

# Shareholders' Referencer

## AN OVERVIEW

- ▶ The Company has currently around 2.64 million shareholders holding Equity Shares.
- ▶ The Company's Equity Shares are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The Global Depository Receipts (GDRs) of the Company are listed on the Luxembourg Stock Exchange and traded on International Order Book (London Stock Exchange) and PORTAL System (NASD, USA).
- ▶ The Company's Equity Shares are the most actively traded security on both BSE and NSE.
- ▶ The Company's Equity Shares are under compulsory trading in demat form only.
- ▶ 97.91% of the Company's Equity Shares are held in demat form.
- ▶ Karvy Computershare Private Limited (Karvy), having its office at Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032, an ISO 9002 Certified Registrars and Transfer Agents, is the Registrar and Transfer Agent (R&TA) of the Company.

## INVESTOR SERVICE AND GRIEVANCE HANDLING MECHANISM

- ▶ All investor service matters are being handled by Karvy, the largest Registrar in the country with a large number of Investor Service Centres across the country, which discharges investor service functions effectively, efficiently and expeditiously.
- ▶ The Company has appointed M/s. Dayal and Lohia, Chartered Accountants, Mumbai as Internal Auditors to concurrently audit the securities related transactions being handled at Karvy.
- ▶ The Company has prescribed service standards to respond to various investor related activities. These standards are being reviewed periodically by the Company.

### The service standards set by the Company for various investor related transactions/activities are as follows:

Sl. No.	Particulars	Service Standards (No. of working days)
<b>(A) Registration Items</b>		
1	Transfers	3
2	Transmissions	3
3	Transpositions	3
4	Deletion of Name	3
5	Folio Consolidation	3
6	Change of Name	3
7	Demat	3
8	Remat	3
9	Issue of Duplicate Certificates	15
10	Replacement of Certificates	3
11	Certificate Consolidation	3
12	Certificate Split	3
13	Change of Address	2

Sl. No.	Particulars	Service Standards (No. of working days)
14	Bank Mandate / Details	2
15	Nomination by security holders	2
16	Recording Power(s) of Attorney by security holders	2
<b>(B) Correspondence</b>		
1	Non-receipt of Annual Reports	2
2	Non-receipt of Dividend Warrants	3
3	Non-receipt of Interest/ Redemption Warrants	3
4	Non-receipt of Certificates	2
5	Revalidation of Dividend Warrants	3
6	Revalidation of Redemption Warrants	3
7	Multiple Queries	4
8	IEPF Letters	3

## 1. DEALING IN SECURITIES

### 1.1 What are the types of accounts required for dealing in securities in demat form?

**Beneficial Owner Account (B. O. Account)/Demat Account:** An account opened with a Depository Participant (DP) in the name of investor for holding and transferring securities.

**Trading Account:** An account opened by the broker in the name of the investor for buying and selling of securities.

**Bank Account:** An account opened in the name of the investor and linked to the B. O. Account/Demat account for debiting or crediting money with respect to transactions in the securities market.

### 1.2 What is Delivery Instruction Slip (DIS) and what precautions one should observe with respect to DIS?

To give delivery of the securities, the beneficial owner has to fill in a form called Delivery Instruction Slip (DIS). DIS may be compared to a cheque book of a bank account. The following precautions are to be taken in respect of DIS:

- ▶ Ensure that DIS numbers are pre-printed and DP takes acknowledgment for the DIS booklet issued to the investor.
- ▶ Ensure that the account number [client id] is pre-stamped.
- ▶ If the account is a joint account, all the joint holders have to sign the instruction slips. Instruction cannot be executed if all joint holders have not signed.
- ▶ Avoid using loose slips.
- ▶ Do not leave signed blank DIS with anyone viz., broker/ sub-broker, DPs or any other person/entity.
- ▶ Keep the DIS book under lock and key when not in use.
- ▶ If only one entry is made in the DIS book, strike out the remaining space to prevent misuse.

- ▶ Personally fill in target account-id and all details in the DIS.
- ▶ If the DIS booklet is lost / stolen / not traceable, the same must be intimated to the DP, immediately, in writing. On receipt of such intimation, the DP will cancel the unused DIS of the said booklet.

### 1.3 What is online trading in securities?

Online trading in securities refers to the facility available to an investor for placing his own orders using the internet trading platform offered by the trading member viz., the broker. The orders so placed by the investor using internet would be routed through the trading member.

### 1.4 What is SARAL Account Opening Form?

Securities and Exchange Board of India (SEBI) vide its circular dated March 4, 2015, has introduced SARAL account opening form for resident individuals trading in cash segment.

Individual investors trading in cash segment can open a trading account and demat account by filling up a simplified Account Opening Form ('AOF') termed as 'SARAL AOF'. This form is separately available with the intermediaries and can also be downloaded from the Stock Exchanges' and Depositories' website. The investors who open such account through SARAL AOF will also have the option to obtain other facilities, whenever they require, on furnishing of additional information as per prescribed regulations/circulars.

### 1.5 What precautions an online investor must take?

Investor trading online must take the following precautions:

- ▶ Default password provided by the broker must be changed before placing the order.
- ▶ The password should not be shared with others and password must be changed at periodic intervals.
- ▶ Obtain proper understanding of the manner in which the online trading software has to be operated.
- ▶ Get adequately trained before using the software.
- ▶ The online trading system has facility for order and trade confirmation after placing the orders.

### 1.6 What are the other safety measures an online client must observe?

- ▶ Avoid placing order from shared PCs / through cyber cafés.
- ▶ Log out after having finished trading to avoid misuse.
- ▶ Do not click "remember me" option while signing in from shared PCs / through cyber cafes.
- ▶ Do not leave the terminal unattended while "signed-in" on the trading system.
- ▶ Protect your personal computer against viruses by placing a firewall and an anti-virus solution.
- ▶ Do not open e-mails from people you do not know.

### 1.7 What are the do's and don'ts while dealing in securities market?

#### DO'S

- ▶ Transact only through Stock Exchanges.
- ▶ Deal only through SEBI registered intermediaries.
- ▶ Complete all the required formalities of opening an account properly (Client registration, Client agreement forms etc.).
- ▶ Ask for and sign "Know Your Client Agreement".
- ▶ Read and properly understand the risks associated with investing in securities / derivatives before undertaking transactions.
- ▶ Assess the risk - return profile of the investment as well as the liquidity and safety aspects before making your investment decision.
- ▶ Ask all relevant questions and clear your doubts with your broker before transacting.
- ▶ Invest based on sound reasoning after taking into account all publicly available information and on fundamentals.
- ▶ Beware of the false promises and to note that there are no guaranteed returns on investments in the Stock Market.
- ▶ Give clear and unambiguous instructions to your broker / sub-broker / DP.
- ▶ Be vigilant in your transactions.
- ▶ Insist on a contract note for your transaction.
- ▶ Verify all details in the contract note, immediately on receipt.
- ▶ Always settle dues through the normal banking channels with the market intermediaries.
- ▶ Crosscheck details of your trade with details as available on the exchange website.
- ▶ Scrutinize minutely both the transaction and the holding statements that you receive from your DP.
- ▶ Keep copies of all your investment documentation.
- ▶ Handle DIS Book issued by DP's carefully.
- ▶ Insist that the DIS numbers are pre-printed and your account number (client id) be pre-stamped.
- ▶ In case you are not transacting frequently make use of the freezing facilities provided for your demat account.
- ▶ Pay the margins required to be paid in the time prescribed.
- ▶ Deliver the shares in case of sale or pay the money in case of purchase within the time prescribed.
- ▶ Participate and vote in general meetings either personally or through proxy.
- ▶ Be aware of your rights and responsibilities.
- ▶ In case of complaints, approach the right authorities for redressal in a timely manner.

## Shareholders' Referencer (Continued)

### DON'TS

- ▶ Don't undertake off-market transactions in securities.
- ▶ Don't deal with unregistered intermediaries.
- ▶ Don't fall prey to promises of unrealistic returns.
- ▶ Don't invest on the basis of hearsay and rumours; verify before investment.
- ▶ Don't forget to take note of risks involved in the investment.
- ▶ Don't be misled by rumours circulating in the market.
- ▶ Don't blindly follow media reports on corporate developments, as some of these could be misleading.
- ▶ Don't follow the herd or play on momentum - it could turn against you.
- ▶ Don't be misled by so called hot tips.
- ▶ Don't try to time the market.
- ▶ Don't hesitate to approach the proper authorities for redressal of your doubts / grievances.
- ▶ Don't leave signed blank DISs of your demat account lying around carelessly or with anyone.
- ▶ Do not sign blank DIS and keep them with DP or broker to save time. Remember your carelessness can be your peril.
- ▶ Do not keep any signed blank transfer deeds.

### COMPANY'S RECOMMENDATIONS TO THE SHAREHOLDERS / INVESTORS:

#### Deal with Registered Intermediaries

Investors should transact through a registered intermediary who is subject to regulatory discipline of SEBI, as it will be responsible for its activities, and in case the intermediary does not act professionally, investors may take up the matter with SEBI/Stock Exchanges.

#### Obtain documents relating to purchase and sale of securities

A valid Contract Note/Confirmation Memo should be obtained from the broker/sub-broker, within 24 hours of execution of purchase or sale of securities and it should be ensured that the Contract Note/Confirmation Memo contains order number, order time, trade number, trade time, security descriptions, bought and sold quantity, price, brokerage, service tax and securities transaction tax. In case the investors have any doubt about the details contained in the contract note, they can avail the facility provided by BSE / NSE to verify the trades on BSE / NSE websites. It is recommended that this facility be availed in respect of a few trades on random basis, even if there is no doubt as to the authenticity of the trade/transaction.

#### Transfer securities before Book Closure/Record Date

The corporate benefits on the securities lying in the clearing account of the brokers cannot be made available to the members directly by the Company. In case an investor has bought any securities, he must ensure that the securities are transferred to his demat account before the book closure / record date.

## 2. DIVIDEND

### 2.1 What are the modes by which the dividend is paid?

Dividend is paid under four modes, viz.:

- (a) National Automated Clearing House (NACH)
- (b) National Electronic Fund Transfer (NEFT)
- (c) Direct Credit to shareholders' account by bank
- (d) Physical dispatch of Dividend Warrant

### 2.2 What is National Automated Clearing House (NACH)

The National Payments Corporation of India (NPCI) has implemented an electronic payment service termed as "National Automated Clearing House (NACH)" for banks, financial institutions, Corporates and Government Departments. It is a centralised system, launched with an aim to consolidate multiple ECS systems running across the country, and has both Debit and Credit variants. NACH aims at facilitating interbank, high volume, debit/credit transactions, which are bulk and repetitive in nature. NACH system covers over 700 Core Banking enabled Banks spread across the geography of the country irrespective of the location of the bank branches.

### 2.3 What is NACH Credit for payment of dividend and how does it operate?

NACH Credit is an electronic payment service used for affording credits to a large number of beneficiaries in their bank accounts for the payment of dividend by raising a single debit to the bank account of the user entity. NACH operates on the principle of single debit to the sponsor bank's account and multiple credits to different destination banks' accounts.

### 2.4 What are the benefits of NACH (payment through electronic facilities)?

Some of the major benefits are:

- a. Investor need not make frequent visits to his bank for depositing the physical paper instruments.
- b. Prompt credit is given to the bank account of the investor through electronic clearing.
- c. Fraudulent encashment of warrants is avoided.
- d. Exposure to delays / loss in postal service are avoided.
- e. Issue of duplicate warrants is avoided as there can be no loss in transit of warrants.

### 2.5 How to avail of NACH Facility?

Investors holding shares in physical form may send their NACH Mandate Form, duly filled in, to the Company's R&TA. The Form may be downloaded from the "Downloads" section under the "Investor Relations" dropdown on the Company's website, [www.ril.com](http://www.ril.com).

However, if shares are held in dematerialised form, NACH Mandate has to be filed with the concerned DP directly, in

the format prescribed by the DP.

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

In this regard, shareholders are requested to furnish their new bank account number allotted by the banks post implementation of CBS, along with a cancelled cheque pertaining to the concerned account:

(a) to the R&TA of the Company in case the shareholders hold shares in physical form; and (b) to the concerned DP in case the shareholders hold shares in demat form.

## 2.6 Can investors opt out of NACH Facility?

Investors have a right to opt out from this mode of payment by giving an advance notice of four weeks, prior to payment of dividend, either to the Company's R&TA or to the concerned DP, as the case may be.

## 2.7 What is payment of dividend through NEFT Facility and how does it operate?

NEFT is a nation-wide payment system facilitating electronic transfer of funds from one account to another. Dividend payment through NEFT denotes payment of dividend electronically through RBI clearing to selected bank branches which have implemented CBS. This extends to all over the country, and is not necessarily restricted to the designated centres where payment can be handled through Electronic Clearing System. To facilitate payment through NEFT, the shareholder is required to ensure that the bank branch where his/her account is operated, is under CBS. The shareholders shall also ensure that particulars of the updated bank account are registered with the Company's R&TA in case shares are held in physical form and with the concerned DP in case shares are held in demat form.

## 2.8 What is payment of dividend through Direct Credit and how does it operate?

The Company appoints a bank as its Dividend banker for distribution of dividend. The said banker carries out direct credit to those investors who are maintaining accounts with the said bank, provided the bank account details are registered with the DP for dematerialised shares and / or registered with the Company's R&TA prior to the payment of dividend for shares held in physical form.

## 2.9 What should a shareholder do in case of non-receipt of dividend?

Shareholders should write to the Company's R&TA, furnishing the particulars of the dividend not received, and quoting the folio number /DPID and Client ID particulars (in case of dematerialised shares). On expiry of the validity period, if the dividend warrant remains unpaid in the records of the Company, a duplicate warrant will be issued. The R&TA would request the concerned shareholder to

execute an indemnity before issuing the duplicate warrant.

No duplicate warrants will be issued against those shares wherein a 'stop transfer indicator' has been instituted either by virtue of a complaint or by law, unless the procedure for releasing the same has been completed.

## 2.10 Why do the shareholders have to wait till the expiry of the validity period of the original warrant for issue of duplicate warrant?

Since the dividend warrants are payable at par at several centres across the country, banks do not accept 'stop payment' instructions. Hence, shareholders have to wait till the expiry of the validity of the original warrant for issue of duplicate warrant. Validity of dividend Warrant is for three months from the date of issue.

## 2.11 Why shares should be transferred before the Book Closure/Record Date fixed for dividend payment?

The dividend on shares lying in the clearing account of the brokers cannot be made available to the members directly by the Company. In case an investor has bought any shares, he must ensure that the shares are transferred to his demat account before the book closure / record date.

## 2.12 What are the Statutory provisions governing unpaid dividend?

Dividend lying in the Unpaid Dividend Account which remains unpaid or unclaimed for a period of seven years is required to be transferred to the Investor Education and Protection Fund (IEPF).

As per Section 124 of the Companies Act, 2013 (yet to come into force), all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company in the name of IEPF. Further, the shareholders whose amounts and shares would be transferred to IEPF as above, would be entitled to get refund of the dividend and claim the transfer of shares from IEPF after complying with the prescribed procedure under the Companies Act, 2013.

## 2.13 Where can the status of unclaimed dividend not transferred to IEPF account be verified?

The Company has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on July 15, 2015 on the website of the Company ([www.ril.com](http://www.ril.com)), which can be accessed by the shareholders.

## 2.14 What is the status of unclaimed and unpaid dividend for different years?

The status of unclaimed and unpaid dividend of the Company is captured in Chart 1 below:

## Shareholders' Referencer (Continued)

Chart 1: Status of unclaimed and unpaid dividend for different years:

	Unclaimed Dividend up to 1994-95	Unclaimed Dividend for 1995-96 to 2007-08	Unclaimed Dividend for 2008-09 and thereafter
Transfer of unpaid dividend	Transferred to General Revenue account of the Central Government	Transferred to Central Government's Investor Education and Protection Fund (IEPF)	Will be transferred to IEPF on due date(s)
Claims for unpaid dividend	Can be claimed from ROC, Maharashtra*	Cannot be claimed from IEPF	Can be claimed from the Company's R&TA within the time limits provided in Chart 2 given below

\* Shareholders who have not encashed their dividend warrant(s) relating to one or more of the financial year(s) (i) up to and including 1994-95 are requested to claim such dividend from the Registrar of Companies, Maharashtra, CGO Complex, 2nd Floor, "A Wing", CBD- Belapur, Navi Mumbai - 400 614. Telephone 91 22 2757 6802 and (ii) from 1995-96 to 2006-07, from IEPF after complying with the prescribed procedure which is yet to come into force under the Act.

Chart 2: Information in respect of unclaimed and unpaid dividends declared for 2008-09 and thereafter

Financial year ended	Date of declaration of dividend	Last date for claiming unpaid dividend
March 31, 2009	October 07, 2009	October 06, 2016
March 31, 2010	June 18, 2010	June 17, 2017
March 31, 2011	June 03, 2011	June 02, 2018
March 31, 2012	June 07, 2012	June 06, 2019
March 31, 2013	June 06, 2013	June 05, 2020
March 31, 2014	June 18, 2014	June 17, 2021
March 31, 2015	June 12, 2015	June 11, 2022
March 31, 2016	March 10, 2016	March 09, 2023

► No Long Term Capital Gains (LTCG) tax is payable on sale of shares through a recognised stock exchange, provided Securities Transaction Tax (STT) has been paid and shares are sold after 12 months from the date of purchase. In any other case, lower of the following is payable as long term capital gain tax:

- 20% of the capital gain computed after substituting 'cost of acquisition' with 'indexed cost of acquisition' together with education cess @ 2% and secondary higher education cess @ 1% in the case of 'individuals'. Surcharge @ 12 % is payable for income exceeding ₹1 crore in the case of individuals also.
- 10% of the capital gain computed without substituting 'cost of acquisition' with 'indexed cost of acquisition' together with education cess @ 2% and secondary higher education cess @ 1% in the case of 'individuals'. Surcharge @ 12 % is payable for income exceeding ₹1 crore in the case of individuals also.

### 2.15 What are the provisions relating to Tax on Dividend and Sale of Shares?

The provisions relating to tax on dividend and sale of shares are provided for ready reference of shareholders:

- No tax is payable by shareholders on dividend. However, the Company is required to pay dividend tax @ 17.647% (grossed up) and surcharge @12% together with education cess @ 2% and secondary higher education cess @ 1%, i.e., 20.36%;
- As per the Finance Act, 2016, income by way of dividend in excess of ₹10 lakh shall be chargeable to tax in the case of an individual, Hindu undivided family (HUF) or a firm who is resident in India, @ 10%. The taxation of dividend income in excess of ₹10 lakh is on gross basis and made effective from the assessment year 2017-18.
- Short Term Capital Gains (STCG) tax is payable in case the shares are sold within 12 months from the date of purchase @ 15% in case of 'individuals' together with education cess @ 2% and secondary higher education cess @ 1%; Surcharge @ 12% is payable for income exceeding ₹1 crore in the case of individuals also.

### INITIATIVES TAKEN BY THE COMPANY

#### Reminder letters to Investors

The Company gives an opportunity to investors by sending reminder letters on yearly basis for claiming their outstanding dividend amount which is due for transfer to Investor Education & Protection Fund.

### COMPANY'S RECOMMENDATIONS TO THE SHAREHOLDERS / INVESTORS

#### Register NACH Mandate and furnish correct bank account particulars to Company's R&TA/Depository Participant(DP)

Investors holding shares in physical form should provide the NACH Mandate to the Company's R&TA and investors holding shares in demat form should ensure that correct and updated particulars of their bank account are available with the Depository Participant (DP). This would facilitate in receiving direct credits of dividends, refunds etc., from companies and avoid postal delays and loss in transit. Investors must update their new bank account

numbers allotted after implementation of Core Banking Solution (CBS) to the Company's R&TA in case of shares held in physical form and to the DP in case of shares held in demat form.

### 3. DEMATERIALIZATION/ REMATERIALIZATION OF SHARES

#### 3.1 What is Dematerialisation of shares?

Dematerialisation (Demat) is the process by which securities held in physical form are cancelled and destroyed and the ownership thereof is retained in fungible form in a depository by way of electronic balances.

#### 3.2 Why dematerialise shares? Is Trading Compulsory in Demat Form?

SEBI has notified various companies whose shares shall be traded compulsorily in demat form only. By virtue of such notification, the shares of the Company are also subject to compulsory trading in demat form on the Stock Exchanges.

#### 3.3 What are the benefits of Dematerialisation?

- ▶ Elimination of bad deliveries
- ▶ Elimination of all risks associated with physical certificates
- ▶ No stamp duty on transfers
- ▶ Immediate transfer / trading of securities
- ▶ Faster settlement cycle
- ▶ Faster disbursement of non-cash corporate benefits like rights, bonus, etc.
- ▶ SMS alert facility
- ▶ Lower brokerage is charged by many brokers for trading in dematerialised securities
- ▶ Periodic status reports and information available on internet
- ▶ Ease related to change of address of investor
- ▶ Elimination of problems related to transmission of demat shares
- ▶ Ease in portfolio monitoring
- ▶ Ease in pledging the shares

#### 3.4 What is the procedure for dematerialisation of shares?

- ▶ Shareholders should submit the duly filled in Demat Request Form (DRF) along with physical certificate(s) to the concerned DP.
- ▶ DP intimates the relevant Depository of such requests through the system.
- ▶ DP submits the DRF and the Certificate(s) to the Company's R&TA.
- ▶ The Company's R&TA confirms the dematerialisation request from Depository.
- ▶ The Company's R&TA, after dematerialising the

certificate(s), updates accounts and informs concerned depository regarding completion of dematerialisation.

- ▶ Depository updates its accounts and informs the DP.
- ▶ DP updates the demat account of the shareholder.
- ▶ The entire process should be completed within 21 days.

#### 3.5 Can shares held jointly in physical form be dematerialised, if the sequence of names mentioned in certificate differs from sequence of names as per beneficiary account?

Depositories provide "Transposition cum Demat facility" to help joint holders to dematerialize securities in different sequence of names. For this purpose, DRF and Transposition Form should be submitted to the DP.

#### 3.6 What is SMS alert facility?

NSDL and CDSL have launched SMS Alert facility for demat account holders whereby the investors can receive alerts for debits and credits in their demat accounts. Under this facility, investors can receive alerts, a day after such debits (transfers) / credits take place. These alerts are sent to those account holders who have provided their mobile numbers to their DPs. Alerts for debits are sent, if the debits (transfers) are up to five ISINs in a day. In case debits (transfers) are for more than five ISINs, alerts are sent with a message that debits for more than five ISINs have taken place and that the investor can check the details with the DP.

#### 3.7 Why the Company cannot take on record bank details in case of dematerialised shares?

As per the Depository Regulations, the Company is obliged to pay dividend on dematerialised shares as per the bank account details furnished by the concerned Depository. Therefore, investors are requested to keep their bank particulars updated with their concerned DP.

#### 3.8 What is rematerialisation of shares?

It is the process through which shares held in electronic form are converted into physical form by issuance of share certificate(s).

#### 3.9 What is the procedure for rematerialisation of shares?

- ▶ Shareholders should submit the duly filled in Rematerialisation Request Form (RRF) to the concerned DP.
- ▶ DP intimates the relevant Depository of such requests.
- ▶ DP submits RRF to the Company's R&TA.
- ▶ Depository confirms rematerialisation request to the Company's R&TA.
- ▶ The Company's R&TA updates accounts and prints certificate(s) and informs the Depository.
- ▶ Depository updates the Beneficiary Account of the shareholder by deleting the shares so rematerialised.

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- ▶ Share certificate(s) is despatched to the shareholder by Company's R&TA.

### COMPANY'S RECOMMENDATIONS TO THE SHAREHOLDERS / INVESTORS

#### Open Demat Account and Dematerialise your shares

Investors should convert their physical holdings of securities into demat holdings to reap the benefits of dematerialisation set out under para 3.3 of this referencer.

#### Monitor holdings regularly

Demat account should not be kept dormant for long period of time. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified. Where the investor is likely to be away for a long period of time and where the securities are held in electronic form, the investor can make a request to the DP to keep the account frozen so that there can be no debit to the account till the instruction for freezing the account is countermanded by the investor.

#### Register for SMS alert facility

Investors should register their mobile numbers with DPs for SMS alert facility. National Securities Depository Limited and Central Depository Services (India) Limited proactively inform the investors of transaction in the demat account by sending SMS. Investors will be informed about debits and credits to their demat account without having to call-up their DPs and investors need not wait for receiving Transaction Statements from DPs to know about the debits and credits.

## 4. NOMINATION FACILITY

### 4.1 What is nomination facility and to whom is it more useful?

Section 72 of the Companies Act, 2013 provides the facility of nomination to shareholders. This facility is mainly useful for individuals holding shares in sole name. In the case of joint holding of shares by individuals, nomination will be effective only in the event of death of all joint holders.

### 4.2 What is the procedure for appointing a nominee?

Investors, especially those who are holding shares in single name, are advised to avail of the nomination facility by submitting the prescribed Form SH-13 for initial registration of nomination and Form SH-14 for cancellation/variation of nomination as per Companies Act, 2013 to the Company's R&TA. The said forms may be downloaded from the Company's website, [www.ril.com](http://www.ril.com) under the section "Investor Relations".

However, if shares are held in dematerialised form, nomination has to be registered with the concerned DP directly, as per the format prescribed by the DP.

### 4.3 Who can appoint a nominee and who can be appointed as a nominee?

Individual shareholders holding the shares / debentures in single name or joint names can appoint a nominee. In case

of joint holding, joint holders together have to appoint the nominee. An individual having capacity to contract only can be appointed as a nominee. Minor(s) can, however, be appointed as a nominee.

### 4.4 Can a nomination once made be revoked / varied?

It is possible to revoke / vary a nomination once made. If nomination is made by joint holders, and one of the joint holders dies, the remaining joint holder(s) can make a fresh nomination by revoking the existing nomination.

### 4.5 Are the joint holders deemed to be nominees to the shares?

Joint holders are not nominees; they are joint holders of the relevant shares having joint rights on the same. In the event of death of any one of the joint holders, the surviving joint holder(s) of the shares is / are the only person(s) recognised under law as holder(s) of the shares. Surviving Joint holder(s) may appoint a nominee.

### 4.6 Is nomination form required to be witnessed?

A nomination form must be witnessed.

### 4.7 What rights are conferred on the nominee and how can he exercise the same?

As per the provisions of Section 72 of the Companies Act, 2013 the nominee is entitled to all the rights in the securities of the deceased shareholder in relation to such securities to the exclusion of all other persons. In the event of death of the shareholder, all the rights of the shareholder shall vest in the nominee. In case of joint holding, all the rights shall vest in the nominee only in the event of death of all the joint holders. The nominee is required to apply to the Company or to the DP as may be applicable by reporting death of the nominator along with the attested copy of the death certificate.

### COMPANY'S RECOMMENDATIONS TO THE SHAREHOLDERS / INVESTORS:

#### Submit Nomination Form

Investors should register their nominations in case of physical shares with the Company's R&TA and in case of dematerialised shares with their DP. Nomination would help the nominees to get the shares transmitted in their favour without any hassles. Investors must ensure that nomination made is in the prescribed Form and must be witnessed in order to be effective. The Form may be downloaded from the Company's website [www.ril.com](http://www.ril.com) under the section "Investor Relations".

## 5. TRANSFER / TRANSMISSION / TRANSPOSITION / DUPLICATE CERTIFICATES ETC.

### 5.1 What is the procedure for transfer of shares in favour of transferee(s)?

Transferee(s) need to send share certificate(s) along with share transfer deed(s) in the prescribed Form SH-4 as per the Companies Act, 2013, duly filled in, executed and share

transfer stamps affixed and also duly attested PAN of the transferor(s) to the Company's R&TA. It takes about three working days for the Company's R&TA to process the transfer from the date of lodgement, although the statutory time limit fixed for completing a transfer is fifteen days under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and one month under the Companies Act, 2013.

### 5.2 Is submission of Permanent Account Number (PAN) mandatory for transfer / transmission / transposition of shares in physical form?

SEBI has made it mandatory to furnish a copy of the PAN to the Company / R&TA in the following cases, viz., (a) for securities market transactions and off-market transactions involving transfer of shares in physical form; (b) Deletion of name of the deceased holder(s), where the shares are held in the name of two or more shareholders; (c) Transmission of shares to legal heir(s), where deceased shareholder was the sole holder of the shares; and (d) Transposition of shares - where there is a change in the order of names in which physical shares are held jointly in the names of two or more shareholders.

### 5.3 What should transferee (purchaser) do in case transfer form is returned with objections?

Transferee (purchaser) needs to immediately proceed to get the errors/ discrepancies corrected. Transferee needs to contact the transferor (seller) either directly or through his broker for rectification or replacement with good securities. After rectification or replacement of the securities, the same should be resubmitted for effecting transfer. In case the errors are non-rectifiable, purchaser has recourse to the seller and/or his broker through the Stock Exchange to get back his money. However, in case of off-market transactions, matter should be settled with the seller only.

### 5.4 Can single holding of shares be converted into joint holdings or joint holdings into single holding? If yes, what is the procedure involved in doing the same?

Yes, conversion of single holding into joint holdings or joint holdings into single holding or transfer within the family members leads to a change in the pattern of ownership, and therefore, the procedure for a normal transfer as mentioned above needs to be followed.

### 5.5 How to get shares registered which are received by way of gift? Does it attract stamp duty?

The procedure for registration of shares gifted (held in physical form) is the same as the procedure for a normal transfer. The stamp duty payable for registration of gifted shares would be @ 25 paise for every ₹100 or part thereof, of the market value of the shares prevailing as on the date of the document, if any, conveying the gift or the date of execution of the transfer deed, whichever is higher. In case the shares held in demat form are gifted, no stamp duty is payable.

### 5.6 What is the procedure for getting shares in the name of surviving shareholder(s), in case of joint holding, in the event of death of one shareholder?

The surviving shareholder(s) will have to submit a request letter supported by an attested copy of the death certificate of the deceased shareholder and accompanied by the relevant share certificate(s). The Company's R&TA, on receipt of the said documents and after due scrutiny, will delete the name of the deceased shareholder from its records and return the share certificate(s) to the surviving shareholder(s) with necessary endorsement.

### 5.7 What is the procedure for getting physical shares in the name of legal heir(s) in the event of death of the sole shareholder without nomination?

If the value of shares of the Company as on the date of application is up to ₹2,00,000, the legal heir(s) should submit the following documents along with a request letter, transmission form, attested copy of the death certificate of the deceased shareholder and the share certificate(s) in original, to the Company's R&TA for transmission of the shares in his / their name(s):

- ▶ No objection certificate [NOC] from all legal heir(s) who do not object to such transmission (or) copy of Family Settlement Deed executed by all the legal heirs of the deceased holder and duly notarized or attested by a Gazetted Officer.

- ▶ Indemnity made on appropriate non judicial stamp paper – indemnifying the R&TA and the Company.

If the value of shares of the Company as on the date of application is more than ₹2,00,000, the legal heir(s) should submit the following documents along with a request letter, transmission form, attested copy of the death certificate of the deceased shareholder and the share certificate(s) in original, to the Company's R&TA for transmission of the shares in his / their name(s):

- ▶ Succession certificate (or) Probate of will (or) Letter of Administration (or) Court decree.

### 5.8 What is the procedure for getting demat shares in the name of legal heir(s) in the event of death of the sole beneficial owner without nomination?

If the value of shares of the Company as on the date of application is up to ₹5,00,000, the legal heir(s) should submit the following documents to the DP:

- ▶ Notarized copy of the death certificate
- ▶ Transmission Request Form (TRF),
- ▶ Affidavit – to the effect of the claim of legal ownership to the shares,
- ▶ Deed of indemnity – Indemnifying the depository and Depository Participants (DP),
- ▶ NOC from legal heir(s), if applicable, or family settlement

## Shareholders' Referencer (Continued)

deed duly executed by all legal heirs of the deceased beneficial owner.

If the value of shares of the Company as on the date of application is more than ₹5,00,000, the legal heir(s) should additionally submit one of the following documents to the DP:

- ▶ Surety form
- ▶ Succession certificate
- ▶ Probated will
- ▶ Letter of Administration

### Note:

**As per SEBI Circular dated October 28, 2013, the timeline for processing the transmission requests by the DP for securities held in dematerialized form is 7 days and by the Company/R&TA for the securities held in physical form shall be 21 days, after receipt of the prescribed documents from the claimants/legal heirs.**

### 5.9 How can the change in order of names (i.e., transposition) be effected?

Share certificate(s) along with a request letter duly signed by all the joint holders may be sent to the Company's R&TA for change in order of names, known as 'transposition'. Transposition can be done only for the entire holdings under a folio and therefore, request for transposition of part holding cannot be accepted by the Company / R&TA. For shares held in demat form, investors are advised to approach their DP concerned for transposition of names.

### 5.10 What is the procedure for obtaining duplicate share certificate(s) in case of loss / misplacement of original share certificate(s)?

Shareholders who have lost / misplaced share certificate(s) should inform the Company's R&TA, immediately about loss of share certificate(s), quoting their folio number and details of share certificate(s), if available.

The R&TA shall immediately mark a 'stop transfer' on the folio to prevent any further transfer of shares covered by the lost share certificate(s). It is recommended that the shareholders should lodge FIR with police station regarding loss of share certificate(s).

They should send their request for duplicate share certificate(s) to the Company's R&TA and submit documents as required by the R&TA.

### 5.11 What is the procedure to get the certificates issued in various denominations consolidated into a single certificate?

Consolidation of share certificates helps in saving cost while dematerialising the share certificates and also provides convenience in holding the shares physically. Shareholders having certificates in various denominations under the same

folio should send all such certificates to the Company's R&TA for consolidation into a single certificate.

If the shares are not under the same folio but have the same order of names, shareholders should write to the Company's R&TA in the prescribed form for consolidation of folios. This will help the investors to efficiently monitor their holding and the corporate benefits receivable thereon.

## INITIATIVES TAKEN BY THE COMPANY

### Consolidation of Folios

The Company has initiated a unique investor servicing measure for consolidation of small holdings within the same household. In terms of this, those shareholders holding shares in small numbers under a single folio in the Company, within the same household, can send such shares for transfer along with transfer forms duly filled in and signed, free of cost; the stamp duty involved in such cases will be borne by the Company.

### Scheme for disposal of 'Odd Lot' Equity Shares

At the Annual General Meeting of the Company held on June 26, 1998, Company's Founder Chairman Shri Dhirubhai H. Ambani, announced for the benefit of small shareholders, a scheme for disposal of 'Odd Lot' shares (the Scheme) to facilitate such shareholders to realise the full market value without having to suffer a discount for odd lots.

In order to assist small shareholders in disposal of such odd lot shares held in physical form, the Company has formed a Trust known as 'Reliance Odd Lot Shares Trust' which will dispose-off the odd lot shares on behalf of the shareholders.

The salient features of the Scheme in force from July 1, 1998, are as under:

- ▶ This Scheme is available to Indian national residents in respect of any master folio having holdings up to 49 shares;
- ▶ The holders of Equity Shares in odd lot (less than 50 shares) may avail of the Scheme by lodging duly filled in application form and a duly executed transfer deed along with the relevant share certificate(s);
- ▶ The odd lot shares offered under the Scheme are sold through designated brokers in the BSE / NSE;
- ▶ All costs of implementing the Scheme is borne by the Company.

## COMPANY'S RECOMMENDATIONS TO THE SHAREHOLDERS / INVESTORS

### Consolidate Multiple Folios

Investors should consolidate their shareholding held in multiple folios. This would facilitate one-stop tracking of all corporate benefits on the shares and would reduce time and efforts required to monitor multiple folios. It will also save cost while dematerialisation of their shareholding.

### Opt for Corporate Benefits in Electronic Form

In case of non-cash corporate benefits like split of shares / bonus shares, the holders of shares in physical form must opt to get the shares in electronic form by providing the details of demat account to the R&TA.

### Exercise caution

There is likelihood of fraudulent transfers in case of folios with no movement or where a shareholder has either expired or is not residing at the address registered with the Company. The Company's R&TA should be updated on any change of address or contact details. Similarly, information of death of shareholder should also be communicated promptly.

### Mode of Postage

It is recommended to use registered post or speed post or courier facility when investors send important/high value documents, share certificates etc. to the Company / R&TA.

## 6. UNCLAIMED SHARES

### 6.1 What are the Regulatory provisions and procedure governing consolidation of unclaimed shares?

As per Regulation 39 of the Listing Regulations read with Schedule VI thereto:

- Shares issued in dematerialised form pursuant to a public issue or any other issue, which remain unclaimed, shall be credited to a demat suspense account opened by the company for this purpose with one of the depository participants.
- Shares issued in physical form pursuant to a public issue or any other issue, which remain unclaimed, shall be transferred into one folio in the name of "unclaimed suspense account" and shall be dematerialised in the unclaimed suspense account opened by the company for this purpose with one of the depository participants.

Any corporate benefits accruing on such shares, viz., bonus shares, split etc., shall also be credited to such demat suspense account or unclaimed suspense account, as applicable, for a period of seven years and thereafter shall be transferred in accordance with the provisions of applicable laws.

The voting rights on such unclaimed shares shall remain frozen till the rightful owner claims the shares.

### 6.2 What is the status of compliance by the Company with regard to these provisions?

In terms of Regulation 34 of the Listing Regulations read with Schedule V thereto, details relating to aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year, number of shareholders who had approached the Company for transfer of shares from suspense account during the year, number of shareholders to whom the said unclaimed

shares were transferred from the suspense account during the year, and the aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year, have been set out under "Equity Shares in Suspense Account" in the Corporate Governance Report.

As per Section 124(6) of the Companies Act, 2013 (once the same is notified), all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the company in the name of IEPF. However, the shares can be claimed by the claimant after following the prescribed procedure under the Companies Act, 2013.

## INVESTOR SERVICING AND GRIEVANCE REDRESSAL - EXTERNAL AGENCIES

### 1. Ministry of Corporate Affairs

Ministry of Corporate Affairs (MCA) has launched its e-Governance initiative, i.e., MCA21, on the MCA portal ([www.mca.gov.in](http://www.mca.gov.in)). One of the key benefits of this initiative is timely redressal of investor grievances. MCA21 system accepts complaints under the e-Form prescribed, which has to be filed online.

The status of complaint can be viewed by quoting the Service Request Number (SRN) provided at the time of filing the complaint.

### 2. Securities and Exchange Board of India (SEBI)

SEBI, in its endeavour to protect the interest of investors, has provided a platform wherein the investors can lodge their grievances. This facility is known as SEBI Complaints Redress System (SCORES) and is available on the SEBI website ([www.sebi.gov.in](http://www.sebi.gov.in)) and on SCORE's website (<http://scores.gov.in>).

### 3. SEBI Complaints Redress System (SCORES)

The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and Online viewing by investors of actions taken on the complaint and its current status.

All companies against whom complaints are pending on SCORES, have to take necessary steps to resolve the complaint and submit action taken report within thirty days of receipt of complaint and also keep the complainant duly informed of the action taken.

SEBI has issued frequently asked questions (FAQs) in respect of SCORES which inter alia lists down the matters which are considered as complaints and handled by SEBI, the matters which are not considered as complaints, how the investor complaints are handled by SEBI, the arbitration mechanism, etc. These FAQs can be accessed on the link: <http://scores.gov.in/Docs/FAQ-SCORES.pdf>.

## Shareholders' Referencer (Continued)

### 4. Stock Exchanges

National Stock Exchange of India Limited (NSE) - NSE has formed an Investor Grievance Cell (IGC) to redress investors' grievances electronically. The investors have to log on to the website of NSE i.e. [www.nseindia.com](http://www.nseindia.com) and go to the link "Investors Service".

BSE Limited (BSE) - BSE provides an opportunity to the investors to file their complaints electronically through its website [www.bseindia.com](http://www.bseindia.com) under the "Investor Grievances".

### 5. Depositories

National Securities Depository Limited (NSDL) - In order to help its clients resolve their doubts, queries, complaints, NSDL has provided an opportunity wherein they can raise their queries by logging on to: [www.nsdl.co.in](http://www.nsdl.co.in) under the "Investors" section or an email can be marked mentioning the query to: [relations@nsdl.co.in](mailto:relations@nsdl.co.in).

Central Depository Services (India) Limited (CDSL) - Investors who wish to seek general information on depository services may mail their queries to: [investors@cDSLindia.com](mailto:investors@cDSLindia.com). With respect to the complaints / grievances of the demat account holders relating to the services of the DP, e-mails may be addressed to: [complaints@cDSLindia.com](mailto:complaints@cDSLindia.com).

## MISCELLANEOUS

### Change of address

**What is the procedure to get change of address registered in the Company's records?**

Shareholders holding shares in physical form may send a request letter, duly signed by all the holders, giving the details of the new address along with Pin Code, to the Company's R&TA. Shareholders are requested to quote their folio number(s) and furnish proof of new address such as attested copies of Ration Card / Passport / Latest Electricity or Telephone Bill / Lease Agreement, Aadhaar Card, etc. If shares are held in dematerialised form, information about change of address needs to be sent to the DP concerned.

### Change of name

**What is the procedure for registering change of name of shareholders?**

Shareholders holding shares in physical form may request the Company's R&TA for effecting change of name in the share certificate(s) and records of the Company. Original share certificate(s) along with the supporting documents such as duly attested copies of marriage certificate, court order, etc. should be enclosed. The Company's R&TA, after verification, will effect the change of name and send the share certificate(s) in the new name of the shareholders. Shareholders holding shares in demat form, may request the concerned DP in the format prescribed by DP.

### Authority to another person to deal with shares

**What is the procedure for authorising any other person to deal with the shares of the Company?**

A shareholder needs to execute a Power of Attorney in favour of the concerned person and submit a notarised copy of the same to the Company's R&TA. After scrutiny of the documents, the R&TA shall register the Power of Attorney and inform the registration details to the shareholder concerned. Whenever the Power of Attorney holder proposes to enter into a transaction, the registration number mentioned above should be quoted in the correspondence.

### Permanent Account Number (PAN)

It is mandatory to quote PAN before entering into any transaction in the securities market. The Income Tax Department of India has highlighted the importance of PAN on its website: [www.incometaxindia.gov.in](http://www.incometaxindia.gov.in) wherein lot of queries with respect to PAN have been replied to in the FAQ section.

### Insider Trading

In order to strengthen the legal framework for prohibition of insider trading in securities, SEBI notified the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (New Regulations). The New Regulations came into force from May 15, 2015, replacing its over two decade old antecedent. Under the New Regulations, promoters, key managerial personnel and directors of a company are required to file initial disclosure whereas continual disclosure is required to be filed by promoters, employees and directors of the company.

In view of the New Regulations, the Company has revised its Code to Regulate, Monitor and Report Trading by Insiders (new Reliance Code). The new Reliance Code inter alia prohibits insiders from trading in securities while in possession of unpublished price sensitive information in relation to the Company and also during the period when the Trading Window is closed.

### Takeover Regulations

SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (Takeover Regulations) cast obligation on the investor (acquirer) to make disclosure w.r.t. acquisition/disposal of shares. The relevant provisions are summarised below:

### Disclosure of acquisition

Any acquirer who acquires shares (including convertible securities) or voting rights in a target company which taken together with shares or voting rights, if any, held by him and by persons acting in concert with him in such target company, aggregating to five per cent or more of the shares of such target company, should disclose their aggregate shareholding and voting rights in such target company, to the target company and Stock Exchanges within 2 working days of the receipt of intimation of allotment / acquisition of shares or voting rights in the target company, as the case may be.

### Disclosure in case of change in holding

Any person, who together with persons acting in concert with him, holds shares or voting rights entitling them to five per cent or more of the shares or voting rights in a target company, should disclose the number of shares or voting rights held and change in shareholding or voting rights, even if such change results in shareholding falling below five per cent, if there has been change in such holdings from the last disclosure made; and such change exceeds two per cent of total shareholding or voting rights in such target company, to the target company and Stock Exchanges within 2 working days of such change.

### E-voting

The Companies Act, 2013, the Companies (Management and Administration) Rules, 2014 and Clause 44 of the Listing Regulations require a listed company to provide e-voting facility to its shareholders in respect of all shareholders' resolutions to be passed at General Meetings.

### Register e-mail address

To contribute towards greener environment and to receive all documents, notices, including Annual Reports and other communications of the Company, investors are requested to register their e-mail addresses with Karvy, if shares are held in physical form or with their DP, if the holding is in electronic form.

### Intimate mobile number

Shareholders are requested to intimate their mobile number and changes therein, if any, to Karvy, if shares are held in physical form or to their DP if the holding is in electronic form, to receive communications on corporate actions and other information of the Company.

## SHAREHOLDERS' GENERAL RIGHTS

- ▶ To receive not less than 21 clear days' notice of general meetings.
- ▶ To receive notice and forms for Postal Ballots in terms of the provisions of the Companies Act, 2013 and the relevant Rules issued thereunder.
- ▶ To receive copies of Balance Sheet and Statement of Profit and Loss along with all annexures / attachments (Generally known as Annual Report) not less than 21 days before the date of the Annual General Meeting.
- ▶ To participate and vote at General Meetings either personally or through proxy (proxy can vote only in case of a poll).
- ▶ To receive Dividends and other corporate benefits like Bonus, Rights etc. once approved.
- ▶ To demand poll on any resolution at a General Meeting in accordance with the provisions of the Companies Act, 2013.

- ▶ To inspect Statutory Registers and documents as permitted under law.
- ▶ To require the Board of Directors to call an Extraordinary General Meeting in accordance with the provisions of the Companies Act, 2013.

## DUTIES / RESPONSIBILITIES OF INVESTORS

- ▶ To remain abreast of corporate developments, company specific information and take informed investment decision(s).
- ▶ To be aware of relevant statutory provisions and ensure effective compliance therewith.
- ▶ To deal with only SEBI registered intermediaries while dealing in the securities.
- ▶ Not to indulge in fraudulent and unfair trading in securities nor to act upon any unpublished price sensitive information.
- ▶ To participate effectively in the proceedings of shareholders' meetings.
- ▶ To contribute to the Greener Environment and accordingly register email addresses to enable the Company to send all documents / notices including Annual Reports electronically.
- ▶ To register nominations, which would help the nominees to get the shares transmitted in their favour without any hassles.
- ▶ To participate in the e-voting facility provided by the company or attend the General Meeting of the Company and cast their vote
- ▶ To respond to communications seeking shareholders' approval through Postal Ballot.
- ▶ To respond to communications of SEBI / Depository / DP / Brokers / Sub-brokers / Other Intermediaries / Company, seeking investor feedback / comments.

### NOTE

**This Referencer contains general information. Readers are advised to refer to the relevant Acts / Rules / Regulations / Guidelines / Clarifications before dealing in securities.**