



Dear Shareholders,

Subject: Mandatory Dematerialisation for Transfer of Securities

**Reference: 1. SEBI Notification dated 08/06/2018, SEBI (LODR) (4th Amendment) Reg, 2018.
2. BSE Circular dated 05/07/2018, LIST/COMP/15/2018-19**

Vide the above [Notification](#) SEBI has inserted the following proviso in Regulation 40(1) of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

“Provided that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository.”

Thus, with effect from December 5, 2018, no transfer of securities held in physical form would be possible.

It is therefore, recommended that all shareholders holding physical share certificates initiate the process of getting their share certificates dematerialised.

The process to be adopted for dematerialisation is available at the following links.

- [NSDL](#)
- [CDSL](#)

Annexure - FAQs on Dematerialisation of shares

This communication is issued for placement on the website of the Company in compliance with the applicable [BSE circular](#).





Annexure

Dematerialisation of shares

Q. What is Demat and what are its benefits?

A. Dematerialisation ('Demat') signifies conversion of a share certificate from its present physical form to electronic form for the same number of holding. It offers scope for paperless trading through state-of-the-art technology, whereby share transactions and transfers are processed electronically without involving any share certificate or transfer deed after the share certificates have been converted from physical form to electronic form. Demat attempts to avoid the time consuming and complex process of getting shares transferred in the name of buyers as well its inherent problems of bad deliveries, delay in processing/fraudulent interception in postal transit, etc. SEBI has mandated that effective December 5, 2018, transfer of shares in the physical form will not be permitted. Hence, an investor has to demat the shares if he/she wishes to sell the same through the Stock Exchanges. Similarly, if an investor purchases shares, he/she will get delivery of the shares in demat form. The Depositories Act, 1996 has been enacted to regulate the matters related and incidental to the operation of Depositories and demat operations. Two Depositories are in operation - National Securities Depository Limited ('NSDL') and Central Depository Services Limited ('CDSL').

Q. How does the Depository System operate?

A. The operations in the Depository System involve the participation of a Depository, Depository Participants, Company/Registrars and Investors. The company is also called the Issuer. A Depository (NSDL and CDSL) is an organisation like a Central Bank, i.e. Reserve Bank where the securities of an investor are held in electronic form, through Depository participants. A Depository Participant is the agent of the Depository and is the medium through which the shares are held in the electronic form. They are also the representatives of the investor, providing the link between the investor and the company through the Depository. To draw analogy, the Depository system functions very much like the banking system. A bank holds funds in accounts whereas, a Depository holds securities in accounts for its clients. A bank transfers funds between accounts whereas, a Depository transfers securities between accounts. In both systems, the transfer of funds or securities happens without the actual handling of funds or securities. Both the banks and the Depository are accountable for safe keeping of funds and securities respectively. The company has to sign an Agreement with NSDL/CDSL (the depositories) and install the necessary hardware/software for operations.

Q. How do I demat my shares?

A. First, you will have to open an account with a Depository Participant ('DP') and get a unique Client ID number. Thereafter, you will have to fill up a Dematerialisation Request Form ('DRF') provided by the DP and surrender the physical shares intended to be dematerialized to the DP. The DP upon receipt of the shares and the DRF, will send an electronic request to the R&T agent through the Depository for confirmation of demat. Each request will bear a unique transaction number. The DP will simultaneously surrender the DRF and the shares to the R&T agent with a covering letter requesting the R&T agent to confirm demat. The R&T agent after necessary verification of the documents received from the DP, will confirm demat to the Depository. This confirmation will be passed on from the Depository to the DP, which holds your account. After receiving this confirmation from the Depository, the DP will credit the account with the shares so dematerialised. The DP will hold the shares in the dematerialised form thereafter on your behalf. And you will become beneficial owner of these dematerialised shares.