

A NOTE ON DEMATERIALIZATION OF PHYSICAL SHAREHOLDING

1. What is Dematerialisation of shares?

Dematerialisation (Demat) is the process by which securities held in physical form are cancelled and destroyed and the ownership thereof is retained in fungible form in a Depository by way of electronic balances.

2. Why Dematerialise shares?

SEBI has notified various companies whose shares shall be traded/ transferred compulsorily in demat form only. By virtue of such notification, the shares of the Company are also subject to compulsory trading in demat form on the stock exchanges. Further, SEBI has, vide circular dated March 28, 2018, amended regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to which, **with effect from December 5, 2018, securities of the Company shall be transferred/traded only in Demat form.**

3. What are the benefits of Dematerialisation?

- Elimination of bad deliveries
- Elimination of all risks associated with physical certificates
- No stamp duty on transfers
- Immediate transfer/trading of securities
- Faster settlement cycle
- Faster disbursement of corporate benefits like rights, bonus, etc.
- SMS alert facility
- Lower brokerage is charged by many brokers for trading in dematerialised securities
- Periodic status reports and information available on internet
- Ease related to change of address of investor
- Elimination of problems related to transmission of demat shares
- Ease in portfolio monitoring
- Ease in pledging the shares
- Reduced transaction cost
- Reduced paperwork

4. What is the procedure for Dematerialisation of shares?

- Shareholder shall open a demat account with any of the Depository participant (DP).
- Shareholders should submit the duly filled in Demat Request Form (DRF) along with physical certificate(s) to the concerned DP.
- DP intimates the relevant Depository of such requests through the system.
- DP submits the DRF and the Certificate(s) to the Company's R&TA.
- The Company's R&TA confirms the dematerialisation request from Depository.

- The Company's R&TA, after dematerialising the certificate(s), updates accounts and informs concerned Depository regarding completion of dematerialisation. Depository updates its accounts and informs the DP.
- DP updates the demat account of the shareholder.
- The entire process should be completed within 21 days.

5. What is SMS alert facility?

NSDL and CDSL provide free SMS Alert facility for demat account holders whereby the investors can receive alerts for debits and credits in their demat accounts. Under this facility, investors can receive alerts, a day after such debits (transfers)/credits take place. These alerts are sent to those account holders who have provided their mobile numbers to their DPs.

6. Why the Company cannot take on record bank details in case of Dematerialised shares?

As per the Depository Regulations, the Company is obliged to pay dividend on dematerialised shares as per the bank account details furnished by the concerned Depository. Therefore, investors are requested to keep their bank particulars updated with their concerned DP.