

ABREPOSE FINANCIAL AND TECHNICAL SERVICES LIMITED

Regd. & Admn. Office: Plot No.4, 1st Floor, Andhra Bank Colony, Malakpet P.O.,
Hyderabad – 500036. Telephone: 24069318,
E-mail: abreposeftservices@gmail.com

PROCEDURE FOR DEMAT OF SHARES

OUR COMPANY IS HOLDING SHARES IN DEMAT FORM. AS PER THE COMPANIES (AMENDMENT) ACT, 2019 UNDER SECTION 29 (1A), ALL UN-LISTED COMPANIES SHALL BE REQUIRED TO TRANSFER AND HOLD SECURITIES IN DEMAT FORM.

For getting the Shares Demat, as a first step, the Share-holder should open a DEMAT ACCOUNT.

Step-by-Step Guide on How to Open a Demat Account?

- Step 1: Choose a Depository (NSDL or CDSL)**
- Step 2: Choose a Depository Participant (DP) .**
- Step 3: Submit Demat Account Opening Form.**
- Step 4: Fulfill KYC (Know Your Customer) Norms.**
- Step 5: Go through the Verification Process.**
- Step 6: Sign the Agreement Copies. ...**
- Step 7: Get Your BO ID Number.**

ABREPOSE has appointed "M/s VENTURE CAPITAL AND CORPORATE INVESTMENTS PVT. LTD.," as DEMAT REGISTRAR and "M/s NATIONAL SECURITIES DEPOSITORY LIMITED (NSDL) as DEPOSITORY. Our Company is holding shares in Demat form.

DEMATERIALIZATION OF SHARES

WHAT IS DEMATERIALIZATION OF SECURITIES?

Dematerialization is a process through which physical securities such as share certificates and other documents are converted into electronic format and held in a Demat Account.

A depository is responsible for holding the securities of a shareholder in electronic form. These securities could be in the form of bonds, government securities, and mutual fund units, which are held by a registered Depository Participant (DP). A DP is an agent of the depository providing depository services to traders and investors.

Currently, there are two depositories registered with SEBI and are licensed to operate in India:

**NSDL: National Securities Depository Limited
CDSL: Central Depository Services (India) Limited.**

PROCCS OF DEMATERIALIZATION:

1. Dematerialization starts with opening a Demat Account. For opening a Demat account, you need to shortlist a Depository Participant (DP) that offers Demat Services.
2. To covert the physical shares into electronic/Demat form, a Dematerialization request from (DRF), which is available with the Depository Participant (DP), has to be filled in and deposited along with the share certificates. On each share certificate surrendered for Dematerialization needs to be mentioned.
3. The DP needs to process this request along with the share certificates to the company and simultaneously to registrars and transfer agents through the depository
4. Once the request is approved, the share certificates in the physical form will be destroyed and a confirmation of dematerialization will be sent to the depository

5. The depository will then confirm the dematerialization of shares to the DP. Once this is done, a credit in the holding of shares will reflect in the investor's account electronically.
6. This cycle takes about 15 to 30 days from the submission of dematerialization request
7. Dematerialization is possible only with a Demat account, therefore it is essential to learn how to open a Demat account to understand dematerialization

PURCHASING DEMATERIALIZED SECURITIES:

Step 1: Choose a broker who can facilitate the purchase of the securities

Step 2: Make a payment to the broker who will then arrange for the payment to the clearing corporation on the pay-in day

Step 3: The securities are credited to the broker's clearing account on the pay-out day

Step 4: The broker will give instructions to its Depository Participant (DP) to debit the clearing account and credit the same to your account

Step 5: The depository will then confirm the dematerialization of shares to the DP. Once this is done, a credit in the holding of shares will reflect in the investor's account electronically.

Step 6: You will receive shares into your account. In order to receive the credit, you will need to give 'Receipt Instructions' to the DP if you did not give standing instructions during the opening of your account.

SELLING DEMATERIALIZED SECURITIES:

Step 1: Choose a broker and sell the securities in a stock exchange linked to the NSDL (National Securities Depository Limited)

Step 2: The Depository Participant (DP) needs to be instructed to debit your account with the number of securities sold and credit the broker's clearing account

Step 3: You need to send the delivery instruction to your Depository Participant (DP) using the delivery instruction slips

Step 4: Once the request is approved, the share certificates in the physical form will be destroyed and a confirmation of dematerialization will be sent to the depository

Step 5: The broker will give instructions to its DP for delivery to the clearing corporation before the pay-in day.

Step 6: You will receive the payment from the broker for the sale of your securities.

WHY WAS DEMATERIALIZATION NEEDED?

1. Handling of paperwork related to shares in the physical format often led to errors and unforeseen mishaps in the past.
2. Tracking records and share documents with respect to transfer and upkeep transactions was difficult
3. The authorities in charge of updating these documents could not keep up with the increasing volume of share papers, which, if left unchecked, could cripple the financial base of the Indian share market and associated businesses.

BENEFITS OF DEMATERIALIZATION:

There is a wide range of benefits of dematerialisation of securities. Some of them are as follows:

1. You can conveniently manage your shares and transactions from anywhere
2. Stamp duty is not levied on your electronic securities
3. Holding charges levied are nominal
4. Risks involved with physical securities such as theft, loss, forgery or damage are eliminated
5. You can buy securities in odd lots and buy a single security
6. Due to the elimination of paperwork, the time required for completing a transaction gets reduced

PROCEDURE FOR GETTING BACK DIVIDEND FROM IEPF

As per Companies Act, 2013, Section 124 (6). All shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the company in the name of Investor Education and protection Fund along with a statement containing such details as may be prescribed.

PROCESS OF GETTING REFUND FROM IEPF:

1. Go to **IEPF Website** and fill in **IEPF Form – 5** and use the option form upload. You will be redirected to Ministry of Corporate Affairs (MCA) for form up-load.
2. Login using your ID and Password (if existing or else register yourself **by clicking on register** and entering the required details.
3. After login, **click on normal up-load**
4. Click on Browse and attach the form. **Click on Submit.**
5. **SRN** will be generated and you will ask for a payment option (pay now or pay latter)
6. Though Fee will be zero, but **click on Pay Now option only to generate the acknowledgement.**
7. After clicking on Pay Now, you have to **click on Finish** when the zero-fee page will be shown. The acknowledgment will be generated.

WHAT IS THE PROCEDURE AFTER APPLYING FOR REFUND?

The investor has to send the attachments prescribed below to Nodal Officer (IEPF) of the Company at its Registered Office in an envelope marked **“CLAIM FOR A REFUND FROM IEPF AUTHORITY.”**

The investor has to send the attachments prescribed below to Nodal Officer (IEPF) of the Company at its registered office in an envelope marked **“Claimed for a refund from IEPF Authority”** for initiating the verification for a claim.

- a) Print out of duly filled and uploaded claim form IEPF-5; with claimant signature and if Joint Holders are involved then the form should be signed by all the Joint Holders.
- b) Copy of Acknowledgement generated after uploading the claim Form IEPF-5
- c) Indemnity Bond (original) with claimant signature (as per format given in Annexure-II to be executed)
 - On a non-judicial Stamp Paper of the value as prescribed under the Stamp Act (According to the state) if the amount of the claim is Rs. 10,000 or more. Please ensure to enter date, place and signature of claimant and witness.
 - On a plain paper if the amount claimed does not exceed Rs. 10,000/=
 - In case of a refund of shares, on a non-judicial Stamp Paper of the value as prescribed under the Stamp Act.
- d) Advance Stamped Receipt (original) with the signature of the claimant and two witnesses (Format is given at Annexure – I)
- e) In case of a refund of matured deposit or debenture, or bonds, or where shares (in physical form) are claimed original certificate thereto
- f) Copy of AADHAAR Card of the Claimant and if joint holders are there, copy of Aadhaar Cards of all the Joint Holders.
- g) Proof of entitlement (certificate of share/interest warrant/dividend warrant, Application Number etc..)
- h) Original Cancelled Cheque leaf (it must bear the name of the claimant and the cheque leaf must be of the same account of which details are given in the Form IEPF-5).
- i) Self-attested copy of Passport, OCI and PIO card in case of foreigners and NRI.
- j) Self-attested copy of PAN Card (mandatory in case of a claim for shares)
- k) Self-attested client Master List of De-mat Account of the Claimant.
- l) In case any Joint Holder is deceased, copy of Death Certificate to be attached.
- m) Other optional documents (if any)

The Company shall, within fifteen days from the date of receipt of the claim, send a verification report to the Authority in the format specified by the Authority along with all the documents submitted by the claimant. The Nodal Officer may approve or reject the Form and enclosures submitted, subject to verification.

HOW WILL I GET MY MONEY OR SHARES FROM THE IEPF AUTHORITY?

For a monetary refund, IEPF initiates e-payment as per the rules. If shares are reclaimed, the shares will be credited to the claimants Demant account by the **INVESTOR EDUCATION AND PROTECTION FUND**.

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