

## Transfer of securities only in Demat Form

Effective from December 5, 2018, the amendment to Regulation 40 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide Gazette notification dated June 8, 2018 has mandated 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 dematerialized form with a depository.*

In view of the above and to avail various benefits of dematerialization, security holders are advised to dematerialize the securities held by them in physical form.

### Procedure – Normal case

An investor intending to dematerialise its securities needs to have an account with a Depository Participant (“DP”).

- The client (registered owner) will have to submit a request to the DP in the **Dematerialization Request Form (“DRF”)** for dematerialization, along with the certificates of securities to be dematerialized. Before submission, the client has to **deface** the certificates by writing "SURRENDERED FOR DEMATERIALISATION".
- The DP will verify that the form is duly filled in and the number of certificates, number of securities and the security type (equity, debenture etc.) are as given in the DRF. If the form and security count is in order, the DP will issue an acknowledgement slip duly signed and stamped, to the client.
- In case the securities are not in order they are returned to the client and acknowledgment is obtained. The DP will reject the request and return the DRF and certificates in case:
  - A single DRF is used to dematerialize securities of more than one company.
  - The certificates are mutilated, or they are defaced in such a way that the material information is not readable. DP may advise the client to send the certificates to the Issuer/ R&T agent and get new securities issued in lieu thereof.
  - Part of the certificates pertaining to a single DRF is partly paid-up; the DP will reject the request and return the DRF along with the certificates. The DP may advise the client to send separate requests for the fully paid-up and partly paid-up securities.
  - Part of the certificates pertaining to a single DRF is locked-in, the DP will reject the request and return the DRF along with the certificates to the client. The DP may advise the client to send a separate request for the locked-in certificates. Also, certificates locked-in for different reasons should not be submitted together with a single DRF
- In case the securities are in order, a Dematerialization Request Number (“DRN”) will be generated.
- The DP will then dispatch the certificates along with the request form to the Issuer/ R&T agent.
- The issuer/ R&T may **reject dematerialization** request in some cases. The issuer or its R&T Agent will send an objection memo to the DP, with or without DRF and security certificates depending upon the reason for rejection. The DP/Investor has to remove reasons for objection within 15 days of receiving the objection memo. If the DP fails to remove the objections within 15 days, the issuer or its R&T Agent may reject the request and return DRF and accompanying certificates to the DP. The DP, if the client so requires, may generate a new dematerialization request and send the securities again to the issuer or its R&T Agent. No fresh request can be generated for the same securities until the issuer or its R&T Agent has rejected the earlier request and informed NSDL and the DP about it.

### Demat Requests in Case of Account Holders Name not matching exactly with Physical Certificate

- The demat requests submitted by client(s) with name(s) not matching exactly with the name(s) appearing on the security certificates merely on account of initials not being spelt out fully or put after or prior to the surname, may be processed by DP, provided the signature(s) of the client(s) on the DRF tallies with the specimen signature(s) available with the Issuers or its R & T agent.

### Procedure for Transposition cum Demat

- If the names of the clients appearing on the security certificates match with the names in which the account has been opened but are in a different order, such securities can be dematerialized by submitting the security certificates along with the Transposition Form and the DRF to the DP.

### Procedure for Transmission (Name Deletion) and Dematerialization to be done together

In case of joint holdings, on the death of any one or more of the joint holder(s), the surviving joint holder(s) can get the name(s) of the deceased deleted from the physical certificate(s) and get the securities dematerialized by following the procedure mentioned below:

- Make a request to the DP for deleting the name(s) of the deceased as per Transmission Form.
- Submit a DRF along with the security certificates and the documents mentioned above to the DP.
- On being satisfied with the documents received, the Issuer or its R & T Agent shall carry out the name deletion and then process the dematerialization request.