

## Sub-Division/ Split of shares by Equities Listed Entities

Sr. No.	Applicable Laws/ Regulation/ Circular/ Notification	Sub-division of Share capital:
1.	Companies Act, 2013 ( <b>Section/ CA 2013</b> )	A company may sub-divide its shares into shares of smaller amount than is fixed by memorandum of Association (MoA). It increases the number of shares that are outstanding by issuing more shares to existing shareholders and paid up capital of the Company remains same.
2.	Companies (Share Capital and Debentures) Rules, 2014 ( <b>Share Capital Rules</b> ) Companies (Management and Administration) Rules, 2014 ( <b>M &amp; A Rules</b> ) Companies (Prospectus and Allotment of Securities) Rules, 2014 ( <b>Prospectus Rules</b> )	
3.	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ( <b>LODR, 2015</b> )	
4.	SEBI (Prohibition of Insider Trading) Regulations, 2015 ( <b>PIT Reg, 2015 or Insider Regulations</b> )	
5.	Secretarial Standards 1 & 2 ( <b>SS-1 and SS-2</b> )	
6.	SEBI, NSE, BSE & MCA Circulars ( <b>Circulars</b> )	

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## Procedure for Sub-Division/Split of shares

**1. Intimation of Board Meeting and closure of Trading Window: [Ref: Reg. 29(3) of LODR 2015 & read with Reg 9 and Sch. B of PIT Reg. 2015] (Pdf and XBRL mode)**

The Company is required to intimate **at least 11 working days** before the BoD Meeting to Stock Exchange(s) regarding the split/ sub division of shares and closure of trading window.

**2. Issue notice of Board Meeting for alteration of Memorandum of Association (MoA), Articles of Association (AoA), if any, approving the split/sub division of shares and approval of notice for General Meeting/Postal Ballot: [Ref: Sec. 173(3) & SS-1]**

The Company has to issue 7 days' notice **[Generally, the notice is issued on same day to synchronize it with prior intimation filed with Stock Exchange(s) under reg. 29(3)]** for convening a board meeting to pass a board resolution for alteration of Articles of Association (AoA), if required, approval for split/ sub division of shares and notice of General Meeting/Postal Ballot & to decide cutoff date for dispatch notice of General Meeting/Postal Ballot.

**3. Update website of Company: [Ref: Reg. 46(3) read with reg. 30(8) of LODR, 2015] [Pdf mode]**

The Company has to update its website within 02 work days of change in its contents.

**4. Convene a Board Meeting: [Ref: Sec. 174 & SS-1]**

The Company has to convene BoD Meeting for passing a board Resolution for authorization for alteration of Articles of Association (AoA), if required, authorization of splitting off of shares and approval of notice of General Meeting/Postal Ballot and record date for sending notice.

**5. Submission of Outcome of BoD Meeting: [Ref: Reg. 30 read with Stock Exchanges' circulars] [Pdf Mode]**

The Company has to submit the outcome of BoD Meeting with the Stock Exchange(s), within 30 minutes from conclusion of BoD Meeting.

**6. Advertisement in newspapers regarding GM being held through VC/OAVM facility & e-voting facility: [Ref: MCA Circulars dated 05.05.2020, 08.04.2020 & 13.04.2020]**

The Company has to cause a public notice by way of an advertisement to be published, **before sending the notice of General Meeting** for the meeting, but at least twenty-one days before the date of general meeting, at least once in a vernacular newspaper in the principal vernacular language of the

district in which the registered office of the company is situated, and having a wide circulation in that district, and at least once in English language in an English newspaper having country-wide circulation.

**7. Submission of Newspapers' copies to Stock Exchange(s): [Ref: Reg. 30(6) read with para 12 of part A Sch. III read with Annexure-II of SEBI Circular dated 13.07.2023] [Pdf mode]**

The Company has to submit copies of newspapers publication, within 12 hours from publication to Stock Exchange(s).

**8. Issue notice of General Meeting/Postal Ballot: [Ref: Sec. 101, 110 & rule 18, 20 & 22 of (M & A) and Reg. 44 of LODR 2015] [Pdf mode]**

The Company has to issue **not less than clear 21 days' notice (shorter notice, if any)** of General meeting to Members available as on "Cut off" date decided by the Company. **[In case of approval is being obtained through Postal ballot process then, 30 days' notice, including the date of dispatch of notice, is applicable]**

**9. Submission of notice of GM/ Postal Ballot along with explanatory statements to Stock Exchange(s): [Ref: Reg. 30(6) read with para 12 of part A Sch. III read with Annexure-II of SEBI Circular dated 13.07.2023] [Pdf and XBRL mode]**

The Company has to file/submit with Stock Exchange(s), notice of GM/ Postal Ballot along with explanatory Statements, within 12 hours of issuance of notice.

**10. Update website of Company: [Ref: Reg. 46(3) read with reg. 30(8) of LODR, 2015] [Pdf mode]**

The Company has to update its website within 02 work days of change in its contents.

**11. Advertisement in newspapers regarding completion of dispatch of notice: [Ref: Sec. 108, 110 and rule 20 & 22 of (M& A) read with Reg. 47 of LODR, 2015]**

The Company has to advertise in at least 02 newspapers, once in a vernacular newspaper in the principal vernacular language of the district in which the registered office of the company is situated and once in English language in an English newspaper having country-wide circulation, **immediately on completion of dispatch of notice.**

**12. Submission of Newspapers' copies to Stock Exchange(s): [Ref: Regulation 30(6) read with para 12 of part A Sch. III read with Annexure-II of SEBI Circular dated 13.07.2023] [Pdf mode]**

The Company has to submit copies of newspapers publication, within 12 hours from publication to Stock Exchange(s).

**13. Prior intimation of e-voting facility provided through SMS/ Email by listed entities: [Ref: Chapter VI-C of SEBI Master Circular dated 11.07.2023] [Applicable in case of AGM as per SEBI Master Circular, however, circular of NSDL/CDSL covers both AGM & EGM]**

The depository shall send SMS/email alerts to the demat account holders, atleast 02 days prior to the date of the commencement of e-voting. [This facilities shall be available to all individual shareholders holding the securities in demat mode]

**14. Convene General Meeting:**

The Company has to pass Ordinary resolution for approval of sub division/split of shares.

**15. Submit outcome of General Meeting/Proceedings of General Meeting or Outcome of Postal Ballot: [Ref: Reg. 30(6) read with Schedule III(A)(13) read with Annexure-II of SEBI Circular dated 13.07.2023] [Pdf mode]**

The Company has to submit the proceedings of General Meeting including brief details of items deliberated and results thereof and manner of approval proposed for certain items (e-voting etc.) within 12 hours of General Meeting/Postal Ballot.

**16. Submission of Voting Results along with Scrutinizer's Report: [Ref: Reg. 44(3) of LODR, 2015 [XBRL mode only]**

The Company has to submit voting results along with Scrutinizer's Report, within 02 working days from conclusion of its General Meeting/Postal Results to Stock Exchange(s).

**17. Filing of e-form SH-07 with ROC: [Ref: Sec. 64 read with rule 15 of (Share Capital)] [Pdf mode]**

The Company has to file e-form SH-07, with Registrar of Companies (ROC), within 30 days of passing Ordinary Resolution in General Meeting/through Postal Ballot for split/sub-division of shares.

**18. Intimation of Board Meeting for fixation of Record Date: [Ref: Reg. 42(1) & (2)] [Pdf and XBRL mode]**

The Company has to intimate **at least 07 working days** (excluding the date of intimation and the record date) before record date scheduled for the split/sub division of shares to Stock Exchange(s). **[List of documents are given at the end of this assignment]**

**19. Issue notice of Board Meeting for fixing of Record date for split/sub-division of shares: [Ref: Sec. 173(3) & SS-1]**

The Company has to issue 07 days' notice **[Generally, the notice is issued on same day to synchronize it with intimation filed with Stock Exchange(s) under reg. 42(2)]** for fixing of record date for split/ sub division of shares and notice of General Meeting/Postal Ballot & to decide cutoff date for dispatch notice of General Meeting/Postal Ballot.

**20. Convene a Board Meeting: [Ref: Sec. 174 & SS-1]**

The Company has to convene BoD Meeting for fixing of Record date for split/ sub-division of shares.

**21. Submission of Outcome of BoD Meeting: [Ref: Reg. 30 read with Stock Exchanges' circulars] [Pdf Mode]**

The Company has to submit the outcome of BoD Meeting with the Stock Exchange(s), within 30 minutes from conclusion of BoD Meeting.

**22. Submission of documents with Depository (NSDL/CDSL) for obtaining new ISIN and cancellation of existing ISIN: [CDSL: Companies are requested to submit required documents to CDSL, 10 days prior to the record for sub division/split.]**

The Company has to submit an application with depository for obtaining a new ISIN for post-split/sub division of shares and cancellation of existing ISIN. **[List of documents are given at the end of this assignment]**

**23. Intimation of allotment of new ISIN from Depositories (NSDL & CDSL) to Stock Exchange(s): [Pdf mode]**

The Company has to intimate regarding the allotment of new ISIN from Depository (NSDL/CDSL), **at least 03 working days** before record date fixed for split/ sub division of shares, to Stock Exchange(s).

**24. Application for obtaining in principle listing and trading approvals for post-Splited shares to Stock Exchange(s):**

The Company has to submit an application for obtaining in principle listing and trading approvals for post-Splited shares under new ISIN, to Stock Exchange(s).

**25. Submission of document for Corporate Action to RTA: [After Obtaining In principle Approvals]**

The Company has to submit an application along with documents for execution of Corporate Action in Depositories System (NSDL & CDSL), to RTA.

**26. Execution of Corporate Action by RTA/Issuer:**

The RTA/Issuer has to execute corporate action (Debit/Credit) in Depositories (NSDL & CDSL) System for all eligible members as on record date.

**27. Filing of e-form PAS-03 with ROC: [Ref: Sec. 39(4) read with rule 12 of (Prospectus)] [Pdf mode]**

The Company has to file e-form PAS-03, with Registrar of Companies (ROC), within 30 days of passing board Resolution for allotment of securities for post-split shares.

**28. Deemed cancellation of old share certificates pursuant to execution of Corporate Action: [Members who are holding equity shares in physical mode]**

The old share certificates shall be deemed to be cancelled for those members who are holding equity shares in physical mode, without requiring surrender of the existing share certificate(s), after execution of corporate action.

**29. Submission of confirmation letters of all formalities (Certificate of Corporate Action (Debit/ Credit) from Depositories, Certificate of Physical Dispatch from RTA and Activation of new ISIN) associated with Sub-Division/ Split of shares:**

The Company has to submit confirmation letters of all formalities (Certificate of Corporate Action (Debit/ Credit) from Depositories, Certificate of Physical Dispatch & Credit of beneficiaries' demat Account from RTA and Activation of new ISIN) associated with Sub-Division/ Split of shares, to Stock Exchange(s).

**30. Final application for listing and trading to Stock Exchange(s):**

The Company has to submit an application for obtaining final listing and trading approval for post-Split shares under new ISIN, to Stock Exchange(s).

### **Documents required for Corporate Action [Sub division-CDSL]**

1. Details of Corporate Action Information.
2. Certified copy of the Board Resolution approving the sub division of shares.
3. Certified copy of the Shareholders Resolution passed in General Meeting or Postal Ballot approving the sub division of shares.
4. Certified copy of the notices issued by Stock Exchange(s) to its members.
5. Request letter from the company for ISIN Activation/Deactivation.
6. Request letter from the RTA for submission of file for allotment.
7. Electronic debit/credit through the CDSL system will attract charges @ 10 (INR) per debit/credit, subject to a minimum of 1,000 (INR), with GST as applicable.

**Note – Companies are requested to submit above required documents to CDSL 10 days prior to the record for sub division. Payment to be made by Cheque / Demand Draft / Online mode in favor of Central Depository Services (I) Ltd. payable at Mumbai.**

8. A Declaration on the company letterhead with respect to Sec. 61(b) of Companies Act, 2013, stating that approval from NCLT is not applicable in current corporate action for sub division of shares as the same does not result in changes in the voting percentage of the shareholders.

### **Documents required for Corporate Action [Sub division -NSDL]**

1. Certified true copy of the Shareholders' Resolution approving the sub-division of shares.
2. Certified true copy of Board Resolution approving the sub-division of shares.
3. Copy of the letter / circular of the stock exchange confirming / notifying the record date.
4. Corporate Action Information Form (for shares) duly filled.
5. Copy of the latest Secretarial Audit Report submitted to the stock exchanges.
6. Corporate action and Document processing fees.
7. Name confirmation letter from RTA.

### Documents required for Fixing of Record date [Sub division-BSE]

As per provisions of Regulation 42 of SEBI (LODR), 2015 the company may fix a Book Closure (BC)/Record Date (RD) for stock split and give advance intimation of at least 7 working days to the Exchange.

The following documents need to be submitted (**filed on BSE Listing Centre**) along with the notice of Record Date:

1. Certified true copy of the Resolution passed by the shareholders of the company for Stock Split. Resolution passed for treatment of Fractional entitlements, if any, should also be provided.
2. Undertaking of company for Stock Split (Format given separately).
3. Online Payment thru Payment gateway of Rs. 50,000/- plus GST as applicable.
4. **The new ISIN number assigned by the depository should be informed to the Exchange at least 3 working days prior to the RD/BC date.**

### **Checklists along with drafts may be accessed from link mentioned below:**

1. NSE Master Circular date 30.04.2024: [https://nsearchives.nseindia.com/web/sites/default/files/inline-files/NSE\\_circular\\_290424\\_0.zip](https://nsearchives.nseindia.com/web/sites/default/files/inline-files/NSE_circular_290424_0.zip)
2. BSE Master Circular date 30.04.2024: <https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20240430-5>
3. Corporate Action Documents (CDSL): [https://www.cdslindia.com/RTA/Documentation\\_for\\_corporate\\_action.html#collapse7](https://www.cdslindia.com/RTA/Documentation_for_corporate_action.html#collapse7)
4. Corporate Action Documents (NSDL): <https://issuer.nsdl.com/ca.html>
5. Documents for fixing record date (BSE): [https://www.bseindia.com/downloads1/Stock\\_Split\\_Check\\_List.pdf](https://www.bseindia.com/downloads1/Stock_Split_Check_List.pdf)

**Thank you so much for your support & best wishes for future**  
*Shree Radhe Krishna*  
*Sharing is Caring always...*