

HeidelbergCement India Limited

Guidance Note on Dematerialisation of Shares

Dematerialisation of shares is a process by which a shareholder gets his / her shareholding in physical form (share certificates) converted into electronic form i.e., equivalent number of shares are credited in his / her demat account maintained with a depository participant with whom a demat account has been opened.

Benefits of Dematerialization

- Dematerialization offers complete security – there is no risk of loss / theft of share certificates.
- Paperless transaction of securities.
- It allows you to conveniently manage your shares and carry-out transactions from anywhere.
- Stamp duty is not levied on transfer of electronic securities whereas it levied in case of transfer of shares in physical form.
- Nominal holding charges need to be paid.

Process of dematerialization

- Dematerialization starts with opening of a Demat Account. You need to identify a Depository Participant (DP) who offers Demat Services. Currently, there are two depositories registered with SEBI, they are (i) National Securities Depository Limited (NSDL) and (ii) Central Depository Services (India) Limited (CDSL). A DP is an agent of the Depository providing depository services to investors.
- After opening of a demat account please ask for a copy of client master which contains important information about the demat account like names of holders, address, bank account no. in which dividends will be credited, particulars of nominee etc. In case you notice any discrepancy in any of the details please immediately contact DP for rectification of records.
- In order to convert the physical shares into electronic/dematerialised form, the shareholder (client) needs to submit a dematerialisation request to the DP in Dematerialization Request Form (DRF) along with the share certificates to be dematerialized. DRF is provided to the investor by the concerned DP. The

client needs to ensure that the DP defaces the share certificates by writing / putting a stamp – ‘Surrendered for Dematerialization’.

In depository system each issuer company is identified by a unique number known as International Securities Identification Number (ISIN). ISIN of HeidelbergCement India Limited is INE578A01017 you may fill-up the same in DRF.

- DP forwards the DRF within 7 days to the Registrar and Share Transfer Agent of the Company. However in case the securities are not in order they are returned to the client by DP. Some of the common reasons for rejection of demat requests by DPs are given below:
 - A single DRF is used to dematerialise the securities of more than one company.
 - The certificates are mutilated, or they are defaced in such a way that the material information is not readable. In such a case the shareholder will need to approach the company / R&T Agent and get new securities issued in lieu thereof.
- The DP processes request and sends the share certificates to registrars and transfer agents.
- Once the request is approved, the share certificates in physical form are destroyed and a confirmation of dematerialization is sent to the concerned depository.
- The depository will then confirm the dematerialization of shares to the DP leading to credit of shares in the investor’s demat account.
- The entire process of dematerialisation may take 15 to 30 days after the submission of dematerialization request.