

**NIRLON LIMITED**

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CIN:L17120 MH1958PLC 011045



**August 10, 2018**

**The Secretary,  
BSE Limited,  
P.J. Towers,  
Dalal Street,  
Mumbai- 400 001.**

**Security Code: - 500307**

**Dear Sirs,**

**Sub:** Amendment to Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to mandatory dematerialization for transfer of securities

**Ref:** BSE Ltd.'s Circular bearing reference - LIST/COMP/15/2018-19 dated July 5, 2018

With reference to the subject, the Company will be holding its 59<sup>th</sup> Annual General Meeting on Wednesday, September 26, 2018.

The Company will be sending to its all Members the following letters along with 59<sup>th</sup> Annual Report for the Financial Year 2017-18:

1. Letter from Share Transfer Agent w.r.t. updating the necessary KYC details of Registered and / or Joint holders with **Note** ; and
2. BSE Circular alongwith with the Guidance note on Demat.

Thanking you,

Yours faithfully,

**For Nirlon Limited**

Jasmin K. Bhavsar



**Company Secretary, V.P. (Legal) & Compliance Officer**

**Encl: a/a**

C 101 - 247 Park, L.B.S.Marg, Vikhroli (West) ,Mumbai 400 083.

CIN: U67190MH1999PTC118368

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Subject: **Updating the necessary KYC details of Registered and/or Joint holders**

Dear Sir/Madam,

We refer to the SEBI circular no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018, in which SEBI has directed all the listed Companies to record the PAN and BANK ACCOUNT details of all their shareholders holding shares in physical mode through their RTA. Accordingly, your Company, Nirlon Limited has initiated steps for registering the PAN details of all the shareholders (including joint holders, if any) and the BANK ACCOUNT details of the registered shareholder.

We would like to register other KYC details such as email id, mobile number, specimen signature and nomination. Your present status of each requirement is provided in KYC form. In this context, we request you to kindly fill in the details as mentioned in KYC form and forward the same along with all the supporting documents based on requirements considering the below mentioned points.

**A. For updating PAN of the registered and/or joint shareholders**

- Self- attested legible copy of PAN card (exempted for Sikkim Shareholders)

**B. For updating Bank Account details of the registered shareholder**

**1. In cases wherein the original cancelled cheque leaf has the shareholder's name printed**

- For address proof : Self- attested legible copy of Aadhar/passport/utility bill (not older than 3 months)
- Original cancelled cheque leaf containing the Bank A/c No., Bank Name, type of account, IFSC Code, MICR Code and the name of the shareholder printed on the cheque leaf.

OR

**2. In cases wherein the cancelled cheque leaf does NOT contain the shareholder's name printed on it**

- For address proof : Self- attested legible copy of Aadhar/passport/utility bill (not older than 3 months)
- Original cancelled cheque leaf containing the details, Bank A/c No., Bank Name, type of account, IFSC Code, MICR Code.
- Legible copy of the bank passbook / bank statement specifying the KYC details of the registered shareholder such as the name, address, bank account number etc. duly attested by the officer of the same bank with his signature, name, employee code, designation, bank seal & address stamp, phone no. and date of attestation.

**C. For updating the Specimen signature of the registered and/or joint shareholders**

- Affidavit duly notarised on non-judicial stamp paper of RS. 100/-
- Banker's verification (format available on [www.linkintime.co.in](http://www.linkintime.co.in) under Resources-Download-General-Change of Signature)
- Original cancelled cheque containing the details, Bank A/c No., Bank Name, type of account, IFSC Code, MICR Code and the name of the shareholder printed on the cheque leaf.
- Legible copy of the bank passbook / bank statement specifying the KYC details of the registered shareholder such as the name, address, bank account number etc. duly attested by the officer of the same Bank with his signature, name, employee code, designation, bank seal & address stamp, phone no. and date of attestation. **(if the cancelled cheque leaf does not contain shareholder name)**

**D. For registering Email id:** Email-id of the registered shareholder for all future communication in electronic mode (Go Green Initiative)

**E. For registering Mobile No.:** Mobile no. of registered shareholder for future direct communication

**F. For registering Nominee:** You are requested to register the Nomination (Form SH-13) to your folio. Nomination form is available on our website at [www.linkintime.co.in](http://www.linkintime.co.in) under Resources-Downloads-General- Nomination.

We request you to kindly forward duly filled in KYC form along with copies of supporting documents for all the "Required" remarks within 21days from the date of this letter. Single copy of supporting document is sufficient for updating multiple subjects.

In the absence of response, enhanced due diligence will be applicable. Inclined to serve you with the best of our services!!

Yours faithfully,  
For Link Intime India Pvt. Ltd.  
Sd/-  
Authorised Signatory

This is a computer generated letter and hence no signature required

**Note:** SEBI notification SEBI/LAD-NRO/GN/2018/24 dated 8 June, 2018 & BSE circular no. LIST/COMP/15/2018-19 dated 05 July, 2018 have stated that requests for effecting transfer of securities ( except in case of transmission or transposition of securities) shall not be processed after 5<sup>th</sup> December 2018, unless the securities are held in the dematerialized form with the depositories. Hence you are requested to dematerialize your physical securities. (The above mentioned circulars are available on our website)

To  
All the Listed Companies,

Dear Sir / Madam,

Subject: **Amendment to Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to mandatory dematerialization for transfer of securities**

The amendment to Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide Gazette notification dated June 8, 2018 has mandated that transfer of securities would be carried out in dematerialized form only.

**Accordingly, Listed Companies and their Registrars and Transfer Agents (RTAs) are hereby advised that, with effect from December 5, 2018, it should be ensured that shares which are lodged for transfer shall be in dematerialized form only.**

In order to implement the aforementioned Amendment in the Regulation and as advised by SEBI, all the Listed Companies are hereby directed to carry out the following actions:

- 1) To take special efforts through their RTAs to send letter under Registered/Speed post to the holders of physical certificates appraising them about the amendment and sensitise them about the impact of the regulation on the transfer of shares held by them in physical form w.e.f December 5, 2018.
- 2) RTAs may also be advised to send two reminders, preferably at a gap of 30 days, to such shareholders who continue to hold their shares in physical form, advising them to get the same dematerialized
- 3) Listed Companies shall prominently place information on their website intimating the investors about the proposed change and provide appropriate guidance on how to dematerialize their shares.
- 4) Listed companies should ensure that the signature cards of all the holders of physical securities are handed over to its RTA at the earliest.

All listed companies are requested to take note of above and comply accordingly. Companies may also report compliance with these requirements by end September 2018 to the Exchange, in a specified format that will be sent out shortly.

Abhijit Pai  
Dy. Gen. Manager  
Listing Compliance

Shyam Bhagirath  
Associate Manager  
Listing Compliance

**MOST IMPORTANT NOTICE TO MEMBERS OF NIRLON LIMITED  
WHO ARE HOLDING SECURITIES IN PHYSICAL FORM**

**I. Background & Regulation 40 of SEBI, LODR, 2015**

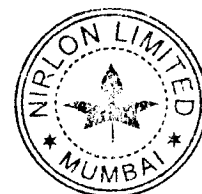
- a. BSE Ltd. has issued a Circular to Listed Companies on July 05, 2018 informing about amendment to Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide Gazette notification dated June 8, 2018 has mandated that transfer of securities would be carried out in dematerialized form only.
- b. **Gist of the BSE Circular w.r.t. the amendment to Regulation 40 of SEBI, LODR, 2015 to all listed company**

The amendment to Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide Gazette notification dated June 8, 2018 has mandated that transfer of securities would be carried out in dematerialized form only.

**Accordingly, Listed Companies and their Registrars and Transfer Agents (RTAs) are hereby advised that, with effect from December 5, 2018, it should be ensured that shares which are lodged for transfer shall be in dematerialized form only.**

In order to implement the aforementioned Amendment in the Regulation and as advised by SEBI, the Company is in process to carry out the following actions:

1. Sending letter through our Share Transfer Agent (**STA**), Link Intime India Pvt. Ltd. , under Registered/Speed post to the holders of physical certificates appraising them about the amendment and sensitise them about the impact of the regulation on the transfer of shares held by them in physical form **w.e.f. December 5, 2018.**
2. STA will send two reminders, preferably at a gap of 30 days, to such shareholders who continue to hold their shares in physical form, advising them to get the same dematerialized.
3. We are prominently place information on our website intimating the investors about the proposed change, and also guidance on how to dematerialize their shares.



## II. Demat Familiarisation & Concepts

- a. **Dematerialization** in short called as '**demat**' is the process by which an investor can get **physical certificates** converted into **electronic form** maintained in an account with the **Depository Participant**.
- b. **Depository**: The organization responsible to maintain investor's securities in the electronic form is called the depository. In other words, a depository can therefore be conceived of as a "Bank" for securities. In India there are two such organizations viz. NSDL and CDSL. The depository concept is similar to the Banking system with the exception that banks handle funds whereas a depository handles securities of the investors. An investor wishing to utilize the services offered by a depository has to open an account with the depository through a Depository Participant.
- c. **Depository Participant**: The market intermediary through whom the depository services can be availed by the investors is called a Depository Participant (DP). As per SEBI regulations, DP could be organizations involved in the business of providing financial services like banks, brokers, custodians and financial institutions. This system of using the existing distribution channel (mainly constituting DPs) helps the depository to reach a wide cross section of investors spread across a large geographical area at a minimum cost. The admission of the DPs involve a detailed evaluation by the depository of their capability to meet with the strict service standards and a further evaluation and approval from SEBI. Realizing the potential, all the custodians in India and a number of banks, financial institutions and major brokers have already joined as DPs to provide services in a number of cities.

## III. Important points on Demat

1. Is dematerialization of securities compulsory? According to the Depositories Act, 1996, an investor has the option to hold securities either in physical or electronic form in a Listed Company. Part of holding can be in physical form and part in demat form.

However, SEBI has notified that settlement of market trades in listed securities should take place only in the demat mode.



2. The investors can dematerialize only those share certificates that are already registered in their name and belong to the list of securities admitted for dematerialization at the depositories.
3. Following steps are involved in dematerialization of physical securities:
  - a. Beneficiary Account (BO) to open a demat account with a Depository Participant (DP), if not opened/ existing.
  - b. BO Fill in a Demat Request Form (DRF) and submit the same with the physical Certificate/s to the DP for dematerialization.
  - c. For each ISIN, a separate DRF has to be used.
  - d. If the BO has free as well as lock-in shares of the same ISIN, separate demat request has to be setup for free shares and lock-in shares.
  - e. DP to verify that the DRF has been filled correctly.
  - f. DP to Setup a demat request on the CDSL system.
  - g. DP to deface and mutilate the physical certificates and Send the certificates to the Issuer/Share transfer Agent (STA).
  - h. Issuer/STA verifies genuineness of the certificates and confirms the demat request.
  - i. On receiving confirmation from Issuer/STA, /NSDL / CDSL credits an equivalent number of securities in the demat account of the BO maintained with NSDL/ CDSL.
- Approach the depository participant, and fill up a demat account opening form. You have to sign an agreement with the depository participant. Submit proof of identity such as PAN card and an identity proof/address proof, such as Passport copy. (Your demat account, should be in the same name as the ownership in physical form).
- Once your demat account is opened, your shares can be demated, by filling a Dematerialisation Request Form (DRF). You then submit/surrender the certificates of the shares which you want dematerialized, along with the dematerialisation Request Form (DRF), to the depository participant.
- The depository participant then sends a request, through an electronic system, to the Registrar and Transfer agent. (R&T agents maintain your /investor's records, for convenience).



- The electronic system generates a Dematerialisation Request Number (DRN). This DRN number, is entered on the Dematerialisation Request Form (DRF) and is sent along with physical documents (identity and address proof / share certificates), to the Registrar and Transfer agent, along with a standard covering letter.
- Your share certificates are received by the Registrar and Transfer agent. These share certificates will be mutilated and the words “Surrendered for Dematerialisation”, will be written on it.
- The Registrar and Transfer agent will verify the physical documents, along with the details in the covering letter and the Dematerialisation Request Form.
- The Company where you own shares, has your name in the Register of Members (RoM), of the Company. Your name is replaced by the depository’s name in the Register of Members (RoM), of the Company, to the extent of shares, which have been dematerialized.
- Once the Register of Members (RoM), of the Company where you have shares, has been amended, a confirmation is sent to the depository.
- Your demat account with the depository participant (DP), is credited with the dematerialized shares.
- It is not possible to add any name while dematerialization of a share certificate. If the shares held in single name are intended to be held in any joint account, they have to be transferred to such names before they are dematerialized. Alternatively, such shares can be dematerialized first in the demat account in the single name and then transferred to the demat account in the joint names, or vice-versa, through an off-market transaction.
- Transfer of Electronic balances in a BOs account to successors / nominees in case of sole holder account and to the account of surviving joint holders in case of a joint account.





**IV.** The benefits of demat are as follows:

- Easy and convenient way to hold securities
- Immediate transfer of securities
- No stamp duty on transfer of securities
- Safer than paper-shares (earlier risks associated with physical certificates such as bad delivery, fake securities, delays, thefts etc. are mostly eliminated)
- Reduced paperwork for transfer of securities
- Reduced transaction cost
- No "odd lot" problem: even one share can be sold
- Change in address recorded with a Depository participant (DP) gets registered with all companies in which investor holds securities eliminating the need to correspond with each of them separately.
- Transmission of securities is done by DP, eliminating the need for notifying companies.
- Automatic credit into demat account for shares arising out of bonus/split, consolidation/merger, etc.
- A single demat account can hold investments in both equity and debt instruments.

There are a few distinct advantages of having a bank as a DP. Having a Demat account with a bank DP, usually provides quick processing, accessibility, convenience, and online transaction capability to the investor. Generally, banks credit the Demat account with shares in case of purchase, or credit a savings account with the proceeds of a sale, on the third day. Banks are also advantageous because of the number of branches they have. Some banks give the option of opening a demat account in any branch, while others restrict themselves to a select set of branches. Some private banks also provide online access to the demat account. Hence, the investors can conveniently check online details of their holdings, transactions and status of requests through their bank's net-banking facility. A broker who acts as a DP may not be able to provide these services.

**For Nirlon Limited**

Jasmin K. Bhavsar

Company Secretary, Vice President (Legal) & Compliance officer

**Mumbai, August 10, 2018**

