## Dematerialisation of Shares held in physical form

We refer to the SEBI notification SEBI/LAD-NRO/GN/2018/24 dated 08th June, 2018, amending Regulation 40 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 which states that **requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from 05th December 2018, unless the securities are held in the dematerialized form with the Depositories.**

Accordingly BSE vide circular no. LIST/COMP/15/2018-19 dated 05th July, 2018 and NSE vide Ref. No NSE/CML/2018/26 dated 09th July, 2018 have also advised the Listed Companies to intimate all its shareholders appraising them about the said amendment and its impact on transfer of securities held by them in physical form **w.e.f December 05th, 2018**.

In view of the above, shareholders of the company who are holding shares in physical form are requested to convert them into demat shares before 5th December 2018 so that the shareholders can easily trade in the shares of the Company.

In this connection, your Company has worked out an arrangement with Geojit Financial Services Limited ("Geojit"), an established agency which specializes in providing depository services, to approach you and provide you with necessary guidance and assistance. The terms negotiated with them is as under:

a) Opening of a Demat & Trading account with no account opening charges
b) Waiver of annual maintenance charges for the first year
c) No charges will be levied for dematerialization of share certificate of Aster DM Healthcare Limited

You may opt to open the account with Geojit or any other Depository participant of your choice. It is in your interest to avail this opportunity to dematerialize your physical shares into dematerialized form.

Enclosed are a few frequently asked question relating to Dematerialization

For Aster DM Healthcare Limited
Sd/-
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# FAQ's on Dematerialisation

**Q1. What is dematerialization of shares?**
Dematerialization is the process by which physical certificates of an investor are converted to an equivalent number of securities in electronic form.

It offers scope for paperless trading, wherein share transactions and transfers are processed electronically without involving any share certificate or transfer deed. It 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.

**Q2: What are the benefits of dematerialisation?**
Some of the benefits of holding shares in electronic form is as under:
1. Elimination of bad deliveries
2. Elimination of all risk associated with physical certificates
3. No stamp duty on transfers
4. Immediate transfer/trading of securities
5. Faster settlement cycle
6. Faster disbursement of non-cash corporate benefits like rights, bonus etc.
7. SMS alter facility
8. Periodic status reports and information available on internet
9. Ease related to change of address of investor
10. Elimination of problems related to transmission of demat shares
11. Ease in portfolio monitoring
12. Ease in pledging the shares

**Q3: How does the Depository System operate?**
The operations in the Depository System involve the participation of a Depository, Depository Participants, Company/Registrars and Investors.

A Depository (NSDL and CDSL) is an organization like a Central Bank, i.e. Reserve Bank where the securities on 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.

**Q4: How do I demat my shares?**
First, you will have to open an account with a Depository Participant (DP) and get a unique Client ID number. Thereafter, you will have to fill up a Dematerialization Request Form (DRF) provided by the DP and surrender the physical shares.

The DP upon receipt of the shares and the DRF, will send an electronic request to the company's RTA (Registrar and Share Transfer Agent) through the Depository for confirmation of demat. Each request will bear a unique transaction number.

The DP will simultaneously surrender the DRF and the shares to the company's RTA with a covering letter requesting the RTA to confirm demat. The RTA after necessary verification of the documents received from the DP, will confirm demat to the Depository.

This confirmation will be passed on from the Depository to the DP, which holds your account. After receiving this confirmation from the Depository, the DP will credit the account with the shares so dematerialized. The DP will hold the shares in the dematerialized form thereafter on your behalf. And you will become beneficial owner of these dematerialized shares.

**Q5: Once my shares are dematerialised, can I ever get them converted into physical shares?**
If you are holding shares in electronic form, you still have the option to convert your holding in physical form by submitting a Rematerialization Request Form (RRF) through your DP in the same manner as Dematerialization. Upon receipt of such request from your DP, the company will issue share certificates for the number of shares so rematerialized.

**Q6: 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.

**Q7: How do I get my dividends on dematerialised 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.

**Q8: 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 DP for this.