

MANDATORY DEMATERIALIZATION FOR TRANSFER OF SECURITIES

The Securities and Exchange Board of India (SEBI) has amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 whereby a request for transfer of securities shall not be processed unless the securities are held in dematerialized form. The said restriction comes into effect from December 5, 2018.

Pursuant to the said amendment, please note that with effect from December 5, 2018:

Transfer of securities in physical form	Not Allowed
Holding of securities in physical form	Allowed
Transmission/ Transposition of securities held in physical form	Allowed

In view of the aforesaid, shareholders holding physical shares are requested to dematerialize their shares on or before December 5, 2018. The benefits of holding securities in dematerialized mode are as under:

- Convenient mode of holding securities, especially in case you are holding shares of many companies.
- Immediate transfer of securities.
- No stamp duty is payable on transfer of securities in demat mode.
- Elimination of risks such as bad delivery, fake securities etc.
- Reduction in paper work and transaction cost.
- Saving of time – Change in address / bank account particulars etc. recorded with Depository Participant gets registered electronically with all companies in which you hold securities.
- Facilitates direct credit of shares in case of allotment under Initial Public Offer, Rights Issue, Bonus Issue, Stock Split etc.

For your ready reference, the Frequently Asked Questions on Dematerialisation (DEMAT) are provided herein below.

Frequently Asked Questions on Dematerialisation (DEMAT)

A. What are the benefits of Dematerialisation of shares?

Shares held in DEMAT form have several advantages and helps to eliminate many problems that investors have to face while dealing with securities. It minimise paperwork that is involved with the ownership, trading, and transfer of securities. It also facilitates faster transactions and makes trade of securities extremely convenient. There are a wide range of advantages associated with a DEMAT account such as:-

- The risks pertaining to physical certificates like loss, theft, forgery and damage are eliminated completely with a DEMAT account.
- The lack of paperwork enables quicker transactions and higher efficiency in trading including immediate transfer of shares and faster settlement cycle.
- Ease in portfolio monitoring
- The shares that are created through mergers and consolidation of companies are credited automatically in the DEMAT account.
- There is no need to pay stamp duty on transfer of securities thereby bringing down the cost of transaction significantly.

B. How do I open an account with a Depository and will I be periodically informed about the movement in my electronic account?

You may open an account with a depository participant ('DP') of your choice. As an investor you will interact with National Securities Depository Limited (NSDL) or Central Depository Services Limited (CDSL) through your Depository Participant. Your DP will allot you an account number which will serve as a reference for all your future dealings with them.

Your DP will update your account after each transaction, and would periodically furnish you with a statement of holding. You may verify this with them at the time of opening your electronic account.

C. How do I convert my paper/physical certificates into an electronic holding? (Demat)

To dematerialize your holding, you should first have an account with a DP of your choice. You may then hand over to your DP, the certificates along with the 'Dematerialisation Request Form' (DRF). Only the securities registered in your name can be submitted for dematerialization. Your DP will then send the DRF and the certificates to the Registrar and Share Transfer Agents of the Company, Karvy Computershare Private Limited ('Karvy') and an electronic request will also be sent through the NSDL/CDSL network reconfirming the same. Karvy will verify the documents and if found in order, the dematerialization request will be confirmed to NSDL/CDSL who will in turn inform your

DP. In the books of the Company, your folio with Karvy will be debited and the account of NSDL/CDSL will be credited in respect of such dematerialized securities. NSDL/CDSL in their electronic records will credit the account of your DP who will then credit your account with the number of securities that have been dematerialized and the securities will thereafter be held in electronic form. This process would take approximately 15-20 days.

D. Will I continue to receive corporate benefits?

All the corporate benefits such as dividend, interest, bonus shares, rights shares will be issued by Karvy to the beneficial owners i.e. the accountholders who hold the securities in electronic form. The dividend/interest amounts as and when declared/issued will be sent to you/your bankers directly. The entitlement of rights and bonus shares/debentures wherever applicable, will be credited to the beneficiaries accounts as per the investors' option and the terms of the issue.

E. How do I trade (buy/sell) in electronic form?

You may buy and sell securities in electronic form through the depository by coordinating with your broker and your DP. Such transactions would be simpler and faster. Payments for such transactions would be made in the same way as is done for physical certificates. Securities purchased in electronic form are credited to your account 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. However, corporate benefits would be paid to the person holding such securities on the Record date/Book closure date as applicable.

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