

## **Dematerialisation of Shares :**

Q. What is Dematerialisation (Demat) and what are its benefits?

A. Demat signifies the conversion of a share certificate from its present physical form to electronic form for the same number of holdings. It offers scope for paperless trading whereby share transactions and transfers are processed electronically without involving any share certificate or transfer deed after the share certificates have been converted from the physical to electronic form. Demat attempts to avoid time consuming and complex process of getting shares transferred in the name of buyers.

Q. How does the Depository System operate?

A. The operations in the Depository System involve the participation of a Depository (i.e. NSDL and CDSL at present),, Depository Participants (i.e. Banks, Financial Institutions, Broker House, etc.), Company/Registrars and Investors. A Depository Participant is the agent of the Depository and is the medium through which shares are held in the electronic form. They are also the representatives of the investor, providing the link between the investor and the company through the Depository. The Depository holds securities in accounts for its clients. The Depository is accountable for safe keeping of the securities.

Q. How can I demat my shares?

A. First you have to open an account with a Depository Participant (DP) and obtain a Client ID number Thereafter you have to fill up a Demat Request Form (DRF) provided by the DP and surrender it along with physical shares intended to be dematted to the DP.

Upon receipt of the share certificates and the DRF, the DP will send an electronic request through the Depository to the R & T Agent of the Company for confirmation of demat. Each request will bear a unique transaction number.

Simultaneously, the DP will surrender the DRF and the share certificates to the R & T Agent of the Company with a covering letter requesting the R & T Agent of the Company to confirm the demat. After verifying the documents received from the DP, the R & T Agent of the Company will confirm the demat to the Depository. This confirmation will pass on from Depository to the DP which holds your account. Then the DP credits the account with the dematerialised shares. The DP will then hold the shares in demat form on your behalf and you become the beneficial owner of these shares.

Q. Once my shares are dematted, can I ever get them converted into physical form?

A. Yes you have the option of converting your holding in physical form by submitting a Rematerialisation Request Form (RRF) through your DP. The procedure is similar to that of dematerialisation. Upon receiving such request from your DP, the Company will issue share certificates for the number of rematerialised shares. However, it is to be noted that the shares of all listed entities are traded in secondary market in demat mode only.

Q. What are the chances of any frauds / disputes in using demat account? Whom should I approach in such cases?

A. Common risk factors applicable to trading in physical shares like mismatch in signature, lost in postal transit etc are absent since dematted shares are traded scrip less.

However, in the unlikely event of any dispute, the concerned stock exchange and / or Depository Custodian viz NSDL / CDSL or SEBI would have to be approached for resolving such issues.

Q. Can I pledge my shares in demat form to avail any funding / loan arrangement with my banker?

A. Yes. You will have to contact your DP for this purpose.

### **Dividend :**

Q. I have not received my dividend. What action do I take?

A. You may write to Company's R & T Agent viz Link Intime India Pvt

Ltd. at [pune@linkintime.co.in](mailto:pune@linkintime.co.in) or to the Company at [investorsfeedback@praj.net](mailto:investorsfeedback@praj.net) an email ID designated for investor servicing, furnishing the particulars of the dividend not received. Also quote your DP ID / Client ID (in case you are holding shares in electronic form) or Folio Number (in case you are holding shares in physical form). We will check our records and issue a duplicate dividend warrant / Demand Draft if the dividend remains unpaid in the records of the Company.

Q. What is the procedure for obtaining a duplicate dividend warrant?

A. You may write to Company's R & T Agent at [pune@linkintime.co.in](mailto:pune@linkintime.co.in) or to the Company at [investorsfeedback@praj.net](mailto:investorsfeedback@praj.net) furnishing the particulars of the dividend not received. Also quote your DP ID & Client ID / Folio No. as the case may be If the dividend warrant is shown as unpaid in our Bank Statement, we shall issue a Demand Draft to you expeditiously.

Q. Can I claim old dividends relating to past years that I have not received?

A. As per the present law, the Company retains all unpaid / unclaimed dividends for the past seven years. If you have not received any of these dividends, you may write to Company's R & T Agent at [pune@linkintime.co.in](mailto:pune@linkintime.co.in) or to the Company at [investorsfeedback@praj.net](mailto:investorsfeedback@praj.net) with relevant particulars and we shall arrange to pay the dividend if it remains unpaid / unclaimed in our records.

## **Change of Address :**

Q. If there is a change in my address what is the procedure to get it recorded with the Company?

A. Kindly send a request letter signed by the shareholder(s) providing the new address alongwith Pin Code and Folio Number to our R & T Agent along with following documents :

- Certified copy of your PAN Card OR Passport OR Driving License
- Any of the following documents in support of your present changed address :
  - Original / Certified copy of Electricity Bill
  - Original / Certified copy of Telephone Bill
  - Certified copy of Ration Card
  - Certified copy of your Bank Pass Book our R & T Agent will record the change of address and send you a confirmation.

On receipt of above, our R & T Agent will record the change of address and send you a confirmation.

Q. Can joint – holders request for a change of address?

A. No. The letter of request will require the signature (s) of all holders.

Q. Can there be multiple addresses for a single folio?

A. No. There can be only one registered address for one folio.

Q. [If the shares are dematted, what is the procedure for change of address?](#)

A. Since your Depository Participant maintains your records of dematted shares, you have to inform them about any change in your address. Your Depository Participant will then pass on this information when any action like despatch of Annual Accounts or payment of dividend etc., is due to be taken by the company.

## **Nomination in respect of shareholding :**

Q. [How do I make a nomination with regard to my shareholding?](#)

A. You have to submit a nomination form in prescribed format duly filled in duplicate and signed to our R & T Agent. If you are holding shares along with other holders then all the holders will have to sign the nomination form.

After the form is received by the R & T Agent, and if found in order, a registration number will be allotted to the nomination. A duplicate copy of the nomination form received from you will then be returned back to you with an endorsement indicating the registration number and date.

Nomination can be made only in respect of shares held in physical form. In case of dematted shares, your nomination has to be recorded with your Depository Participant.

Only one nomination can be made for each folio. Folios having different order or combination of names of shareholders will require separate nominations. The format of Nomination Form can be obtained from R & T Agent.

Q. [My shares are held in joint names. Are the joint holders nominees to the shares?](#)

A. Joint holders are not nominees. They are joint holders of the relevant shares having joint rights on the same. In the event of death of any one of the joint holders, the surviving joint holder/s of the shares is/are the only person/persons recognised by the company as the holders of the shares

Q. [Can a nomination once made be changed?](#)

A. Nomination once made can be revoked by a shareholder by giving a fresh nomination. If the nomination is made by joint holders, and one of the joint-holders dies, the remaining joint holder/s can make a fresh nomination by revoking the existing nomination

Q. [What is the legal position of the nominee in case of death of the shareholders?](#)

A. Upon the death of a shareholder, the Nominee, to the exclusion of any other legal heir/beneficiary, is the only person in whom the shares vest. In other words, in case of a valid nomination, the company will not entertain any claim from legal heirs or beneficiaries and the shares will be transmitted only in favour of the Nominee. In case if the nomination is made by joint-holders, the nomination will come into play only upon the death of all the joint holders. Therefore if one of the joint shareholders dies, the shares will devolve on the surviving shareholders to the exclusion of the Nominee. In this case the surviving shareholders may make a fresh nomination if they so desire.

Q. [What is the procedure for the nominee to get the shares registered in his name?](#)

A. Upon death of a shareholder, the nominee is entitled to have the shares transmitted in his favour. He/She will have to give a notice in writing to this effect along with the share certificate(s) of the deceased shareholders. Alternatively, the nominee can transfer the shares held by the deceased shareholder, to a third party. If a nominee opts for registration of shares in his name, he is required to produce proof of identity, e.g., copy of PAN card, copy of passport, driving license, voter's identity card or such other proof to the satisfaction of the company. The nominee should also submit his specimen signature duly attested along with a request for transfer. Upon scrutiny of the documents submitted by the nominee, shares will be transmitted in his favour and share certificates returned to him duly endorsed

Q. [Can the nominee sell the shares without registration in his favour? What is the procedure?](#)

A. Yes, a nominee can sell the shares to a third party (after the death of the registered owner(s)), without registration of shares in his favour. However, the usual procedure for transfer of shares will have to be followed.

Q. [I have shares in the demat form. Can I send the nomination form to the company for making a nomination with respect to my shareholding?](#)

A. No. For making a nomination with respect to dematted shares, you will have to approach your DP. In the account opening form provided by the Depository Participants there is a provision for providing the name of the nominee. Please consult your Depository Participant for further details.

### **Transmission of shares :**

Q. [In case of joint holdings, in the event of death of one shareholder, how do the surviving shareholders get the shares in their names?](#)

A. The surviving shareholders will have to submit a request letter supported by an attested copy of the Death Certificate of the deceased shareholder and the relevant share certificates.

The R & T Agent on receipt of the said documents will delete the name of deceased shareholder from its records and return the share certificates to the applicant/registered holder with necessary endorsement

Q. [If a shareholder who held shares in his sole name dies without leaving a will, how can his legal heir/s \(either husband/wife/son/daughter, etc.\) get the shares transmitted in their names?](#)

A. The legal heirs should obtain a Succession Certificate or Letter of Administration or letter of probate with respect to the shares and a true copy of the same, duly attested by the Court Officer, or Notary should be sent to the R & T Agent along with a request letter, transmission form, and all the share certificates in original, for transmission in their favour.

### **Transposition :**

Q. I hold shares jointly. I want to change the order in which the shares are now held, so that existing joint holder becomes the first holder. What is the procedure for the same?

A. The process of changing the order of the joint holding is called transposition of holdings. For this purpose, you will need to follow the procedure for transfer of shares, with the names of joint holders in the existing order, as transferors and the names of the joint holders in the desired order, as transferee. All the applicable formalities for transfer of shares will have to be complied in this case.

## **MISC. :**

- Q. I hold shares in more than one folio in your Company and want to consolidate all my holdings in one folio. What is the procedure for the same?
- A. If you want to consolidate all your shares held by you in different folios in the Company into any one folio, you will need to follow the procedure for transfer of shares. In this case, transfer will have to be done separately for each different folio. In such transfer, the transferee folio no. in which the consolidation has to be done, has to be entered in the space provided for this purpose in the transfer form. The names of the shareholders in the transferor folio will have to be entered in the space provided for transferor folio and the names of the shareholders in the transferee folio will have to be put in the space provided for transferee. All the other formalities for transfer of shares will have to be complied in this case.
- Q. Praj shares are to be traded compulsorily in demat form. Do I have the option of holding them in physical form?
- A. Yes. Praj's Equity Shares are to be traded compulsorily in demat form w.e.f. 15th March, 2000. But if you desire, you can hold the shares in physical form. However, considering the advantages of scrip less trading, you are requested to consider dematerialisation of your shareholding, so as to avoid inconvenience in future.
- Q. What is National Electronic Clearing Service (NECS)?
- A. Under this system, you can receive your dividend electronically by way of direct credit to your bank account. This avoids a lot of hassles like loss / fraudulent interception of dividend warrants during postal transit. We would strongly recommend that you opt for NECS , if you have not done so already.
- Q. How can I avail of the NECS facility?
- A. If you are holding shares in Electronic Form you are required to register your latest Bank Account details (Core Banking Solutions enabled account number, 9 digit MICS and 11 digit IFS code) with your Depository Participant. If your are holding shares in Physical Form you are required to provide the above details along with your Folio No. to our R & T Agents, Link Intime India Pvt. Ltd. Block No. 202, 2<sup>nd</sup> Floor, Akshay Complex, Near Ganesh Temple, Off Dhole Patil Road, Pune 411 001.