

COAL INDIA LTD

(GOVT OF INDIA UNDERTAKING)

CIN- L23109WB1973GOI028844

Registered Office- Coal Bhawan, Premises No-04-MAR, Plot-AF-III
Action Area-1A, New Town Rajarhat Kolkata-700156, West Bengal

**CIL Policy for Registrars and Share Transfer
Agent (RTA)**

**(Pursuant to SEBI Circular No. SEBI / HO / MIRSD
/ DOP1/CIR/P/2018/73 dated April 20, 2018)**

DATE OF COMMENCEMENT:12th March' 2020

POLICY FOR REGISTRARS AND SHARE TRANSFER AGENT (RTA)

1. TITLE AND COMMENCEMENT

This policy shall be called the 'CIL Policy for Registrars and Share Transfer Agent (RTA)'. It shall come into force with immediate effect.

2. BACKGROUND

Securities and Exchange Board of India vide its Circular Number SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018 had stated that every Registrar and Share Transfer Agent (RTA) and Issuer Company shall frame a written policy with regard to workings of the RTAs. The Board of Directors of Coal India Limited has adopted this policy to comply with this requirement and to strengthen the workings of the RTA.

3. SCOPE AND APPLICABILITY

The policy shall relate to the dividend declared/distributed on the ordinary equity shares, matters relating to revalidation/re-issue of dividend warrants, transfer/transmission/correction of name& other error etc., internal audit of RTA and such other related matters.

4. OBJECTIVE

The objective of this Policy is to provide uniform guidelines on matters relating to dividend distribution, transfer and transmission of shares, working of the RTAs and internal controls to be implemented with regard to the said matters, etc. and thereby complying with the guidelines provided by SEBI vide its above stated circular.

5. MATTERS RELATING TO PAYMENT OF DIVIDEND/INTEREST/REDEMPTION

- a. RTA shall prepare a Dividend/Interest/Redemption Master File, which shall include relevant fields prescribed by SEBI/Dividend Banker. The said file shall be shared with the Dividend Banker through a secured process/ procedure as per Banker's prescribed secured mechanism.
- b. In cases where bank account details of the security holders is not available with RTA or there is a change in bank account details, RTA shall take necessary steps to collect such details and update the details in its records after due verification.
- c. While making a revalidation/ reissue request to the dividend/interest/redemption processing banker, the RTA shall ensure that such requests contain all the details which are prescribed by SEBI vide abovementioned circular.

- d. RTA shall ensure proper distribution of dividend through electronic banking system, where ECS mandate is available and through dividend warrant / banker's Cheque / demand draft, where ECS mandate is not available.
- e. RTA shall ensure that any unpaid dividend shall be paid via electronic bank transfer only, where bank account details of the security holder is not available. The Company/RTA has to obtain Bank details from the Shareholder and unpaid amount is to be transferred through Electronic Credit only. SEBI has barred the payment of unpaid Dividend through Warrant/DD.
- f. Details of the rejection of electronic remittance, dividend/interest/redemption instruments expired and subsequent payment of dividend/interest/redemption made through new instruments including the status of payment of the same shall be linked to dividend/interest/redemption payment record of each of the specific folio by RTA and audit trail shall be kept in the system of the RTA.

6. TRANSMISION OFSHARES

- a. Every Transfer / Transmission / Correction of errors in data shall require prior approval of the Company.
- b. RTAs to ensure that folio numbers once allotted or folio numbers having nil balance, should not be re-allotted and history of all transactions in a folio shall be linked to a particular folio for easy retrieval.
- c. RTA shall follow the "Maker-Checker" concept in all of its activities to ensure that accuracy of data and mechanism to check unauthorized transaction and record shall be maintained.
- d. RTAs shall maintain folio wise history of all transactions.
- e. RTA shall provide to the Issuer Company a soft copy of Members data having all the details as prescribed by SEBI vide the above stated circular, under due certification at the end of each quarter of a financial year. Such databases shall be maintained by the RTA independently as permanent record.
- f. RTA shall provide to the Issuer Company a copy of the Register of debenture holders having all the details as prescribed by SEBI vide the above stated circular, under due certification at the end of each quarter of a financial year. Such copy of register shall be maintained by the RTA independently as permanent record.
- g. RTA shall maintain all the documents regarding any returns filed with RoC or documents relating to company's securities processed. RTA shall also forward a copy of such returns to the Company.
- h. RTA shall maintain a certificate printing register/ records containing all the prescribed details.

- i. The RTA shall exercise enhanced due diligence in the following cases-
 - i. Where dividend/interest/redemption remains unpaid for three years and above.
 - ii. PAN/ Bank Account details are not available in the folio.
 - iii. Unclaimed suspense account constituted pursuant to SEBI (LODR) Regulations.
 - iv. IEPF suspense account set up pursuant to Companies Act, 2013.
 - v. Any other stringent criteria as may be decided by the company or RTA in future.

The RTA shall maintain a list of such account folios and share with the Company at the end of every quarter of a financial year. It shall also have system based alerts for processing of all transactions in the above referred account folios. The RTA shall exercise enhanced due diligence in cases where any request for transactions is received.

- j. The RTA shall maintain a register of all documents destroyed, containing all the details as prescribed by SEBI vide the above stated circular.

7. INTERNALCONTROLS

- a. The following documents shall be preserved by the RTA:
 - i. Members Data on fortnightly basis for last 8 years
 - ii. Returns filed with ROC which are compiled by RTAs
 - iii. Blank Share Certificates
 - iv. Blank Dividend Warrants
- b. RTAs shall ensure that proper internal audit is carried out on annual basis by prescribed eligible professionals/ audit firms who don't have any conflict of interest.
- c. The RTA shall submit a copy of the internal audit report to the company within three months from the end of the financial year. Copy of the same shall also be preserved by the RTA.
- d. The Internal Audit Report shall be considered by the Board of the RTA and the RTA shall rectify the deficiencies and an Action Taken Report, drafted in the prescribed format, shall be forwarded to the Company within prescribed timelines.

8. RECONCILIATION

RTA shall reconcile the following documents with the Banker

- i. Dividend/interest/redemption Master File on quarterly basis
- ii. Paid and unpaid dividend every 15 days during initial validity of instrument and every 3 months till the shares are transferred to IEPF.

9. REGISTERS

RTA shall maintain the following registers

- i. Register of revalidation / re-issue requests
- ii. ECS register
- iii. ECS rejection register
- iv. Dividend warrant register
- v. Dividend Warrant undelivered, expired, revalidated / re- issued
- vi. Certificate printing Register
- vii. Register of security holders whose PAN / Bank account details are not available
- viii. Register of security holders whose dividend has remained unpaid for 3 years and above.
- ix. Register of shares transferred to IEPF.
- x. Register of records / documents destroyed.

10. MODIFICATION OF THIS POLICY

The Board of the Company is authorised to change/amend all or any of the clauses contained in this policy from time to time at its sole discretion and/or in pursuance of any amendments made in the SEBI Regulations, etc.
