

## Mandatory Dematerialization for Transfer of Securities

The Bombay Stock Exchange Limited vide its Circular No. LIST/COMP/15/2018-19 dated July 05,2018 has mandated the transfer of securities to be carried out in dematerialized form only. Further, it has also been advised to all Listed Companies and their Registrars and Transfer Agents (RTAs) to ensure that the shares which are lodged for transfer shall be in dematerialized form w.e.f. December 5, 2018. The above-mentioned circular has been appended herewith in Annexure 1.

### Process of dematerialization

- Dematerialization starts with opening a Demat account. For demat account opening, you need to shortlist a Depository Participant (DP) that offers Demat services.
- A Depository Participant is an agent of a Depository through which it interfaces with the investor and provides depository services. Currently, there are two depositories registered with SEBI i.e. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). The list of Depository Participants can be accessed at the website of the Depositories at [www.nsdl.co.in](http://www.nsdl.co.in) and [www.cdslindia.com](http://www.cdslindia.com)
- To convert the physical shares into electronic/ demat form, a Dematerialization Request Form (DRF), which is available with the Depository Participant (DP), has to be filled in and deposited along with share certificates. On each share certificate, 'Surrendered for Dematerialization' needs to be mentioned by DP.
- The DP needs to process this request and send along with the share certificates to Company's registrars and transfer agents at their address at **M/s. Integrated Registry Management Services Private Limited** having office at **No. 30, Ramana Residency, 4th Cross, Sampige Road Malleswaram, Bengaluru – 560003** through the depository.
- Once the request is approved, the share certificates in the physical form will be destroyed and a confirmation of dematerialization will be sent to the depository.
- The depository will then confirm the dematerialization of shares to the DP. Once this is done, a credit in the holding of shares will reflect in the investor's account electronically.

Annexure 1

LIST/COMP/15/2018-19

July 05, 2018

To

All the Listed Companies,

Dear Sir / Madam,

**Subject: Amendment to Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to mandatory dematerialization for transfer of securities**

The 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.

**Accordingly, Listed Companies and their Registrars and Transfer Agents (RTAs) are hereby advised that, with effect from December 5, 2018, it should be ensured that shares which are lodged for transfer shall be in dematerialized form only.**

In order to implement the aforementioned Amendment in the Regulation and as advised by SEBI, all the Listed Companies are hereby directed to carry out the following actions:

- 1) To take special efforts through their RTAs to send letter under Registered/Speed post to the holders of physical certificates appraising them about the amendment and sensitise them about the impact of the regulation on the transfer of shares held by them in physical form w.e.f December 5, 2018.
- 2) RTAs may also be advised to send two reminders, preferably at a gap of 30 days, to such shareholders who continue to hold their shares in physical form, advising them to get the same dematerialized
- 3) Listed Companies shall prominently place information on their website intimating the investors about the proposed change and provide appropriate guidance on how to dematerialize their shares.
- 4) Listed companies should ensure that the signature cards of all the holders of physical securities are handed over to its RTA at the earliest.

All listed companies are requested to take note of above and comply accordingly. Companies may also report compliance with these requirements by end September 2018 to the Exchange, in a specified format that will be sent out shortly.

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