

Shareholder's FAQs:

Dematerialization

What is Dematerialization?

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

What are the advantages of holding securities in dematerialized form?

- Convenient mode of holding securities, especially if you are holding shares of many companies;
- Immediate transfer of securities;
- No stamp duty is payable on transfer in demat mode
- Elimination of risks such as bad delivery, fake securities etc.;
- Reduction in paper work;
- Reduction in transaction cost;
- Saving of time – Change in address / bank account particulars etc. recorded with DP gets registered electronically with all companies in which the investor holds securities. Thus eliminating the need to correspond with each of the companies separately. Further, transmission of securities (in the event of death of the shareholder) is done by the DP, eliminating the need to correspond with all companies and following different procedures laid by them.
- Facilitates direct credit of shares in case of allotment under IPO, Rights, Bonus, Split etc. and direct credit of dividend to your designated account.

IN VIEW OF THE ADVANTAGES OF HOLDING SHARES IN DEMATERIALIZED FORM, SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM ARE REQUESTED TO KINDLY CONSIDER DEMATERIALIZING THE SAME AT THE EARLIEST.

Why should I demat shares of Shriram City Union Finance Ltd ("Company")?

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

How can I dematerialize my share certificate(s)?

- Open a Beneficiary Account with a DP registered with SEBI and with any one of the Depositories i.e., NSDL or CDSL.

- Submit the Dematerialization Request Form (DRF) (in triplicate) to your DP duly filled in and signed by all the shareholders, along with share certificate(s) and requisite documents. Ensure that the names and order of names as per certificate(s) matches with the names and order of the names as per the DP account.
- Obtain an acknowledgement from the DP.
- On receipt of DRF as above, DP will generate a Dematerialization Request Number (DRN) and the said DRN is electronically transmitted to RTA through the concerned Depository.
- Simultaneously, DP will send the physical certificate(s) with the original DRF to the RTA for verification and confirmation.
- The RTA, on receipt of DRF and share certificate(s) as above, will process the said request and if the DRF is found to be in order {viz. verification of signature and certificate(s)}, will electronically confirm the said request.
- The DP on receipt of such confirmation, will update the demat account of the investor.

NOTE: DRF and the share certificate(s) should not directly be submitted to the Company/RTA.

Is pledge of dematerialized shares possible?

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

What is the procedure for pledging of dematerialized shares?

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

- The Pledgee's DP can access the request online. Based on the Pledgee's copy of PRF received from the Pledger, the Pledgee's DP either accepts or rejects the request using the accept/ reject flag.

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

Are shareholders holding shares in dematerialized form, eligible to receive Annual Report and attend General Meetings?

Holding shares in dematerialized form does not in any manner effect the rights of the shareholders as members of the Company. They, as members of the Company, are entitled to receive Dividend, Notices, Annual Report, attend General Meetings and participate and vote thereat to the extent of their shareholding.

Whom should I inform change in my address, bank account details etc. in respect of shares held in demat form?

Since your demat account is maintained by your DP, all request/communication regarding change in address, bank account details, ECS mandate, registration of nomination etc. should be addressed to your DP directly. As the Company has no access to your depository account, services pertaining to the above cannot be provided.

Whom should I contact in case of non-receipt of dividend, bonus etc.?

Since dividend, bonus and other corporate benefits are declared / issued by the Company, you need to contact the RTA, quoting your beneficiary account number (i.e. DP ID, Client ID) and.

Dealing in Shares- Electronic Form

I would like to buy shares of the Company. How do I proceed? Please let me know in brief the process involved therein.

- Open a Depository Account by approaching a DP registered with SEBI and one of the Depositories (NSDL or CDSL). After the DP account is opened, the DP will issue a Delivery Instruction Slip book, to be used for transfer of shares held in electronic form.
- Open a Securities Trading Account (STA) with a Broker registered with SEBI and with any one of the Stock Exchanges, for e.g. BSE or NSE
- Usually Brokers arrange to open the STA along with the Depository Account. STA can either be online, offline or Net broking.
- In case of online broking, if you buy shares, your bank account (linked to the STA) is debited towards amount payable on the Contract and the shares are directly credited to your DP account (linked to the STA) and vice-versa.
- In case of offline broking, if you sell shares get the Settlement Number from the Broker and submit Delivery Instructions to your DP latest by the next day of the date of

contract. The broker will make the payment to you by way of a cheque on the payout day.

- In case of Net broking, by logging into the trading website of the Broker, you can directly buy or sell the shares. If you buy shares, your bank account gets debited for an amount payable under the contract and the acquired shares are credited to your DP account. You can buy shares subject to availability of funds in your bank account linked to the STA and sell shares subject to availability of free shares in your DP account linked to the STA.
- Kindly ensure to keep the Delivery Instructions Slip (DIS) book in a safe place and never sign a blank DIS. Never disclose your password for Net broking to anybody.

The steps / procedures stated above are only indicative. You will be required to comply with the specific procedures prescribed by your broker.

Transfer of Shares- Physical Form

I have purchased shares of the Company in physical form. How do I register the same in my name?

After executing the share transfer deed in prescribed Form and affixing applicable stamp duty thereon please forward the same along with the share certificate(s) stated therein to the RTA of the Company RTA.

What is the stamp duty payable on transfer of shares?

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

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

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

What is the procedure for transfer of shares in case one forgets to lodge the shares acquired more than a year ago?

The share transfer deed (TD) is valid for a period of one year from the date of its presentation as specified thereon.

In case of a delay for more than a year from the said date, you are required to get the TD duly revalidated by the office of the Registrar of Companies or such other notified authorities by paying the prescribed fee.

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

Dividend

I have not received the dividend on shares of the Company held by me. What should I do?

As a policy, the Company pays dividend to its shareholders within 30 days of its declaration.

In case you do not receive the dividend warrant or credit of dividend amount in your bank account within 30 days from the date of declaration, please inform the RTA in writing quoting your Folio Number / DP ID & Client ID.

After verifying, whether the dividend warrant dispatched to you has been returned undelivered or not, the RTA Company will issue fresh dividend warrant subject to your executing the letter of undertaking/indemnity in the prescribed format.

How does one get dividend on shares held in electronic form?

The Company obtains the details of beneficiary holders (Shareholders) from the Depositories as on the date of book closure / record date fixed by the Board of Directors. Dividend in respect of shares held in electronic form is normally credited through ECS/NECS/direct credit to the bank account as per the details provided in the Beneficiary Account of the shareholder maintained by the DP. In case of returned ECS/NECS/direct credit, the dividend warrants are dispatched to the address as available in the DP account by printing the bank account details thereon.

What is the procedure for obtaining a duplicate dividend warrant?

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

You will be issued a duplicate dividend warrant subject to furnishing a Letter of Undertaking in the format mentioned above.

How can I revalidate a dividend warrant?

Please return the outdated (stale) dividend warrant to the RTA for revalidation or issuance of fresh cheque as the case may be.

What happens to a dividend if not claimed within 7 years?

Dividends not encashed or claimed, within seven years from the date of its transfer to the unpaid dividend account, will, in terms of the provisions of Section 124 of the Companies Act, 2013, be transferred to the Investor Education and Protection Fund (IEPF) established by the Government. No claim shall lie either against the Company after the said transfer.

Status of unclaimed dividend of the Company for different years is displayed separately on the web site of the Company.

Issue of Duplicate Share Certificate

What is the procedure to obtain duplicate share certificate(s)?

Immediately on being aware of the loss/misplacement of your share certificate(s), kindly follow the procedure mentioned below:

- Lodge a First Information Report (FIR) with your local police station;
- Submit your application in writing to the RTA duly signed by all the shareholders, quoting your folio number, details of share certificate(s) lost, along with an original/certified copy of the FIR.
- RTA on verification, will mark 'Stop Transfer' against the share certificate(s) reported as lost/misplaced by you for a period of 15 days and will provide you the detailed procedure for issue of duplicate share certificate(s) including the draft of the affidavit and indemnity to be executed by you.
- On receipt of all the aforesaid documents, the Company/RTA Company will publish a public notice in two newspapers (English & Tamil) giving the details of the share certificate(s) reported as lost / misplaced by shareholder(s), seeking objections if any, to the issuance of duplicate share certificate(s).
- In case no objection is received within 15 days from the date of the said notice, the RTA will proceed to issue you the duplicate share certificate(s).

What should I do in case I find the original share certificate(s) reported as lost/ misplaced?

In terms of the indemnity executed and furnished by you, please return the original share certificate(s) to the RTA for cancellation.

What is the procedure for replacement of share certificate(s) in lieu of torn, defaced or mutilated share certificate(s)?

Please submit your application in writing to the RTA, duly signed by all the shareholders, requesting for replacement of share certificate(s), enclosing therein the torn, defaced or mutilated share certificate(s).

Nomination

If you are holding shares in demat form, please contact your Depository Participant.

What is nomination facility?

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

What are its advantages?

Notwithstanding anything contained in any other law or any testamentary deposition or otherwise, in respect of the shares, where a nomination has been made in accordance with the provisions of Companies Act, 2013, on the death of the shareholder, (or in case of joint holdings, on the death of all the joint holders), the Nominee shall become entitled to the rights in relation to such shares held by the deceased shareholder(s), to the exclusion of all other persons unless the nomination is revoked.

How do I make a nomination with regard to my shareholding?

Please submit Nomination Form in duplicate, duly filled and signed by all the shareholders. Only one nominee can be nominated per folio. However if the shareholder(s) hold more than one folio; but in different order of names or hold in joint names in more than one folio in different combination of names, then they can appoint different nominees under each folio. On receipt of the request for registration of nomination, the RTA will register the same by allotting a registration number. The duplicate copy of the nomination form will be returned to the shareholder(s) indicating the registration number and the date of registration of nomination.

Do I have to send the share certificate(s) along with the nomination form?

No

Can a nomination made be changed? What is the effect of nomination upon transfer of shares?

Yes. A nomination once made can be revoked by making a fresh nomination. In case joint shareholders have made a nomination, and one of them expires, the surviving shareholder(s) can make a fresh nomination. Further, upon transfer of shares, the nomination stands automatically rescinded.

What is the procedure for transfer of shares in favor of the Nominee?

(i) Upon death of the shareholder or the joint holders, as the case may be, the Nominee would be required to furnish the following documents in addition to any other documents as may be required by the Company for the purposes of identification:

- Certified true copy of death certificate of the shareholder.
- Proof of date of birth of the Nominee, in case the Nominee is a minor,
- Declaration by the Nominee confirming his rights,
- The original share certificate(s).

The Company, on being satisfied about the identity of the Nominee, will request the Nominee elect to either register himself as a shareholder or to transfer the shares. The Nominee is then required to issue a notice of his election.

(ii) If the Nominee elects to be registered as a shareholder, he shall send a notice to the RTA in writing, stating that he so elects.

What is the effect on the nomination in the event of death of one of the joint holder?

In the event of death of one of the joint holder, the shares get transmitted in the name of the surviving holder. The death of one of the joint holder does not rescind the nomination, as the Nominee will have title to the shares only after the death of all the joint holders. However, as stated earlier, the surviving shareholder(s) can make a fresh nomination.

What is the effect of nomination when a shareholder dies leaving a minor nominee?

If the Nominee is a minor, it shall be lawful for the holder of the shares to nominate in the prescribed manner any person to become entitled to shares in the event of his death during the minority of the Nominee. In case of a minor Nominee, a person is required to be named as a guardian to whom the shares shall vest in the event of death of the shareholder during minority

of Nominee. On attaining majority, the Nominee is required to send a notice of his decision to either become a shareholder or to transfer the shares.

Can I nominate a person for a part of my shareholding?

No. The nomination should be made for the entire shareholding under a folio.

Deletion of Name

What should I do, in the event of death of one of the joint holder?

Please intimate the fact of the demise of the concerned shareholder to the RTA in writing, enclosing therein a certified copy of the death certificate issued by the local / statutory authorities and the share certificate(s). The RTA on receipt of the above documents will delete the name of the deceased shareholder and return the share certificate(s) duly endorsed in favor of the surviving shareholder(s).

Can I delete the name for a part of my shareholding under a folio?

No. Deletion of name has to be done for the entire shareholding under a folio.

After deletion of name, as above, can I add another name?

Addition of name tantamount to transfer of share, hence can be done by following the procedure laid for transfer of shares.

Transmission of Shares

If a person holding shares in physical form in his sole name dies intestate (i.e. without leaving a will) how can his legal heir(s) get the shares transmitted in his/ their name(s)?

In case no person has been appointed as nominee by the deceased shareholder, the legal heir(s) is/are requested to submit the following documents along with the share certificate(s) to the Company.

- Request for transmission in writing duly signed by all the legal heirs (transferees)
- Certified true copy of the death certificate
 - Certified true copy of any one of Will or Probate issued by a Court of competent jurisdiction or Letter of Administration issued by a Court of competent jurisdiction or Succession Certificate
- In case the transmission is requested not in favour of all the legal heirs, no objection from other legal heir(s) relinquishing their right on the said shares.

Can I request to transmit part of the shares held under a folio?

Transmission will be given effect in the manner and in accordance with the Will, Probate/ Order issued by the Court.

What happens in case the legal heir(s) cannot trace the share certificate(s)?

The legal heir(s) may apply to the RTA for issuance of duplicate share certificate(s) along with their request for transmission of shares. In addition to submission of documents prescribed for transmission of share(s), legal heir(s) is / are required to follow the procedure for issue of duplicate share certificate(s).

Is stamp duty payable on transmission of shares?

No.

RTA National Electronic Clearing Service

A photocopy of the cheque or a cancelled blank cheque of the new account should be attached with the said application. On receipt of the above, the Company will record the said details in your folio so that the dividends declared by the Company can be credited to your new bank account.

If you are holding the shares in electronic form, the said details should be furnished to your Depository Participant.

What is NECS?

NECS refers to the National Electronic Clearing Service (NECS) introduced by the Reserve Bank of India (RBI) in September 2008 with a view to facilitate centralized processing for periodic and bulk payments.

The RBI vide its circular 376-DPSS. (CO) EPPD. No. 191-04.01.01.2009-2010 dated June 29, 2009 has instructed all banks to move to the NECS platform, with effect from October 1, 2009.

NECS essentially operates on the new and unique bank account number, allotted by the banks post implementation of Core Banking Solutions (CBS) for centralized processing of inward instructions and efficiency in handling bulk transactions.

What is the advantage of NECS?

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

What is the procedure to intimate change in the ECS details already registered by Shareholders with the Company?

If you are holding shares in physical form, you are requested to submit an application in writing to the Investor Services Department of the Company, duly signed by the sole/first shareholder containing the following particulars, so that the future dividends can be remitted to your new account number.

- Name of the Bank and branch
- New account number allotted by the bank after implementation of CBS.
- Type of account (saving/current/OD etc.)
- Nine digit code number appearing on the cheque

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

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

Is it compulsory for Shareholders to provide the new bank account details for NECS?

It is recommended that you avail of the NECS facility as it facilitates faster credit of remittance to your bank account.

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

You can continue to avail the ECS facility with the existing account number provided by your bank.

However, it is recommended that you periodically verify your bank statement to confirm credit of dividend, interest etc.

Change of Address

How can I record a change in my address?

In case you hold shares in physical form, please submit your application in writing duly signed by all the shareholders intimating the change in your address to RTA quoting your folio number, old address, new address along with a copy of the proof of new address (e.g., ration card, passport, driving licence, leave and licence agreement). However, in case you are holding the shares in Demat form, request for change of address should be addressed to your DP only.

Can my Power of Attorney (POA) submit an application to effect a change in my address?

Yes, if the POA has been registered with the Company and if such POA contains a provision authorizing him to instruct companies to record change in your address. In case the POA has not been registered, POA holder is required to submit a certified true copy of the POA along with his application for effecting change in your address.

Transposition of Names

What is Transposition?

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

What is the procedure for transposition of shares of Company?

Please submit your application in writing to the RTA, duly signed by all the shareholders requesting for inter-change of names, enclosing therein all the share certificate(s) held under a particular folio. Your application should clearly state the order in which the name(s) should appear in the folio.