



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/2023/50902
December 18, 2023

To

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

Madam/ Sir,

Sub: Clarification with respect to Corporate Benefits and Voting Rights in case of securities transferred to Suspense Escrow Demat Account (SEDA)

1. Para 13.6 of the Master Circular issued for RTAs by SEBI dated May 17, 2023 contains, 'Guidelines with respect to the procedural aspects of Suspense Escrow Demat Account' which, *inter-alia*, covers processes with respect to:

- Opening of Suspense Escrow Demat Account
- Crediting securities to Suspense Escrow Demat Account
- Claiming securities from Suspense Escrow Demat Account

2. In this respect, based on the representations from the stakeholders and considering that corporate benefits as well as the voting rights are unalienable rights of the security holders and the security holders are still regarded as the owners of the securities even after the securities are transferred to SEDA, following is clarified:

"Any corporate benefits in terms of securities accruing on the securities transferred to Suspense Escrow Demat Account viz. bonus, split etc., shall be credited to such Suspense Escrow Demat Account. Also, the security holders shall be entitled to vote, to receive dividend and notices of meetings, annual reports on the underlying said securities lying in Suspense Escrow Demat Account."

3. RTAs shall act accordingly and shall also disseminate this clarification to all the listed companies availing their services.

Yours faithfully,

Aradhana Verma