

**RESTRICTION ON TRANSFER OF PHYSICAL SHARES & PROCEDURE FOR
DEMAT OF SHARES**

The Securities and Exchange Board of India (SEBI) vide Gazette notification dated June 8, 2018 has mandated transfer of securities in dematerialized form only w.e.f December 5, 2018 by amending Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In accordance with aforesaid notification BSE has issued a Circular to Listed Companies on July 05, 2018 informing about the amendment to Regulation 40.

According to the Circular, request for effecting transfer of securities shall not be processed unless the securities are held in the Dematerialized form with the depository with effect from December 5, 2018. Therefore, please note that R&T agent and Company will not be accepting any request for transfer of shares in physical form with effect from December 5, 2018.

Thus in view of the amendment the holder of physical shares/securities certificates are requested to take note of this directive and get the shares / Securities dematerialized before December 5, 2018 as no transfers would take place in physical form thereafter.

You may access the Circular from the website of Bombay Stock Exchange using the following link:

<https://www.bseindia.com/corporates/Displaydata.aspx?Id=cd22b184-1153-4b05-8ad9-d04699161f89&Page=cir>

BASIC FAQ's ON DEMATERIALIZATION OF SHARES IS PROVIDED HEREUNDER:

1) What is Demat and what are its benefits?

Dematerialization ('Demat' in short form) signifies conversion of a share certificate from its present physical form to electronic form for the same number of holding.

It offers scope for paperless trading through state-of-the-art technology, whereby share transactions and transfers are processed electronically without involving any share certificate or transfer deed after the share certificates have been converted from physical form to electronic form.



Restriction on Transfer of Shares & Dematerialization

Demat attempts to avoid the time consuming and complex process of getting shares transferred in the name of buyers as well its inherent problems of bad deliveries, delay in processing/fraudulent interception in postal transit, etc.

The Depositories Act 1996 has been enacted to regulate the matters related and incidental to the operation of Depositories and demat operations. Two Depositories are in operation - National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL).

Accordingly the shareholders are requested to elect or choose any Depository Participant having registration with SEBI to open a Demat account or alternatively, contact any nearest office of our Registrar and Share Transfer Agent, Link Intime India Pvt. Ltd. for guidance.

Registered office Address of Link Intime India Pvt. Ltd

Link Intime India Pvt. Ltd (Unit: GeeCee Ventures Limited)

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You may also visit website of depository's viz., NSDL or CDSL for further understanding about the demat procedure:

NSDL website: <https://nsdl.co.in/faqs/faq.php> (dematerialization)

CDSL website: <https://www.cdslindia.com/investors/open-demat.aspx>

2) How does the Depository System operate?

The operations in the Depository System involve the participation of a Depository, Depository Participants, Company/Registrars and Investors. The company is also called the Issuer.

A **Depository** (NSDL and CDSL) is an organization like a Central Bank, i.e. Reserve Bank where the securities of an investor are held in electronic form, through Depository participants.

A **Depository Participant** is the agent of the Depository and is the medium through which the shares are held in the electronic form. They are also the representatives of the investor, providing the link between the investor and the company through the Depository.

To draw analogy, the Depository system functions very much like the banking system. A bank holds funds in accounts whereas; a Depository holds securities in accounts for its clients. A bank transfers funds between accounts whereas; a Depository transfers securities between accounts.

In both systems, the transfer of funds or securities happens without the actual handling of funds or securities. Both the banks and the Depository are accountable for safe keeping of funds and securities respectively.

3) What is the procedure for dematerialization?

Following steps are involved in dematerialization of physical securities:

- Shareholder to open a demat account with a Depository Participant (DP).
- Shareholder to fill in a Demat Request Form (DRF) and submit the same with the physical Certificate/s to the DP for dematerialization.
- For each ISIN, a separate DRF has to be used.
- If the Shareholder has free as well as lock-in shares of the same ISIN, separate demat request has to be setup for free shares and lock-in shares.
- DP to verify that the DRF has been filled correctly.
- DP to Setup a demat request with the depository.
- DP to deface and mutilate the physical certificates and send the certificates to the Issuer/Registrar and share transfer Agent (RTA).
- Issuer/RTA verifies genuineness of the certificates and confirms the demat request.
- On receiving confirmation from Issuer/RTA, depository credits an equivalent number of securities in the demat account of the BO.

4) What happens to the physical certificates after they are dematerialized?

After dematerialization, physical certificates may be retained / destroyed by the Issuer / RTA.

5) Is it compulsory to mention the ISIN of the security while filling up the DRF?

Yes. The ISIN of the security should be mentioned in the DRF, to ensure that the correct security is dematerialized. If, however, the investor does not know the ISIN, the same can be obtained from the DP or from Depositories Website - CDSL's website, www.cdslindia.com or NSDL's website, www.nsdl.co.in

6) Is transfer deed required for dematerializing physical certificates?

No. There is no need to fill in a transfer deed. The physical certificates have to be accompanied by a DRF, which can be obtained from the DP.

7) What are the charges to be paid to demat one's physical shares? Will the company pay it or do I have to pay for it?

The charges differ from DP to DP and therefore you will have to contact your DP for the same. The charges for demat have to be borne by the shareholder.

8) I have purchased some shares in Physical (paper) form. Can I directly give the share certificates to my Depository Participant for dematting them in my favor?

Prior to dematting your shares, they have to be registered in your favor. Hence, you have to necessarily lodge the share certificates with a duly executed transfer deed with the company's registrar and share transfer agent. Once the shares so purchased are transferred, the shareholder can lodge the same for demat to DP.

9) Is it a fact that shares are to be traded compulsorily in Demat Form? Do I have the option of holding them in physical form?

Yes. The shares of the company are to be compulsorily traded in demat form. BSE has issued a Circular to Listed Companies on July 05, 2018 informing about 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.

10) How do I get my dividends on dematted shares? Will I get the Annual Report after I demat my shares and would I be able to attend the AGM?

The Depository Participants will give the list of demat account holders and the number of shares held by them in electronic form on the Record date to the company (Beneficiary Persons, known as Benpos in short). On the basis of Benpos, the company will issue dividend warrants in favor of the demat account holders. The rights of the shareholders holding shares in demat form are at par with the holders in physical form. Hence you will

be eligible to get the Annual Report and will have the right to attend the AGM as a shareholder.

11) What are the chances of any fraud/disputes in using a demat account? Whom should I approach in such cases?

Common risk factors applicable to trading in physical shares like mismatch in signatures, loss in postal transit, etc., are absent since the dematted shares are traded scrip less.

12) Can I pledge my shares in demat form for the purpose of availing any funding/loan arrangement with my bankers?

Yes. You will have to contact your Depository Participant for this.

You may also visit web site of depositories viz., NSDL or CDSL for further understanding about the demat procedure.