimant shall submit duly filled up [Form ISR-4](#) (to be hosted on the website of the Issuer Companies and the RTAs) as per the format attached to this circular along with the documents / details specified therein. For item nos. iii to viii in paragraph 1 above, the RTA / Issuer Companies shall obtain the original securities certificate(s) for processing of service requests.
3. The RTA / Issuer Companies shall verify and process the service requests and thereafter issue a 'Letter of confirmation' in lieu of physical securities certificate(s), to the securities holder/claimant within 30 days of its receipt of such request after removing objections, if any.
  - a. The 'Letter of Confirmation' shall be valid for a period of 120 days from the date of its issuance, within which the securities holder/claimant shall make a request to the Depository Participant for dematerializing the said securities.
  - b. The RTA / Issuer Companies shall issue a reminder after the end of 45 days and 90 days from the date of issuance of Letter of Confirmation, informing the securities holder/claimant to submit the demat request as above, in case no such request has been received by the RTA / Issuer Company.
  - c. In case the securities holder/claimant fails to submit the demat request within the aforesaid period, RTA / Issuer Companies shall credit the securities to the Suspense Escrow Demat Account of the Company.
  - d. The operational guidelines are detailed in the **Annexure – A** to this circular.
4. The common norms stipulated in [SEBI/HO/MIRSD/MIRSD\\_RTAMB/P/CIR/2021/655 dated November 03, 2021](#) and [SEBI/HO/MIRSD/MIRSD\\_RTAMB/P/CIR/2021/687 dated December 14, 2021](#) shall be applicable for all service requests listed above.
5. Stock Exchanges and Depositories are advised to:

- a) make necessary amendments to the relevant bye-laws, rules and regulations, operational instructions, as the case may be, for the implementation of the above circular; and
  - b) bring the provisions of this circular to the notice of their constituents and also disseminate the same on the website.
6. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market read with Regulation 101 of SEBI (Listing Obligations and Disclosure Requirements), 2015.
7. This circular is available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in) under the categories "Legal Framework -> Circulars".
8. The Circular shall come into force with immediate effect.

Yours faithfully,

**Aradhana Verma**  
**Deputy General Manager**  
**Market Intermediaries Regulation and Supervision Department**  
**Tel. No. 022-2644 9633**  
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(to circular no. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 on Issuance of Securities in dematerialized form in case of Investor Service Requests)

**Operational guidelines for dematerialization of securities received for processing investor's service request**

1. The operational guidelines for issuance of securities in dematerialized form in case of investor service requests are as under;
  - a. After verifying and processing the request, the RTA / Issuer Companies shall intimate the securities holder/claimant about its execution / issuance of new certificate as may be applicable, by way of issuing Letter of Confirmation ("letter") (Format at **Annexure B**) in lieu of Share certificate/s provided by such securities holder/claimant.
  - b. The letter shall, inter-alia, contain details of folio and demat account number (if available) of the securities holder/claimant.
  - c. The letter shall be sent by the RTA / Issuer Companies through Registered / Speed Post to the securities holder/claimant. Additionally, the RTA/Issuer Companies may send such letter through e-mail with e-sign and / or digital signature.
  - d. Within 120 days of issue of the letter, the securities holder/claimant shall submit the demat request, along with the original letter or a copy of the email with e-sign and / or digital signature, as the case may be, to the Depository Participant (DP).
  - e. The RTA / Issuer Companies shall issue a reminder after the end of 45 days and 90 days from the date of issuance of Letter of Confirmation, informing the securities holder/claimant to submit the demat request as above, in case no such request has been received by the RTA / Issuer Company.

- f. In case of the securities which are required to be locked in, the RTA while approving / confirming the demat request, shall incorporate / intimate the Depository about the lock-in and its period.
- g. In case of non-receipt of demat request from the securities holder/claimant within 120 days of the date of Letter of Confirmation, the shares will be credited to Suspense Escrow Demat Account of the Company.
- h. The RTA shall retain the physical securities as per the existing procedure and deface the certificate with a stamp “Letter of Confirmation Issued” on the face / reverse of the certificate, subsequent to processing of service request mentioned in paragraph 1 of this circular.
- i. Depository Participant shall generate the demat request on the basis of Letter of Confirmation and forward the same to the Issuer Company / RTA for processing the demat request.
- j. The format of the Letter of Confirmation is given at **Annexure- B**.