

DEADLINE FOR COMPANIES TO DEMATERIALISE ITS SECURITIES BY 30TH SEPTEMBER 2024

On 27th October, 2023, the Central Government by way of a notification G.S.R. 802(E), notified the Companies (Prospectus and Allotment of Securities) Second Amendment Rules, 2023 ('**Amendment Rules**') inserting a new rule 9B making it mandatory for every private company, except a small a company, to issue shares in dematerialised form and facilitate dematerialisation of all its securities in accordance with provisions of the Depositories Act, 1996 (22 of 1996) and regulations made thereunder, on or before 30th September 2024.

As we are fast approaching the deadline to mandatorily dematerialise securities, this is a reminder for every company to dematerialise it securities on or before 30th September 2024 except for small companies. Further, every transfer of securities post 30th September 2024 will not be accepted by the companies, unless the securities are in dematerialised form.

Here is the link to our previous alert on the subject : <https://parinamlaw.com/compulsory-dematerialisation-of-securities-for-private-companies/>

DISCLAIMER

This alert has been written for general information of our clients and should not be treated as a substitute for legal advice. We recommend that you seek proper legal advice prior to taking any action pursuant to this alert. We disclaim all liability for any errors or omissions. For further clarifications, you may write to Mallika Noorani (mallika.noorani@parinamlaw.com) and Mansi Mehta (mansi.mehta@parinamlaw.com).

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