

## **DEMATERIALISATION OF SHARES**

### **Notification from the Securities and Exchange Board of India**

*The Securities and Exchange Board of India (SEBI) vide amendment to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified on 8<sup>th</sup> June 2018 has mandated transfer of shares in dematerialised form only effective 5<sup>th</sup> December 2018. In accordance with the same, the shareholders are urged to take necessary steps to dematerialize their shares.*

The Company has sent several request letters to shareholders prior to and post the aforesaid notification urging them to dematerialise their shares.

### **Procedure for dematerialisation**

Dematerialisation is the process by which a shareholder can get physical certificates converted into electronic balances. A shareholder intending to dematerialise his shares needs to have an account with a Depository Participant (DP) of his choice. The shareholder has to deface and surrender the certificates registered in his name to the DP along with a Demat Request Form (DRF). After intimating National Securities Depository Limited (NSDL) or Central Depository Services Limited (CDSL) electronically, the DP sends the share certificates and the DRF to the Registrar and Share Transfer Agents of the Company, TSR Darashaw Limited (TSRD). NSDL/ CDSL in turn informs TSRDL electronically, about the request for dematerialisation. If the Company/ TSRDL finds the certificates in order, it registers NSDL/ CDSL as the holder of the shares (the shareholder will be the beneficial owner) and communicates to NSDL/ CDSL the confirmation of request electronically. On receiving such confirmation, NSDL/ CDSL credits the shares in the depository account of the shareholder with the DP.

### **Note:**

- Names of the shareholders on the certificates should match with the names given for the demat account.
- If the same set of joint holders held shares in different sequence of names, these joint holders by using 'Transposition cum Demat facility' can dematerialise the shares in the same account even though share certificates are in different sequence of names. e.g., If there are two share certificates one in the name of X first and Y second and another in the name of Y first and X second, then these shares can be dematerialised in the depository account which is in any name combination of X and Y i.e., either X first and Y second or Y first and X second. Separate accounts need not be opened to demat each share certificate.
- If shares are jointly held in the name of X and Y, it cannot be dematerialised into the depository account in the name of X or Y alone.
- A shareholder may, in the normal course, receive demat confirmation in about 30 days from the date of submission of demat request to the DP.

### **Benefits of dematerialisation/ receipt of corporate benefits**

Shares held in dematerialised form have several advantages like immediate transfer of shares, faster settlement cycle, faster disbursement/ credit of non-cash corporate benefits like rights, bonus etc., lower brokerage, ease in portfolio monitoring, etc. Besides, no stamp duty is payable on transfer of shares held in demat form and risks associated with physical certificates such as forged transfer, fake certificates, bad deliveries, loss of certificates in transit etc. get eliminated. Dividend as and when declared shall be sent to the shareholders/ their bankers directly as per the instructions given by the shareholders to their Depository Participant.

### **Trade of shares in dematerialised form**

Shareholders may buy and sell shares in electronic form through the depository by co-ordinating with their broker and DP. Payments for such transactions would be made in the same way as is done for physical certificates. Shares purchased in electronic form are credited to the account of the shareholder on the very next day of payout with no formalities of filling transfer deeds or applying to the Company for registration. Such transactions are not routed through the Company and the debit/credit takes place directly in the Depository System.