

DEMATERIALIZATION OF SHARES

Frequently Asked Questions (FAQ's)

Trading in the shares of the Company is compulsory in dematerialised form for all investors. The Company has, therefore, enlisted its shares with both the depositories, viz, NSDL and CDSL. This means that you now have the option to hold and trade in the shares of the Company in electronic form.

While most of you may be familiar with how a Depository functions, given below is a brief outline, in question and answer format, which we hope will be useful to you.

1. What is Dematerialization?

Dematerialization is a process by which physical certificates of an investor are converted into electronic form and credited to the account which he/she opens with a Depository Participant (DP).

An investor will have to first open an account with a Depository Participant and then request for the dematerialisation of his share certificates through the Depository Participant so that the dematerialised holdings can be credited into that account. This is very similar to opening a Bank Account.

2. Is it mandatory to hold shares in dematerialised form?

Dematerialisation of shares is optional and an investor can still hold shares in physical form. However, he / she have to de-mat the shares if he / she wish to buy/ sell the same through the Stock Exchanges.

3. What is a Depository?

A Depository (NSDL & CDSL) is an organisation like a Central Bank where the securities of a shareholder are held in the electronic form at the request of the shareholder through the medium of a Depository Participant.

4. Who is a Depository Participant?

Depository Participant (DP) is described as an agent of the depository. They are the intermediaries between the depository and the investors. They hold securities of investors and intimate them the status of their holding from time to time.

5. How does the Depository System operate?

The Depository System functions very much like the banking system. Depository holds securities in accounts for its clients and transfers securities between accounts. The transfer of funds or securities happens without the actual handling of securities. Depositories are accountable for the safe keeping of securities.

6. What are the benefits of having a de-mat account?

- The depository system reduces risks involved in holding physical certificated, e.g., loss, theft, mutilation, forgery, etc.
- It ensures transfer settlements and reduces delay in registration of shares.
- It ensures faster communication to investors.
- It helps avoid bad delivery problem due to signature differences, etc.
- It ensures faster payment on sale of shares.
- No stamp duty is paid on transfer of shares.
- It provides more acceptability and liquidity of securities.
- Facility to pledge and hypothecate your securities available.

7. How do you de-mat your shares?

In order to de-mat your shares/certificates, you have to fill in a Dematerialisation Request Form in triplicate along with the relevant details and submit the same to your DP along with the certificates to be dematerialised. The combination of names in the shares must be same as that in the account.

8. What should an investor do to open a de-mat account?

The process of opening a de-mat account is similar to opening a bank account.

- a. Investor has to first choose a DP based on his convenience and the DP's charges.
- b. Besides submitting an application in the prescribed form, the intending de-mat account holders, including joint holders, if any, should personally visit and submit the following to the DP,
 - A photocopy of the PAN card along with the original for verification by the DP.
 - Address proof such as passport, Voter ID Card, ration card, driving license, bank passbook. Verified copies of Telephone bills (not more than two months old), Electricity bills (not more than two months old) etc.
- c. Before opening the de-mat account, the investor will have to execute an agreement on a stamp paper to be provided by the DP, which defines the rights and obligations of both, the investor and the DP.
- d. On opening a de-mat account, a unique BO ID (Beneficial Owner Identification) Number is allotted, which should be quoted in all future transactions.

9. How long would it take my account to be credited when I submit my shares for dematerialisation?

Your account will be credited typically in 15-21 days.

10. How do I get my dividends on dematted shares? Will I get the Annual Report after I de-mat my shares and would I be able to attend the AGM?

The Depositories will give the list of de-mat account holders and the number of shares held by them in electronic form on the Record date to the Registrars and Transfer Agents of the Company (known as Benpos). On the basis of Benpos, the Company will issue dividend warrants in favour of the de-mat account holders. The rights of the shareholders holding shares in de-mat form are at par with the holders in physical form. Hence you will be eligible to get the Annual Report and will have the right to attend the AGM as a shareholder.

11. Can your dematted shares be converted back into physical shares?

Yes, definitely. If you wish to get your securities in the physical form all you have to do is to submit a Rematerialisation Request Form (RRF) through your DP in the same manner as Dematerialisation.

12. Will you get back the same certificates after rematerialisation?

It does not really matter at all. The Registrars and Transfer Agents will print new certificates with a new range of certificate numbers. You will be allotted a new folio number; however if you already have an existing folio number you may be allotted the same.

13. Do you have to keep any minimum balance of securities in your account?

A de-mat account can be opened and maintained even with nil balance.

14. Who can I approach for further information or clarifications in the matter?

Your share broker can be of assistance to you. The Registrars and Transfer Agents (for TDPS it is Link Intime, Mumbai) will also be happy to provide any clarifications. Their contact details are given below;

M/s. Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078

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