



भारतीय प्रतिभूति  
और विनिमय बोर्ड  
Securities and Exchange  
Board of India

General Manager  
Market Intermediaries Regulation and  
Supervision Department

SEBI/HO/MIRSD/PoD-1/OW/P/2023/24234  
June 13, 2023

To

All the Registrars and Share Transfer Agents (RTAs)  
Registrar Association of India (RAIN)

Madam/ Sir,

**Sub: Deletion of name of the financial institution in case of physical security certificate earlier pledged by the investor with such financial institution**

1. SEBI has been receiving representations from the RTAs/Issuer Companies facing difficulties in processing the investor requests to demat the securities in cases where physical securities were earlier pledged with a financial institution.
2. In such cases, as was the practice in force at that time, the financial institutions ("Lenders") would add their name also on the security certificate pledged with them along with the person availing the facility/loan ("Borrower").
3. In this regard, to protect the interest of the investors and in order to ensure that investors get their securities back in their own name after full repayment of facility/loan, RTAs/Issuer Companies may delete the name of such lender subject to the following conditions:
  - This shall be applicable only for the physical securities which are held in joint name wherein one of the holder is a financial institution including a bank/co-operative bank which has given any kind of loan to other holder(s) of securities.
  - While applying for name deletion of the lender, the investor shall ensure that his/her PAN, KYC details and nomination are updated with the RTA/Issuer Company as per the extant SEBI norms.

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सेबी भवन, प्लॉट सं. सी 4-ए, "जी" ब्लॉक, बान्द्रा कुर्ला कॉम्प्लेक्स, बान्द्रा (पूर्व), मुंबई - 400 051.  
दूरभाष : 2644 9950 / 4045 9950 (आई.वी.आर. एस.), 2644 9000 / 4045 9000 फैक्स : 2644 9019 से 2644 9022 वेब : www.sebi.gov.in

SEBI Bhavan, Plot No. C4-A, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.  
Tel.: 2644 9950 / 4045 9950 (IVRS), 2644 9000 / 4045 9000 Fax : 2644 9019 to 2644 9022 Web : www.sebi.gov.in



अनुवर्ती :  
Continuation :

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- Deletion of name shall be done only on receipt of 'No dues certificate/ relinquishment letter/ No-Objection Certificate (NOC)' with respect to the physical securities. The financial institution shall specifically mention the following with respect to the security certificate:
  - company details;
  - folio nos.;
  - distinctive numbers;
  - number of securities;
  - date of availing the facility from the financial institution / bank / co-operative bank by the borrower
  - date of marking the lien;
  - date of release;
  - name of the Officer / Manager releasing the lien;
  - correspondence address of the financial institution / bank / co-operative bank;
  - contact details etc.
- RTA/Issuer Company shall also, on its own, confirm the genuineness of the 'No dues certificate/ relinquishment letter/ No-Objection Certificate (NOC)' with the Compliance Officer/ Managing Director of the financial institution before proceeding for name deletion.
- Issuer Company / RTA shall, after deletion of the name of such financial institution, issue a Letter of Confirmation in the name of the security holder(s) to enable the security holder(s) to dematerialize the securities.
- Timeline for processing such cases shall be out of purview of Investor Charter.

Yours faithfully,

  
**Aradhana Verma**