

Issuer Services - Registrar and Share Transfer Agents (RTAs)



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A Brief History

Registrar and Share Transfer Agents (RTAs) have long played a pivotal role in the Indian capital markets. Traditionally, their core function centred around maintaining investor records, processing transfers of physical shares, and managing corporate actions like dividends, rights, and bonus issues.

In the pre-demat era, these agents operated largely in a paper-based environment, with manual recordkeeping and physical share certificates being the norm. This model was not only time-consuming but also prone to inefficiencies and errors.

The dematerialisation revolution in the late 1990s, led by the formation of NSDL in the year 1996 and CDSL in the year 1999, marked a turning point. The role of RTAs began to evolve rapidly, moving from back-office administration to becoming technology-enabled intermediaries critical to investor servicing and compliance.

Corporate Lifecycle:

The corporate lifecycle is broadly divided into three stages: (A) Incorporation, (B) Listing through IPO, (C) Post IPO and its servicing

(A) Incorporation of the Company

The incorporation of a company is the legal process through which a business entity comes into existence as a corporate body under the Companies Act, 2013, in India.

Key Steps:

- Name Reservation: Through RUN (Reserve Unique Name) or SPICe+ form on the MCA portal.
- Preparation of Charter Documents: Memorandum of Association (MoA) and Articles of Association (AoA).
- Application to RoC: Filing incorporation forms including SPICe+, AGILE-PRO, e-MoA, and e-AoA.
- CIN Allotment: Certificate of Incorporation is issued by the Registrar of Companies (RoC) with a unique CIN (Corporate Identity Number).
- PAN & TAN Allotment: Automatically generated during incorporation.
- Bank Account Opening: In the company's name to hold subscription money and begin operations.

2. Creation of ISIN (International Securities Identification Number)

An ISIN is a unique 12-digit code used to identify specific securities like equity shares, bonds, etc.

Process:

- Appoint a Registrar and Transfer Agent (RTA) like KFin Technologies.
- Apply to a Depository (NSDL/CDSL) for demat admission.
- Submit necessary documents: MoA, AoA, board resolution, specimen signatures, company master data, etc.
- Upon approval, ISIN is allocated and securities can be issued in dematerialised form.

(B) Detailed IPO Process in India

1. Decision to Go Public

Before starting, the company must decide whether it is ready to become public. Key considerations include:

- Regulatory readiness
- Corporate governance standards
- Strong financial track record
- Scalability of business model
- Market conditions and investor appetite

2. Appointment of Intermediaries

To launch an IPO, a company must appoint SEBI-registered intermediaries:

Function	Intermediary
IPO Management	Merchant Banker (Lead Manager)
Legal & Regulatory	Legal Advisor
Financial Statements	Statutory & Internal Auditors
Shareholder Records & Allotment	Registrar & Transfer Agent (e.g., KFin Technologies)
Share Dematerialization	Depositories (NSDL/CDSL)
Escrow, Refunds, ASBA	Bankers to the Issue
Publicity & Communication	PR Agencies & Roadshow Planners

3. Due Diligence & Regulatory Filings

Due Diligence: Conducted by merchant bankers and legal teams:

- Business model and industry analysis
- Corporate structure and history
- Financial audits (3 years mandatory)
- Legal compliance
- Risk identification

Drafting Documents:

- Draft Red Herring Prospectus (DRHP): Includes financials, business, promoters, risks, and IPO objectives.
- SEBI Filing: DRHP is filed with SEBI for review.
- Stock Exchange Filing: For in-principle listing approval.

4. Observations & Approvals

- SEBI Reviews DRHP: Raises queries, mandates revisions.
- Approval Letter is issued.
- The final version, Red Herring Prospectus (RHP), is filed after changes.
- ROC is informed for registration.

5. IPO Marketing (Roadshows & Promotion)

Before the IPO opens:

- Investor Roadshows: Held across cities and institutions (domestic & international).
- Advertising Campaigns: In business dailies, financial platforms.
- Anchor Book Opening: Institutional investors may invest a day before the IPO opens to the public.

6. Price Band & Lot Size:

- For Book-Built Issues, the price band is announced.
- For Fixed Price Issues, the price is disclosed in advance.
- Minimum Bid Lot is defined as the number of how many shares an investor can apply for.

7. IPO Opens for Subscription

Anchor discretionary allotment for the institutions

The IPO opens for normally 3 working days.

Applications are made through:

- ASBA (Application Supported by Blocked Amount) via online banking or UPI.
- Categories of Investors:
 - QIBs (Qualified Institutional Buyers)
 - NIIs (Non-Institutional Investors, i.e., HNIs)
 - RIIs (Retail Individual Investors)
 - Anchor Investors (1 day before)

8. Bid Collection & Closure

- Bids collected in real-time through stock exchange platforms.
- Investors can revise or cancel bids during the open period. Revision can be done at a higher quantity only for QIB and HNI. For Retail investors it can be done on either side (Upper or Lower).
- On T+2, IPO closes, and exchanges compile bid data.

9. Basis of Allotment

Handled by the Registrar to the Issue (e.g., KFin Technologies):

- Exchange sends final bid details to RTA and merchant bankers.
Bid files are delimited text files which contains information like Application number, DPID, Client ID, PAN, bidding broker details, Order number, Entry date (Time stamp), applied quantity, price information, amount blocked (Rs), modify date, mode of application (UPI, ASBA etc), category of the investor etc
- Based on rules (e.g., proportional allotment, lottery in oversubscription), allotment is finalised.
Bids with Third party payments and other technical rejections are not considered for allotment.
Based on the investor category, number of shares applied, shares will be distributed proportionately.
- Stock exchange approves Basis of Allotment.
Basis of allotment contains, share category wise (within investor category) shares applied, number of applicants and the ratio of allocation and number of shares to be allotted. Based on the subscription levels of the issue, exchanges will provide the lucky numbers for the allotment.
- ASBA funds are debited only for allotted investors.
Fund transfer instruction are generated for transferring the allotment money to issuer account and unblock the amount for unsuccessful applicants. These files are prepared banker wise along with the controls and are uploaded to banks SFTP and or send to authorised email IDs.

10. Credit of Shares & Refunds

- Allotted shares are credited to investor Demat accounts (T+2). Corporate action files are generated and are sent to respective depositories (NSDL & CDSL) to crediting the allotted shares to investor accounts. These files are text files which contain header & details information. Header contains ISIN, RTA ID Total number of shareholders and number of shares. Detail record contains DPID, Client ID of the investor and number of shares to be credited.
- Unsuccessful applicants get their ASBA funds unblocked.
- Refunds (if any) are credited electronically for anchor investors.

11. Listing on the Stock Exchange

- Company lists on NSE/BSE on T+3 (3rd working day from the IPO closure).
- Listing Day Trading: Highly watched — determines market perception.
- If stock lists at a premium, it's considered successful.

Role of Registrar & Transfer Agent (e.g., KFin Technologies) in IPO

RTA plays a vital role in IPO execution:

- Prepares and verifies Beneficiary Position (Benpos)
- Coordinates with depositories and Stock Exchanges (NSDL/CDSL/BSE/NSE)
- Generates the basis of allotment
Basis of allotment determines the quantity of proportionate quantity of shares allocated to different categories of investors like Retail, HNI, QIB etc
- Handles corporate action file for the credit of shares
- Manages the refund file to banks
- Sets up investor helpline and grievance portal
- Files post-issue reports with SEBI and Exchanges

Summary of IPO Timeline (Book-Built Issue)

Day	Activity
T (Day 1)	IPO opens
T+2	IPO closes
T+3	Bids finalised, basis of allotment prepared
T+4	Exchange approval of allotment
T+5	Credit of shares and refund initiation
T+6	Listing on the Stock Exchange

(C) Post-IPO Compliance & Governance:

After listing, a company must adhere to continuous listing obligations under the SEBI (LODR) Regulations.

Compliance is no longer a checkbox; it is a strategic pillar. The regulatory environment, under the strong oversight of SEBI, has seen significant tightening. From the enforcement of KYC norms to detailed disclosures, grievance redressal timelines, and cyber security mandates, RTAs are now frontline enablers of governance and transparency.

Key Post-IPO Responsibilities:

Compliance	Description
Quarterly Financial Reporting	Publish results within 45 days
Shareholding Pattern Disclosure	Filed quarterly (Reg 31)
Board Meetings and AGMs	Per Companies Act & LODR
Insider Trading Monitoring	As per SEBI (PIT) Regulations
Grievance Redressal	Set up investor helpdesk, RTA coordination
Appointment of Compliance Officer	Mandatory for liaison with SEBI/Exchanges

The shift from physical to digital compliance has made RTAs crucial in bridging issuers, investors, and regulators with enhanced accountability

Recent SEBI circulars have amplified responsibilities on RTAs to:

- Ensure timely updation of PAN, email, and bank details.

- Monitor dormant folios and alert stakeholders.
- Digitise legacy physical holdings.
- Maintain audit trails and system logs.

1. Investor Servicing & Corporate Registry Management

This is typically handled by a professional RTA like KFin Technologies Ltd.

Services Include:

- Maintaining Shareholder Records.
Details like Name, Address, KYC details, Bank mandate are maintained by RTAs for physical shareholders. Details of electronic shareholders are maintained by respective depositories and are shared with RTAs weekly, Quarterly, Record dates and on demand.
- Change of Address/Bank/Email Registrations.
SEBI has prescribed standard application formats for these changes called ISR forms.
- Transmissions, Name Corrections.
- Issue of Duplicate Share Certificates.
- Dematerialisation/Rematerialisation Services.
- Handling Investor requests, Grievances and Complaints.
Investors can raise requests / complaints either by Physical, through email or by online platforms maintained by Kfintech.

2. Corporate Actions

These are events initiated by a company that affect its securities and stakeholders.

Common Corporate Actions:

- Dividend Declaration and Payment.
- Bonus Issue.
- Rights Issue.
- Stock Split/Consolidation.
- Buybacks.
- Mergers & Amalgamations.
- ESOPs

Process:

Board Approval → Stock Exchange Intimation → Record Date Fixation → RTA Coordination → Beneficiary Identification → Corporate Action Execution through Depositories.

3. Dividend Distribution

Key Steps:

- Board Declaration & Shareholder Approval (if final dividend).
- Fixing of Record Date.
- Electronic Payment to Shareholders: Based on bank mandates in the demat records.

Payments are made through RTGS, NEFT, Direct Credit, NACH and Demand Drafts/Warrants. Payment information is segregated based on payment type. RTGS, NEFT, Demand Drafts/Warrants are excel file-based format and varies from bank to bank.

NACH payments information are generated as text files which are standard across banks. These files can be uploaded to Banks SFTP system directly from our Back-office System.

- Unpaid Dividend Transfer to Unpaid Dividend Account after 30 days.
Paid unpaid details are periodically provided by the dividend banker back to RTA which are updated back to our Back-office systems in batches to update the paid status.
- IEPF Transfer: If unpaid for 7 years.

4. Annual General Meeting (AGM)

AGM is a mandatory yearly gathering of shareholders.

Requirements:

- Timeline: Within 6 months of the financial year-end.
- Major Agenda Items:
 - Adoption of financial statements
 - Declaration of dividends
 - Appointment/Reappointment of directors/auditors
 - Any specific resolution relating to the company's business requirements
 - Response to the shareholder queries and grievances
 - Director election for nationalised banks.
- Notice of Meeting: Sent 21 clear days prior.
Notices are sent electronically to shareholders where email ids are registered. This information is triggered from

- a bulk mailing application. Delivery Status, Hard and soft bounce information are uploaded back.
- E-Voting Facility: Provided by listed companies via KFin Technologies Ltd./ NSDL/CDSL.
Types of e-Voting: (1) Remote voting feature to shareholders 3 days prior to the annual general meeting. (2) Electronic voting facility provided at the venue of the meeting in case of physical meetings or during the Video Conferencing. Investors can register as a speaker during VCs in advance. Our VC portal is a moderated one where we can control who can switch on their cameras and microphones.
- RTA Coordination: shareholder communications, conducting live AGM, onboarding of shareholders attending the meeting and e-voting facility
- Meeting Reports: Post meeting, reports like Scrutinizer reports, attendance, voting results and other statutory reports can be directly spooled from the system by the scrutinizers'. These reports are generated in the formats as specified by SEBI time to time.

5. Ongoing Compliance and Governance

Post-listing, companies must comply with:

- SEBI LODR Regulations
- Companies Act provisions
- Secretarial Standards (SS-1 & SS-2)
- Stock Exchange Listing Agreements

Regular activities include:

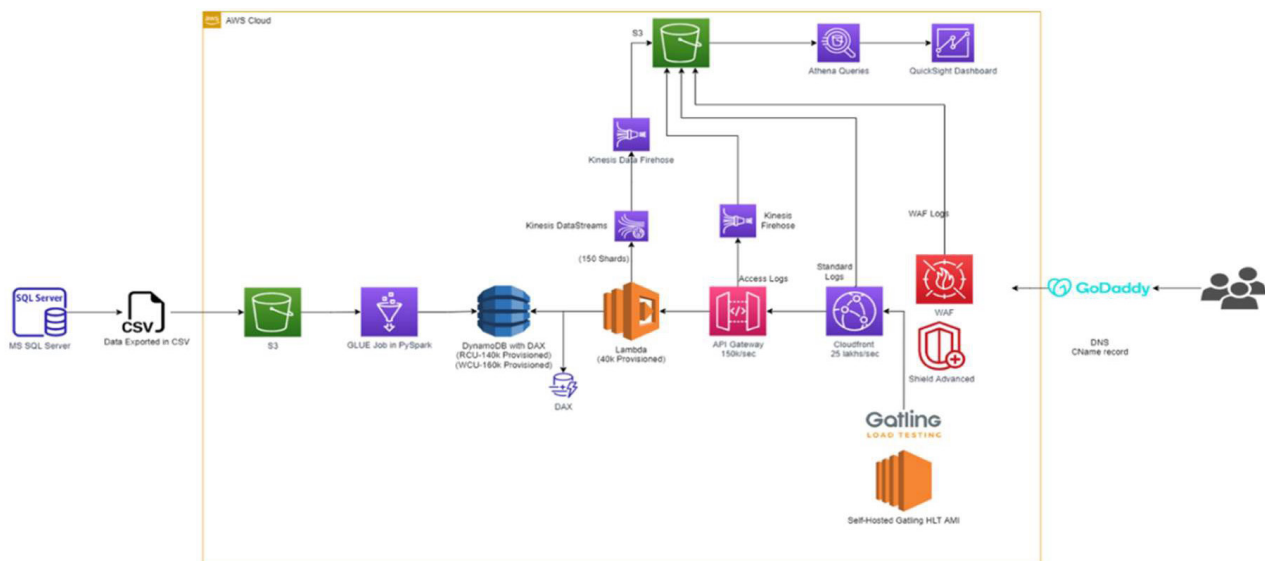
- Filing shareholding patterns (SHP)
- Monitoring insider trades (SAST)
- Quarterly financial results (Reg 33)
- Related party disclosures
- Board meetings, committee compliance

Scaling highly Concurrent Infra Deployment

For few of major IPOs like LIC, Bajaj Housing and Hyundai where the subscription to the IPO is very high. On the shares allocation day we expect a concurrency of 2 million requests per second. We the expected response time of 2ms, we came up with cloud based architecture.

Like most websites out there, the architecture requires a backend API, a frontend page, and a datastore. In this section we will be walking through all the components of the architecture that were deployed to scale to the required concurrency.

Scalable Cloud Architecture



As shown in Fig above, initial IPO allocation algorithms run on on-prem systems and stored in MS SQL server. After the board approval, the data is extracted and migrated to cloud environment. We create key value pairs through glue jobs and store it in DynamoDB with an In-memory DAX cluster in front of it. The backend runs on Lambda with a NodeJS runtime along with an API gateway. The frontend is stored as React static files in S3. Both the backend and frontend are served through a CloudFront distribution. The CloudFront distribution is protected using a WAF Web ACL.

The API can be queried on any of three keys of PAN, DPID and Application id. The data is partitioned based on these keys, so that the Read compute units (RCU) of DynamoDB is distributed to each partition. The RCU was

kept provisioned at high values to read keys. Before the website is public all this data is pulled into the DAX cluster by performing a reduced rate load test on the system using Gatling's Enterprise Self Hosted HLT AMI.

Conclusion

The corporate journey from incorporation to investor servicing is a highly regulated and process- driven path. It requires coordination between the company, RTAs, stock exchanges, depositories, and regulatory bodies like SEBI and MCA.

In today's digitised environment, technology-led platforms such as those offered by KFin Technologies Ltd. are enabling seamless compliance, transparency, and enhanced shareholder experience across every stage of this lifecycle.
