

## **Intimation to Shareholders of Ring Plus Aqua Limited**

### **Sub: Transfer of Securities (Equity Shares) held in Physical form to Dematerialised form**

This is to bring to your notice that Ministry of Corporate Affairs (MCA) has notified Rule 9A of Companies (Prospectus and Allotment of Securities) (Third Amendment) Rules, 2018 dated September 10, 2018 (hereinafter “the Regulations”) mandating that “except in cases of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialised form with a depository”. The Rules came into force from October 02, 2018. It may be noted that effective from October 02, 2018, requests for transfer of equity shares of the Company will not be processed and accepted unless the equity shares are held in dematerialised form.

In relation to the above changes, please find herein appropriate guidelines to our shareholders holding shares in Physical Form and detailed procedure to convert their equity shares into electronic form (Dematerialised form) enabling them to transact in their shares as and when required by them without any prohibition.

### **Guidelines on conversion of Physical Shares into Dematerialised form**

Dematerialisation is the process by which the shareholders (i.e. registered owner) can convert his physical shares into Electronic Shares (E-Shares).

#### **(I) Advantages of Dematerialisation**

- i. Dematerialisation offers flexibility along with security and convenience.
- ii. Holding Share Certificates in Physical Format carried risk like certificate forgeries, loss of important share certificates, and consequent delays in certificate transfers.
- iii. Dematerialisation eliminates these hassles by allowing customers to convert their Physical Certificates into Electronic Format.
- iv. Shares in the Electronic Format are held in a Demat Account.
- v. It allows you to conveniently manage your shares and transactions from anywhere.
- vi. Stamp duty is not levied on your Electronic Securities (i.e. Share Certificate/s).
- vii. Open a Demat account, it provides paperless transaction of Securities.
- viii. Nominal holding charges are levied.

#### **(II) Pre-Requisites of Conversion of Physical Shares into Electronic Shares (E-Shares)**

##### **(A) Opening of Demat Account**

Dematerialisation starts with opening a Demat Account. For demat account opening, you need to shortlist a Depository Participant (DP) that offers Demat Service/s. 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 the agent of the depository providing depository services to traders and investors.

##### **(B) Submission of Physical Share Certificates for Demat**

- i. To convert the Physical Shares into Electronic/Demat account form, the client (registered owner) will submit a request to the DP in the Dematerialisation Request Form (DRF) for dematerialisation, along with the Share Certificates to be dematerialised, which is available with the Depository Participant (DP). Before submission, the client has to deface the Share Certificate by writing ***'SURRENDERED FOR DEMATERIALISATION'***

- ii. Such DRF shall be forwarded by the Participant not later than seven days of accepting the same from its Client.

(C) **Possible reasons for Rejection of Demat request**

In case the Securities are not in order they are returned to the Client and acknowledgement is obtained. The DP will reject the request and return the DRF and certificates in case:

- A single DRF is used to dematerialise 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. It may advise the client to send the certificates to the Issuer/R&T agent and get new securities issued in lieu thereof.
- Part of the certificates pertaining to a single DRF is partly paid-up; the DP will reject the request and return the DRF along with the certificates. The DP may advise the client to send separate requests for the fully paid-up and partly paid-up securities.
- Part of the certificates pertaining to a single DRF is locked-up, the DP will reject the request and return the DRF along with the certificates to the client. The DP may advise the client to send separate requests for the locked-in certificates. Also, certificates locked-in for different reasons should not be a submitted together with a single DRF.

**Note:** Please find herein below a detailed procedure for raising a Dematerialised request and marked as **Annexure-I.**

**Annexure-I**

**Detailed note on Procedure for raising a Dematerialised Request**

**Steps of Physical Holdings/Securities (i.e. Equity Shares) into Dematerialised Form (DEMAT)**

The client (registered owner) will submit a request to the Depository Participants (DP) in the **Dematerialisation Request Form** (DRF) for dematerialisation, along with the certificates of securities to be dematerialised. Before submission, the client has to deface the certificates by writing **"SURRENDERED FOR DEMATERIALISATION"**.

- (I) The DP will verify that the form is duly filled in and the number of certificates, number of securities and the security type (equity, debenture etc.) are as given in the DRF. If the form and security count is in order, the DP will issue an acknowledgement slip duly signed and stamped, to the client.
- (II) The DP will scrutinize the form and the certificates. This scrutiny involves the following:
  - a. Verification of Client's signature on the dematerialisation request with the specimen signature (the signature on the account opening form). If the signature differs, the DP should ensure the identity of the client.
  - b. Compare the names on DRF and certificates with the client account.
  - c. Paid up status
  - d. ISIN (International Securities Identification Number)
  - e. Lock - in status
  - f. Distinctive numbers
- (III) In case the securities are not in order they are returned to the client and acknowledgment is obtained. The DP will reject the request and return the DRF and certificates in case:
  - a. A single DRF is used to dematerialise securities of more than one company.
  - b. The certificates are mutilated, or they are defaced in such a way that the material information is not readable. It may advise the client to send the certificates to the Issuer/Registrar & Share Transfer Agent (R&T) agent and get new securities issued in lieu thereof.
  - c. Part of the certificates pertaining to a single DRF is partly paid-up; the DP will reject the request and return the DRF along with the certificates. The DP may advise the client to send separate requests for the fully paid-up and partly paid-up securities.
  - d. Part of the certificates pertaining to a single DRF is locked-in, the DP will reject the request and return the DRF along with the certificates to the client. The DP may advise the client to send a separate request for the locked-in certificates. Also, certificates locked-in for different reasons should not be submitted together with a single DRF.
- (IV) In case the securities are in order, the details of the request as mentioned in the form are entered in software provided by the depositories to the DP and a Dematerialisation Request Number (DRN) will be generated by the system.
- (V) The DRN so generated is entered in the space provided for the purpose in the dematerialisation request form.
- (VI) A person other than the person who entered the data is expected to verify details recorded for the DRN. The request is then released by the DP which is forwarded electronically to the RTA.
- (VII) The Depository Management Software (DM) forwards the request to the Issuer/R&T agent electronically.
- (VIII) The DP will fill the relevant portion viz., the authorisation portion of the demat request form.
- (IX) The DP will punch the certificates on the company name so that it does not destroy any material information on the certificate.
- (X) The DP will then despatch the certificates along with the request form and a covering letter to the Issuer/R&T agent.
- (XI) The Issuer/R&T agent confirms acceptance of the request for dematerialisation in his system and the same will be forwarded to the DM, if the request is found in order.



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- (XII) The DM will electronically authorise the creation of appropriate credit balances in the client's account.
- (XIII) The DM will credit the client's account automatically.
- (XIV) The DP must inform the client of the changes in the client's account following the confirmation of the request.
- (XV) The issuer/R&T may reject dematerialisation request in some cases. The issuer or its R&T Agent will send an objection memo to the DP, with or without DRF and security certificates depending upon the reason for rejection. The DP/Investor has to remove reasons for objection within 15 days of receiving the objection memo. If the DP fails to remove the objections within 15 days, the issuer or its R&T Agent may reject the request and return DRF and accompanying certificates to the DP. The DP, if the client so requires, may generate a new dematerialisation request and send the securities again to the issuer or its R&T Agent. No fresh request can be generated for the same securities until the issuer or its R&T Agent has rejected the earlier request and informed the depositories and the DP about it.

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