



Companies Act Rule 9B Compulsory Dematerialisation of Securities

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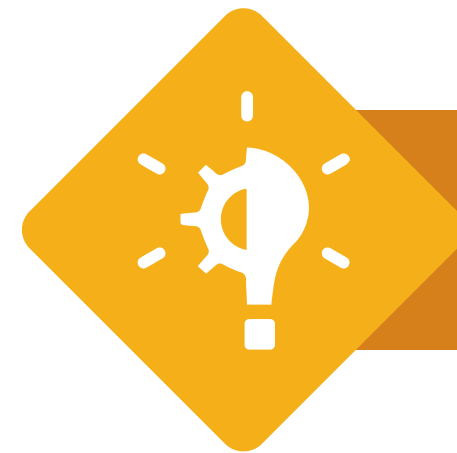


About us...

- 30+ years of experience in capital markets services
- Member – NSE, BSE
- Depository Participant – NSDL, CDS
- SEBI-registered Category I Registrar and Transfer Agent (RTA)
- PFRDA approved Point of Presence (PoPs)
- Extensive client portfolio across all segments

Abhinav Aggarwal
Director, Abhipra





Agenda

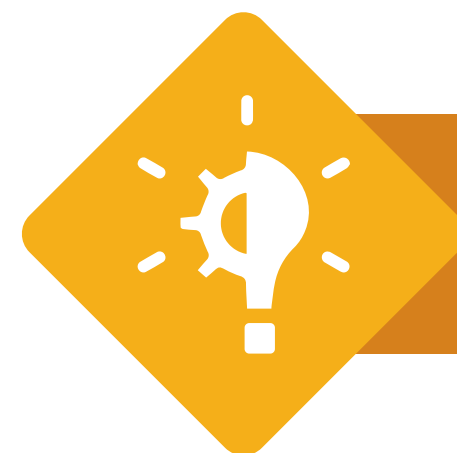
- MCA Notifications dated 27th Oct 2023 & 12th Feb 2025
- Mandate for public companies and private companies (other than small companies) to dematerialise securities
- Last date for compliance: **30th June 2025**

Definition of a 'Small Company' – Sec 2(85)

Companies other than public with :

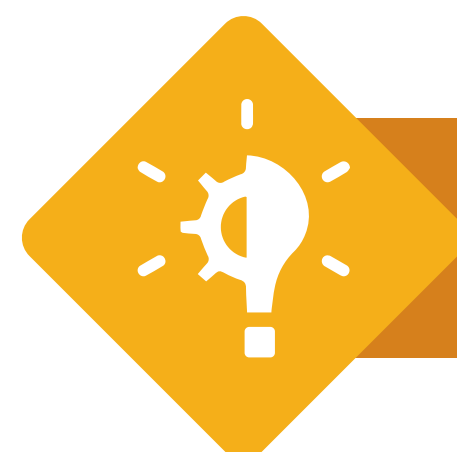
- Paid-up share capital \leq ₹4 crore, and
- Turnover \leq ₹40 crore (as per preceding FY)
- Exclusions:
 - Holding/Subsidiary companies,
 - Sec 8 companies,
 - Companies governed by special Acts





Applicability of Demat Mandate

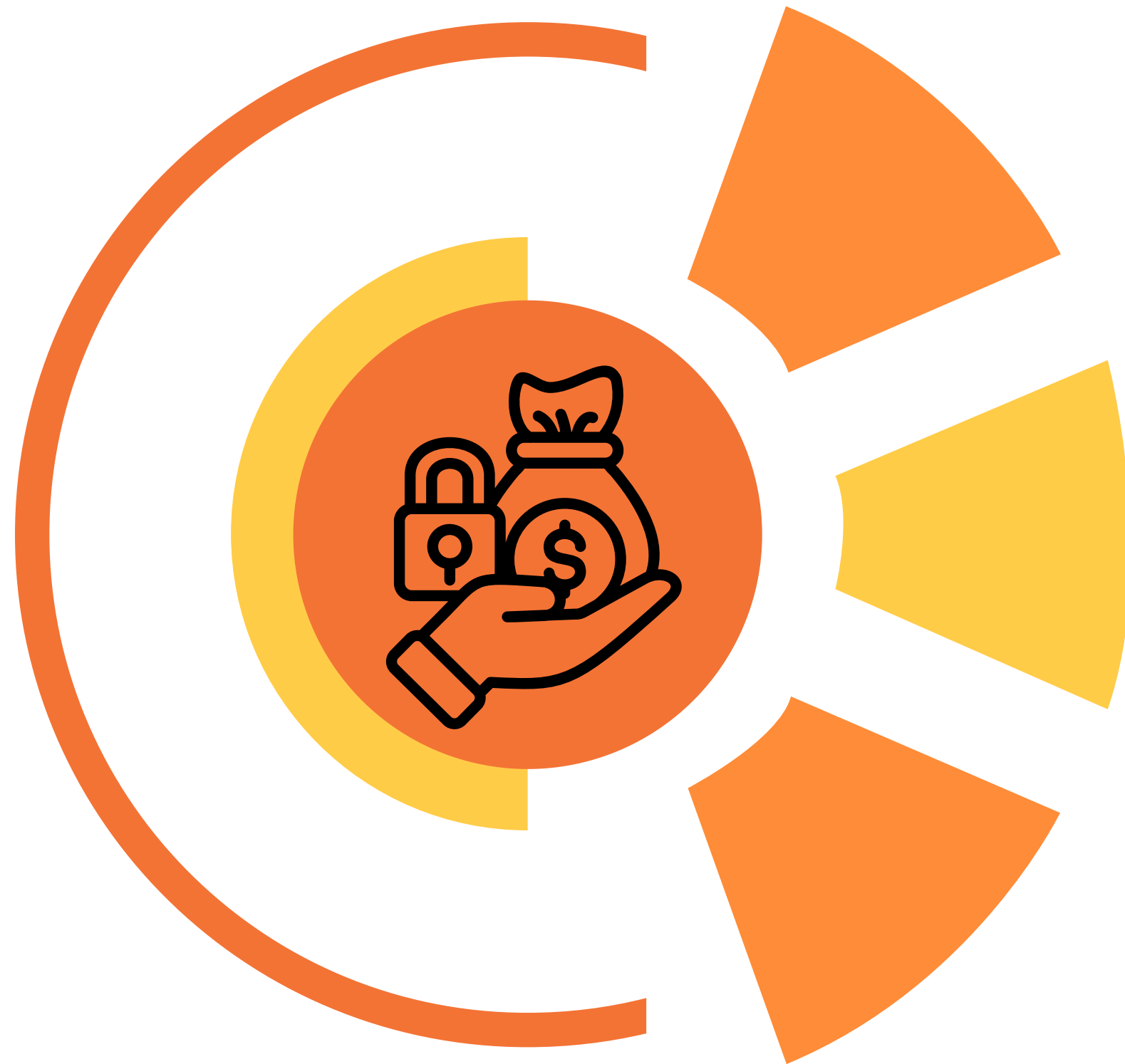
- All public and private companies other than small companies as on 31.03.2023



Compliance Timeline

- 18 months from the end of FY 31.03.2023 → extended to 30th June 2025

What Needs to be Dematerialised?



Equity Shares



Preference Shares



Debentures (convertible or non-convertible)

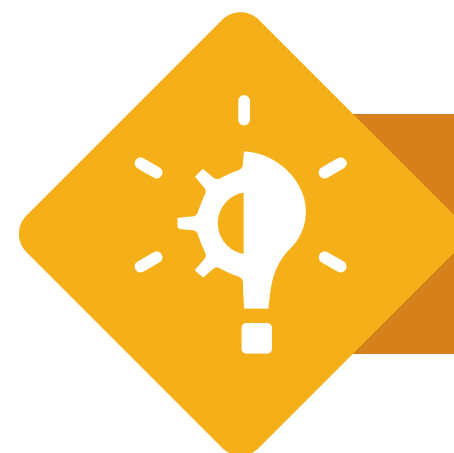


Warrants / Share Warrants



Key MCA Requirements (Rule 9B – Amended)

- All new capital issuance only in dematerialised form
- Demat of all existing securities of:
 - Promoters
 - Directors
 - Key Managerial Personnel (KMPs)
- Transfers only after dematerialisation



Compliance Process Overview

1. Register with NSDL/CDSL as Issuer
2. Appoint a SEBI-registered RTA (like Abhipra)
3. Ensure shareholders open demat accounts with depository participants (like Abhipra)
4. Generate Demat Request for conversion of physical shares to Demat with DP.
5. RTA will approve and shares will be dematerialised

Benefits of Dematerialisation

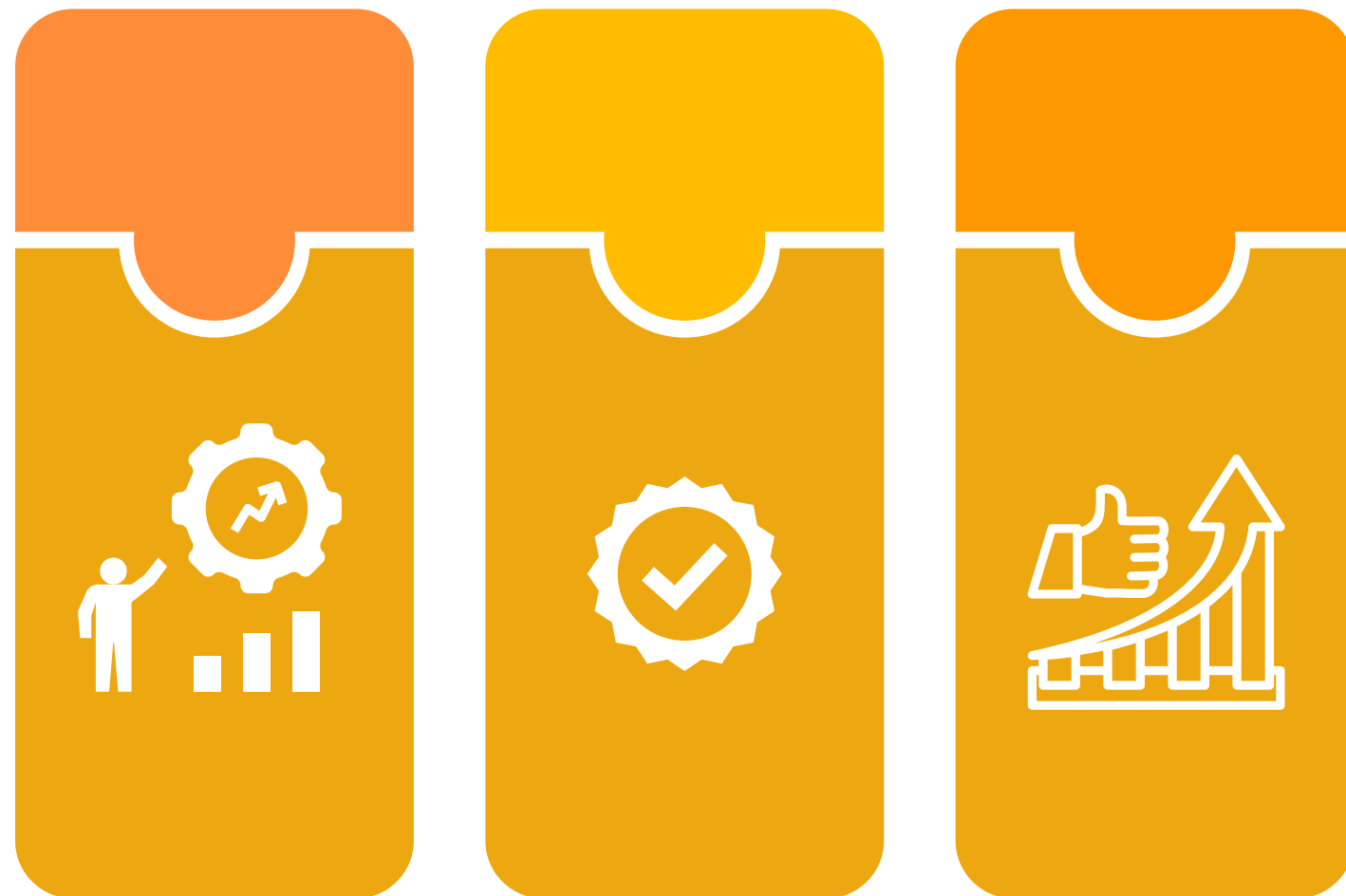


- ✓ Simplified ownership and transfers
- ✓ Elimination of fake / lost certificates
- ✓ Ease of maintenance of records like transfers
- ✓ Transparency for regulators and investors
- ✓ Boosts trust and ease in fundraising, exit planning & JV deals

Strategic Leverage Fundraising & Growth



Dematerialisation enables :



- Private Placements / PE Investment with easier diligence
- Joint Ventures (JV): Faster onboarding of partners via transparent cap tables
- SME IPOs / Mainboard IPOs: Essential pre-requisite for listing
- Debt Funding: Issuance of NCDs / Debentures in demat form

Penalties for Non-Compliance



- The circulars dated Oct 2023 and Feb 2025 are silent about the penalties, but ...
- Regulatory action for failure to comply
- Section 450 : Penal Provisions
 - For Companies : Rs 10,000/- + Rs 1,000/- per day of continued violation (subject to max 2,00,000/-)
 - For Defaulting Officers : Rs 10,000/- + Rs 1,000/- per day of continued violation (subject to max 50,000/-)

How Abhipra Can Assist



End-to-end demat compliance facilitation



RTA services for all types of securities



Liaison with NSDL/CDSL and Support in filing required forms with Depositories



Domestic and Foreign Demat Accounts



Advisory for IPO/JV/Funding readiness

Key Takeaways...



Mandatory for public companies and qualifying private companies



Deadline: 30th June 2025



Ensure early action to avoid bottlenecks



Think of this not just as compliance – but a **Strategic Enabler**

Open for Queries...

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Thank You

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