Dear Sir / Madam,

Sub.: Subject: BSE & NSE Circulars to Listed Companies - Amendment to Regulation 40 of SEBI (LODR) Regulations, 2015. (Cir. No. LIST/COMP/15/2018 dated July 05, 2018 & NSE/CML/2018/26 dated July 09, 2018 respectively)

This is in response to the circulars stated above informing about amendment to Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide Gazette notification dated June 8, 2018 has mandated that transfer of securities would be carried out in dematerialized form only.

According to the Circulars, request for effecting transfer of securities shall not be processed unless the securities are held in the Dematerialized form with the depository with effect from December 5, 2018. Therefore, please note that R&T agent and Company will not be accepting any request for transfer of shares in physical form with effect from December 5, 2018. This restriction shall not be applicable to the request received for transmission or transposition of physical shares.

You may access the Circular from the website of Bombay Stock Exchange and National Stock Exchange using the following link:

https://www.bseindia.com/corporates/Displaydata.aspx?id=cd22b184-1153-4b05-8ad9-d04699161f89&Page=cir

https://www.nseindia.com/corporates/content/eq_listcompanies.htm

Shareholders are accordingly advised to get in touch with any Depository Participant having registration with SEBI to open a Demat account or alternatively, contact any office of the nearest Karvy branch to guide you in the demat procedure. You may also visit web site of depositories viz., NSDL or CDSL for further understanding about the demat procedure:

NSDL website: https://nsdl.co.in/faqs/faq.php (dematerialization)
CDSL website: https://www.cDSLindia.com/investors/open-demat.aspx

Shareholders, holding shares in physical form are requested to arrange the dematerialization of the said shares at earliest to avoid any inconvenience in future for transferring those shares.

In case of any query or assistance in this regard, Please contact:

<table>
<thead>
<tr>
<th>Bharat Heavy Electricals Limited</th>
<th>M/s Karvy Computershare Pvt. Ltd.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regd. Office: BHEL House, Siri Fort, New Delhi-110049</td>
<td>Unit: Bharat Heavy Electricals Limited</td>
</tr>
<tr>
<td>Phone: 011-66337000, Fax: 011-66337428</td>
<td>Karvy Selenium Tower B, Plot 31-32,</td>
</tr>
<tr>
<td>Website: <a href="http://www.bhel.com">www.bhel.com</a>,</td>
<td>Gachibowli, Financial District, Nanakramguda,</td>
</tr>
<tr>
<td>Email: <a href="mailto:shareholderquery@bhel.in">shareholderquery@bhel.in</a></td>
<td>Hyderabad - 500 032</td>
</tr>
<tr>
<td></td>
<td>Toll Free No.: 1800-3454-001</td>
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<td></td>
<td>Email : <a href="mailto:einward.ris@karvy.com">einward.ris@karvy.com</a></td>
</tr>
</tbody>
</table>

Thanking you,

Yours faithfully,

For Bharat Heavy Electricals Limited

Sd/-

(I.P.Singh)

Company Secretary
V. DEMATERIALIZATION OF SECURITIES

1. Is dematerialization of securities compulsory?
   According to the Depositories Act, 1996, an investor has the option to hold securities either in physical or electronic form. Part of holding can be in physical form and part in demat form. However, SEBI has notified that settlement of market trades in listed securities should take place only in the demat mode.

2. What type of instruments are available for demat at CDSL?
   All types of equity/debt instruments viz. Equity shares, Preference Shares, Partly paid shares, Bonds, Debentures, Commercial Papers, Certificates of Deposit, Government Securities (G-SEC) etc. irrespective of whether these instruments are listed / unlisted / privately placed can be dematerialized with CDSL, if they have been admitted with CDSL.

3. Can any securities held in physical form be dematerialized?
   Only those securities held in the form of certificates and also admitted with CDSL can be dematerialized. Securities held in street name (seller's name) cannot be dematerialized by the buyer in his / her demat account.

4. What is the procedure for dematerialization?
   Following steps are involved in dematerialization of physical securities:
   - BO to open a demat account with a DP.
   - BO Fill in a Demat Request Form (DRF) and submit the same with the physical Certificate/s to the DP for dematerialization.
   - For each ISIN, a separate DRF has to be used.
   - If the BO has free as well as lock-in shares of the same ISIN, separate demat request has to be setup for free shares and lock-in shares.
   - DP to verify that the DRF has been filled correctly.
   - DP to Setup a demat request on the CDSL system.
   - DP to deface and mutilate the physical certificates and Send the certificates to the Issuer/ Registrar an transfer Agent (RTA).
   - Issuer/RTA verifies genuineness of the certificates and confirms the demat request.
   - On receiving confirmation from Issuer/RTA, CDSL credits an equivalent number of securities in the demat account of the BO maintained with CDSL.

5. What happens to the physical certificates after they are dematerialized?
   After dematerialization, physical certificates may be retained / destroyed by the Issuer / RTA.
6. After submitting DRF form and certificates to the DP, within how many days the dematerialization will take place?
   As per regulations in force presently, the dematerialization process should be completed within 21 days from the date of setup of demat request on CDSL system.

7. If the demat request is not processed within the stipulated time, what do I do?
   Contact your DP to look in the delay.

8. Is it compulsory to mention the ISIN of the security while filling up the DRF?
   Yes. The ISIN of the security should be mentioned in the DRF, to ensure that the correct security is dematerialized. If, however, the investor does not know the ISIN, the same can be obtained from the DP or from CDSL’s website, www.cdslindia.com.

9. Is transfer deed required for dematerializing physical certificates?
   No. There is no need to fill in a transfer deed. The physical certificates have to be accompanied by a DRF, which can be obtained from the DP.

10. Can a BO hold his securities partially in physical form and partially in demat form?
    Yes. Part of the BO’s holdings can be held in physical form as per the choice of the investor. Though it is advisable to have the entire holdings held in demat mode so that the holdings have liquidity as and when available. It should be noted that part dematerialization of holdings in a single physical certificate is not allowed.

11. Can a sole holder of the share certificate, add any name as a joint holder, at the time of dematerializing the share certificate?
    It is not possible to add any name while dematerialization of a share certificate. If the shares held in single name are intended to be held in any joint account, they have to be transferred to such names before they are dematerialized. Alternatively, such shares can be dematerialized first in the demat account in the single name and then transferred to the demat account in the joint names, or vice-versa, through an off-market transaction.

12. If securities of a company are not admitted with CDSL, What should an investor do to get his physical shares dematerialized?
    In such a case, the investor should request the company to have that security admitted with CDSL and once that is done, he can get his physical shares dematerialized.

13. Can securities in odd lots be dematerialized?
    Yes. In demat mode securities in odd lots can be dematerialized since demat form market lot for any securities is of one share only.
14. Do dematerialized securities have certificate number, distinctive range number or certificate numbers?
Dematerialized securities do not have any of the numbers mentioned above. Securities held in demat form are fungible, which means that any share of an ISIN is similar to any other share of that ISIN.

15. Can electronic holdings be converted back in physical certificate form?
Yes. It can be done through Rematerialisation, which is the process of converting electronic holdings back into physical certificates. Refer FAQs on Rematerialisation for details of the process.

16. Is there any charge for dematerialization of physical certificates?
CDSL does not levy any charge for dematerialization of securities. However, DPs may collect dematerialization charges together with postage / courier charges.

17. Can debt instruments, government securities and mutual fund units be dematerialized in the same demat account?
Yes. Debt instruments, mutual fund units, government securities can also be held in dematerialized form in the same demat account where equities are held.

18. Can commodity warehouse receipts be dematerialized in the same demat account?
No. A separate demat account has to be opened for holding warehouse receipts.

19. What is Transposition-cum-dematerialization?
Transposition-cum-dematerialization facility enables an investor to transpose names of the joint holders in desired order along with the process of dematerialization of certificates. Transposition-cum-dematerialization facilitates dematerialization of certificates held in different order of names through one demat account; provided the securities to be transposed are held in the same joint names, but, in a different order.

Illustratively if A owns a security, which he holds in the joint names of ABC, ACB, etc. he can first transpose them in the name of, say, ABC in which order demat account might have been opened. No new name can be added through transposition process. Similarly, existing names cannot be deleted.

20. What procedure should be followed by the BO for transposition-cum-dematerialization request?
The BO should submit a Transposition Request Form (TRPF) along with the DRF and the share/securities certificates to his DP. It should be noted that a separate TRPF would have to be filled for each ISIN.
21. Whether a separate TRPF should be filled for each combination of names?
   No. Different combination of names can be listed in separate boxes in section (c) of the TRPF. If the space provided in the TRPF is not found sufficient, a separate form or an annexure may be used.

22. What are the requirements for availing of the transposition-cum-demat facility?
   The application for transposition should contain only those names in which the BO account has been opened. Signatures of all the holders affixed on TRPF should tally with the DP’s records.

23. Does CDSL collect any additional charge for entertaining transposition-cum-demat requests?
   No. CDSL does not collect any fee from DPs for processing transposition-cum-demat requests.

24. What is transmission?
   Transfer of Electronic balances in a BO's account to successors / nominees in case of sole holder account and to the account of surviving joint holders in case of a joint account.

25. What is the significance of transmission in demat?
   Certificates held in joint names have to be dematerialized in a demat account in the name of joint holders only. If one (or more) of the joint holder(s) expires before the certificates are dematerialized, the surviving holder(s) need not send the certificates to the issuer to change the names on the share certificates. Such certificates can still be dematerialized in the existing account. In such situation the BO can use the transmission – cum – demat facility offered by CDSL.

26. What is Transmission-cum-demat?
   Transmission-cum-demat facility enables an investor to dematerialize securities held in joint names in a BO account opened in the names of same joint holders in the event of death of a joint holder.

27. What procedure should be followed by the BO for transmission-cum-dematerialization request?
   The BO should submit Original or a copy of the death certificate of the deceased holder(s) notarized / attested by a gazetted official and a Transmission Request Form (TRF) along with the DRF and the share/securities certificates to his DP for each demat request.