Frequently asked questions on Dematerialisation of shares

A. What are the benefits of Dematerialisation of shares?

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

a. The risks pertaining to physical certificates like loss, theft, forgery and damage are eliminated completely with a DEMAT account.
b. The lack of paperwork enables quicker transactions and higher efficiency in trading including immediate transfer of shares and faster settlement cycle.
c. Ease in portfolio monitoring.
d. The shares that are created through mergers and consolidation of companies are credited automatically in the DEMAT account.

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. Inter alia, Banks and Financial Institutions act as DP. 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?

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, TSR Darashaw Limited ('TSRDL') and an electronic request will also be sent through the NSDL/CDSL network reconfirming the same. TSRDL 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 TSRDL 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 TSRDL 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 beneficiary’s 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 co-ordinating with 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.
भारतीय प्रतिष्ठिति और विनियम बोर्ड़

अधिसूचना

मुंबई, 8 जून, 2018

भारतीय प्रतिष्ठिति और विनियम बोर्ड़

[सूचीबद्धता (लिस्टिंग) बाध्यताएँ और प्रकटीकरण अपेक्षाएँ] (चौथा संशोधन) विनियम, 2018

सं. से.वी/एन.ए/दी-एन. आर/जी/एन./2018/24—सं. चौथा सं. (सं. 31 के साथ पट्टिका) विनियम, 1956 (1956 का 42) की धारा 31 के साथ पट्टिका भारतीय प्रतिष्ठिति और विनियम बोर्ड़ अधिनियम, 1956 की धारा 11, धारा 11 की उप-धारा (2) तथा धारा 30 द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए, पुनःधारा प्रतिष्ठिति और विनियम बोर्ड़ [सूचीबद्धता (लिस्टिंग) बाध्यताएँ और प्रकटीकरण अपेक्षाएँ] विनियम, 2015 का और संशोधन करने के लिए निर्देशित विनियम बनाता है, अर्थात्—

1. इन विनियमों को भारतीय प्रतिष्ठिति और विनियम बोर्ड़ [सूचीबद्धता (लिस्टिंग) बाध्यताएँ और प्रकटीकरण अपेक्षाएँ] (चौथा संशोधन) विनियम, 2018 कहा जा सकेगा।

2. ये विनियम राजस्व में उनके प्रकाशन की तारीख से एक सी अस्तीत्व सिद्ध प्रवृत्त होगे।

3. भारतीय प्रतिष्ठिति और विनियम बोर्ड़ [सूचीबद्धता (लिस्टिंग) बाध्यताएँ और प्रकटीकरण अपेक्षाएँ] विनियम, 2015 में—
   (i) विनियम 7 में, उप-विनियम (2) में, शब्दों "कामजी और इलेक्ट्रॉनिक" का लोप हो जाएगा।
   (ii) विनियम 40 में, उप-विनियम (1) में,
(iii) अनुसूची-VII में, बंड क में, उप-बंड (2) का नोंप हो जाएगा।

अजय त्यागी, अध्यक्ष

[विज्ञापन-III/४/असाधारण/९६/१८-१९]

पाब दिशणः

1. भारतीय प्रतिभूति और विनिमय बोर्ड [सूचीबद्धता (लिस्टिंग) वाध्यताएँ और प्रकटीकरण अपेक्षाएँ] विनियम, 2015, सं. सेवी/एल.ए.डी.-एन.आर.ओ./जी.एन./2015-16, 2 नवंबर 2015 को भारत के राजपत्र में प्रकाशित हुए थे।

2. भारतीय प्रतिभूति और विनिमय बोर्ड [सूचीबद्धता (लिस्टिंग) वाध्यताएँ और प्रकटीकरण अपेक्षाएँ] विनियम, 2015 तत्वाधारः

क) 22 दिसंबर, 2015 को भारतीय प्रतिभूति और विनिमय बोर्ड [सूचीबद्धता (लिस्टिंग) वाध्यताएँ और प्रकटीकरण अपेक्षाएँ] (संशोधन) विनियम, 2015, अधिसूचना सं. सेवी/एल.ए.डी.-एन.आर.ओ./जी.एन./2015-16/027, द्वारा

ख) 25 मई, 2016 को भारतीय प्रतिभूति और विनिमय बोर्ड [सूचीबद्धता (लिस्टिंग) वाध्यताएँ और प्रकटीकरण अपेक्षाएँ] (संशोधन) विनियम, 2016, अधिसूचना सं. सेवी/एल.ए.डी.-एन.आर.ओ./जी.एन./2016-17/001, द्वारा

ग) 8 जुलाई, 2016 को भारतीय प्रतिभूति और विनिमय बोर्ड [सूचीबद्धता (लिस्टिंग) वाध्यताएँ और प्रकटीकरण अपेक्षाएँ] (संशोधन) विनियम, 2016, अधिसूचना सं. सेवी/एल.ए.डी.-एन.आर.ओ./जी.एन./2016-17/008, द्वारा

घ) 4 जनवरी, 2017 को भारतीय प्रतिभूति और विनिमय बोर्ड [सूचीबद्धता (लिस्टिंग) वाध्यताएँ और प्रकटीकरण अपेक्षाएँ] (तीसरा संशोधन) विनियम, 2016, अधिसूचना सं. सेवी/एल.ए.डी.-एन.आर.ओ./जी.एन./2016-17/025, द्वारा

ड) 15 फरवरी, 2017 को भारतीय प्रतिभूति और विनिमय बोर्ड [सूचीबद्धता (लिस्टिंग) वाध्यताएँ और प्रकटीकरण अपेक्षाएँ] (संशोधन) विनियम, 2017, अधिसूचना सं. सेवी/एल.ए.डी.-एन.आर.ओ./जी.एन./2016-17/29, द्वारा

च) 6 मार्च, 2017 को भारतीय प्रतिभूति और विनिमय बोर्ड [फीस का भुगतान और भुगतान का माध्यम] (संशोधन) विनियम, 2017, अधिसूचना सं. सेवी/एल.ए.डी.-एन.आर.ओ./जी.एन./2016-17/037 [तारीख 29 मार्च, 2017 को अधिसूचित भारतीय प्रतिभूति और विनिमय बोर्ड (फीस का भुगतान और भुगतान का
SECURITIES AND EXCHANGE BOARD OF INDIA
NOTIFICATION
Mumbai, the 8th June, 2018

Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) (Fourth Amendment) Regulations, 2018

No. SEBI/LAD-NRO/GN/2018/24.—In exercise of the powers conferred by section 11, sub-section (2) of section 11A and section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992) read with section 31 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Board hereby makes the following regulations to further amend the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, namely,—

1. These regulations may be called the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018.

2. These regulations shall come into force on the one hundred and eightieth day from the date of its publication in the Official Gazette.

3. In the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, -

   (i) in regulation 7, in sub-regulation (2), the words “both physical and electronic” shall be omitted.

   (ii) in regulation 40, in sub-regulation (1), -

      a. the symbol “.” shall be substituted with the symbol “:”;

      b. the following proviso shall be inserted, namely, -
“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 dematerialized form with a depository.”

(iii) in Schedule VII, in clause A, sub-clause (2) shall be omitted.

AJAY TYAGI, Chairman

[ADVT.-III/4/Exty./96/18-19]

Footnote:

1. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were published in the Gazette of India on 2nd September 2015 vide No. SEBI/LAD-NRO/GN/2015-16/013.

2. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, were subsequently amended on:
   c) July 08, 2016 by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016 vide notification no. SEBI/ LAD-NRO/GN/2016-17/008.
   g) May 9, 2018 by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 vide notification SEBI/LAD-NRO/GN/2018/10.