

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 was to come into effect from December 5, 2018.

Subsequently, SEBI, on receipt of representations from shareholders for extension of the date of compliance has extended the deadline for transfer of securities only in dematerialized mode and the said restriction shall now come into effect from April 1, 2019. However, transfer deed(s) lodged on or before March 31, 2019 and returned due to deficiency in the document may be re-lodged for transfer till March 31, 2021, being the cut-off date for re-lodgement of transfer deed(s) as clarified by SEBI vide its circular dated September 7, 2020. Further, the shares which are re-lodged for transfer shall be issued only in dematerialized mode.

Pursuant to the said amendment, please note that with effect from April 1, 2019 –

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 paperwork 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.