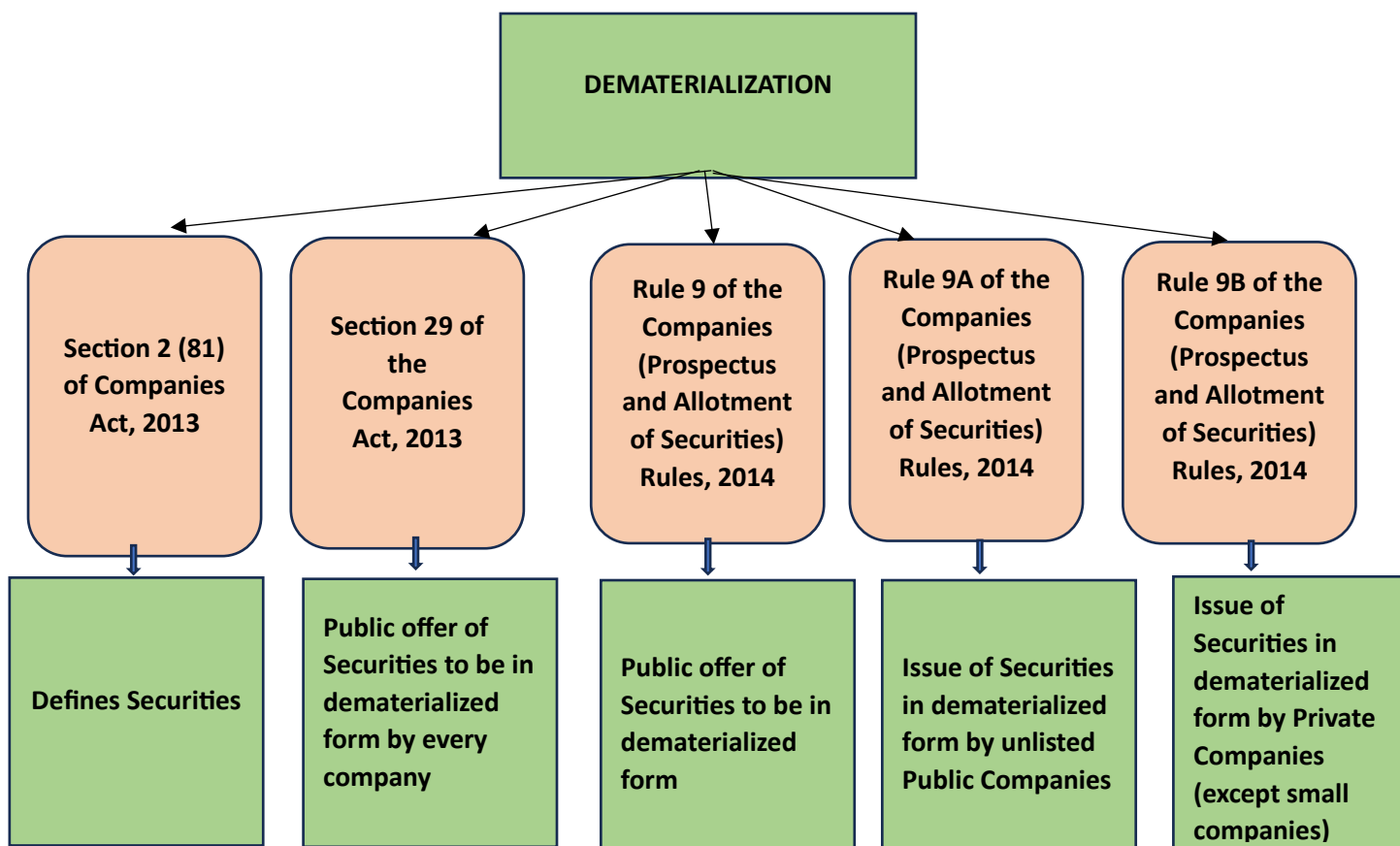


What is Dematerialization

Dematerialization refers to the process of converting physical securities into electronic form. This transition is facilitated through depositories, which maintain the records of securities in digital format, eliminating the need for physical handling and storage of certificates.

What Companies Act, 2013 says about Dematerialization??

In view of the MCA notification no. GSR 802(E) dated 27th October 2023, Private Companies, excluding Small Companies, are obligated, to convert physical securities into dematerialized (demat) form by 30th September, 2024.



Procedure for Dematerialization:

- Provision in AOA for holding Securities in Demat Form
- Convening a Board Meeting for approval of:
 - ✓ Security Dematerialization
 - ✓ Opening a Demat Account with Depository Participant (DP)
 - ✓ *Appointment of RTA
- Opening of DEMAT Account & appointment of RTA
- Execution of tripartite Agreement amongst Company, Depository and RTA
- **Submit Dematerialization Request Form (DRF)** with DP alongwith certificates defaced by writing “**SURRENDERED FOR DEMATERIALISATION**”.
- Verification of documents by DP and Despatch of certificates along with the request form and a covering letter by DP to the Issuer/ R&TA agent.
- Payment of fees (admission & annual) to the Depository and R&TA
- Issuance of (International Securities Identification Number-a unique 12 digit alphanumeric identification number) ISIN by Depository for each type of security.
- Communication to Shareholders by the Company about demat facility
- #Submission of Form PAS-6 (reconciliation of shares) to the Registrar by companies including Private Companies within 60 days from the end of each half year.

**Please note that the RTA acts as an intermediary between the issuer and the depository. However, it is not mandatory for a Company to appoint RTA. But in this case, a company required to purchase the necessary software from the relevant depository.*

#Please note that pursuant to the Rule 9B(5) read with Rule 9A(8) of PAS Rules, Form PAS-6 becomes applicable even for private companies (other than small companies), including wholly owned subsidiaries of private companies and section 8 companies having share capital.