

VINYL CHEMICALS (INDIA) LIMITED

FOR THE ATTENTION OF SHAREHOLDERS HOLDING SHARES IN PHYSICAL MODE

Transfer of Shares permitted only in dematerialized form w.e.f. 5th December, 2018

The Securities and Exchange Board of India (SEBI) has vide Notification dated 8th June, 2018 **mandated that with effect from 5th December, 2018, transfer of securities would be permitted in dematerialized form only.** Accordingly, from 5th December, 2018 shares **cannot be** transferred in physical form.

With a view to facilitate seamless transfer of shares in future and as advised by the Stock Exchanges, we request you to take immediate steps to open a demat account with any Depository Participant (DP) and dematerialize the physical shares held by you in the Company. Such Shareholders are requested to approach any DP, who is a SEBI registered intermediary (like banks and broking firms) having registration with one of the two depositories viz. National Securities Depository Limited (NSDL) and/or Central Depository Services (India) Ltd. (CDSL) and provides services such as dematerialization of shares, facilitating holding and trading of shares in dematerialized form etc.

The Procedure to dematerialize the physical shareholding held in the Company is given below for your information and necessary action.

- The shareholder will have to submit a request to the DP for dematerialization of shares in a Dematerialization Request Form (DRF), along with the relevant Share Certificate/s. The shareholder/DP will deface the certificate/s by writing/stamping the words "SURRENDERED FOR DEMATERIALISATION".
- The DP will verify that the DRF submitted is duly filled in with necessary details. If the DRF are found to be in order, the DP will issue an acknowledgement slip, duly signed and stamped, to the shareholder.
- The DP will then scrutinize the DRF and share certificate/s. In case the DRF/share certificate/s are not in order, the same will be returned to the shareholder to correct the deficiencies. In case the DRF is in order, the details will be entered in the system and a Dematerialization Request Number (DRN) will be generated and mentioned in the space provided in the DRF.
- The DRF with the DRN mentioned on the same will be forwarded electronically to TSR Darashaw Limited (TSRDL), Registrar and Transfer Agents of the Company through the NSDL/CDSL network reconfirming the same. The DP will also despatch the share certificate/s along with the DRF and a covering letter to TSRDL for verification and approval.

- TSRDL will scrutinize the DRF and share certificate/s and also match the signatures of the shareholder with the specimen signature available in their records. If found in order, TSRDL will confirm acceptance of the request for dematerialisation to NSDL/CDSL who will in turn inform your DP. NSDL/CDSL will then credit the account of your DP in their electronic records and DP will then credit your demat account with the number of shares that have been dematerialised and the shares will thereafter be held in electronic form.
- If the documents (including signatures) are not in order, TSRDL will reject the dematerialisation request and return the documents along with an objection memo to the DP with the reasons for rejection. The DP/shareholder will have to rectify the objection/s as stated in the objection memo. The DP, if the shareholder so desires, may generate a new dematerialisation request and send the share certificate/s once again to TSRDL for dematerialization after rectifying the objections.
- The process of dematerialisation is required to be completed within 21 days from the date of submission of valid dematerialisation request.

In case of any queries in this regard, you may also contact TSRDL at the following address:

TSR Darashaw Limited
Unit: Vinyl Chemicals (India) Limited
6 - 10, Haji Moosa Patrawala Industrial Estate,
20 Dr. E Moses Road, Near Famous Studio,
Mahalaxmi, Mumbai 400 011
Telephone: +91 22 6656 8484
Fax: +91 22 6656 8494
E-mail: csg-unit@tsrdarashaw.com
Website: www.tsrdarashaw.com

Frequently Asked Questions (FAQs) on Dematerialization

A. What are the benefits of Dematerialization of shares?

Shares held in DEMAT form have several advantages and helps eliminate many problems that investors have to face while dealing with securities. They minimize paperwork that is involved with the ownership, trading, and transfer of securities. It facilitates faster transactions and makes trade of securities extremely convenient. There are a wide range of advantages associated with a DEMAT account such as:-

- a. The risks pertaining to physical certificates like loss, theft, forgery and damage are eliminated completely with a DEMAT account.
- b. Less paperwork enables quicker transactions and higher efficiency in trading including immediate transfer of shares and faster settlement cycle.
- c. Ease in portfolio monitoring
- d. The shares that are created through mergers and amalgamation/ acquisitions of companies are credited automatically in the DEMAT account.
- e. There is no need to pay stamp duty on transfer of securities thereby bringing down the cost of transaction significantly.

B. How do I open an account with a Depository and will I be periodically informed about the movement in my electronic account?

You may open an account with a depository participant ('DP') of your choice. As an investor, you will interact with National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL) through your Depository Participant. On submission of Demat account opening form and necessary documents, your DP will allot you an account number which will serve as a reference for all your future dealings with them.

Your DP will update your account after each transaction, and would periodically furnish you with a statement of holding. You may verify this with them at the time of opening your demat account.

C. How do I convert my paper/physical certificates into an electronic holding?

To dematerialise your holding, you should first have an account with a DP of your choice. You may then hand over to your DP, the certificates along with the 'Dematerialisation Request Form' (DRF). Only the securities registered in your name can be submitted for dematerialisation. Your DP will then send the DRF and the certificates to the Registrar and Share Transfer Agent of the Company, TSR Darashaw Limited ('TSRDL') and an electronic request will also be sent through the NSDL/CDSL network reconfirming the same. TSRDL will verify the documents and if found in order, the dematerialisation request will be confirmed to NSDL/CDSL who will in turn inform your DP. In the books of the Company, your folio with TSRDL will be debited and the account of NSDL/CDSL will be credited in respect of such dematerialised securities. NSDL/CDSL in their electronic records will credit the account of your DP who will then credit your account with the number of securities that have been dematerialised and the securities will thereafter be held in electronic form. This process would take approximately 15-20 days.

A. Will I continue to receive corporate benefits?

All corporate benefits such as dividend, interest, bonus shares, rights shares will be issued by TSRDL to the beneficial owners i.e. the accountholders who hold the securities in electronic form. The dividend/interest amounts as and when declared/issued will be sent to you/your bankers directly. The entitlement of rights and bonus shares/debentures wherever applicable, will be credited to the beneficiaries accounts as per the investors' option and the terms of the issue.

B. How do I trade (buy/sell) in electronic form?

You may buy and sell securities in electronic form through the depository by coordinating with your broker and your DP. Such transactions would be simpler and faster. Payments for such transactions would be made in the same way as is done for physical certificates. Securities purchased in electronic form are credited to your account on the very next day of payout with no formalities of filling transfer deeds or applying to the Company for registration.

Such transactions are not routed through the Company and the debit/credit takes place directly in the Depository System. However, corporate benefits would be paid to the person holding such securities on the Record date/Book closure date as applicable.
