

# Demat360

## Dematerialisation for private companies

India has advanced its financial markets significantly by taking a major step. The Ministry of Corporate Affairs (MCA) has mandated the dematerialisation of securities for private limited companies, excluding small companies and government companies. This directive, introduced through the notification dated 27 October 2023, includes the addition of Rule 9B in the Companies (Prospectus and Allotment of Securities) Rules, 2014.



## Entities Covered

### Private Limited Companies

The Ministry of Corporate Affairs has mandated that no private company is permitted to issue or buy back securities after 30 September 2024, unless the entire holding of securities by its Promoters, Directors, and Key Managerial Personnel has been dematerialised. Private companies (excluding those classified as small companies as of 31 March 2023) must ensure mandatory dematerialisation of their securities within 18 months from the end of FY 2022-23.

The last date for compliance has now been extended to **30 June 2025**.

## Applicable compliances



Securing ISIN for  
each type of  
security



Dematerialisation  
of all existing  
securities



Further issuance  
of all securities  
in dematerialised  
form only



Dematerialisation  
of entire holding  
of Promoters,  
Directors & KMPs



Periodical filings  
and grievances  
of a security  
holders to be  
filed with IEPF

# How Grant Thornton Bharat can help

Reviewing the authenticity of share certificates and reconciliation of shareholdings

Facilitating ISIN generation through NSDL or CDSL, involving application preparation and documentation

Coordinating with RTA for dematerialisation and corporate actions

Assisting in tripartite agreements with Depositories and RTA

Aiding in the establishment of demat accounts for both domestic and international security holders

Assisting in the conversion of existing securities into dematerialised form

Issuing further securities in dematerialised form

Resolving issues related to security certificates and stamp duty, including adjudication

Handling all periodical regulatory filings

Aligning Articles of Association with dematerialisation requirement

Managing investor queries and coordinating with statutory authorities

Advisory and compliance services



Our dedicated team of experts offers comprehensive support in navigating the dematerialisation process. For understanding the implications of the new provisions, please contact:



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