

HIMACHAL FUTURISTIC COMMUNICATIONS LIMITED

Corp. Office: 8, Commercial Complex, Masjid Moth, GK-II, New Delhi-110048

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COMPULSORY DEMATERIALISATION (DEMAT) OF SHARES

We would like to inform you that the Securities and Exchange Board of India ("SEBI") vide its notification dated 8th June, 2018 has issued the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 which has mandated that the requests for transfer of securities will be processed only if the shares are held in dematerialized form (DEMAT). This provision is not applicable for transmission and transposition of securities. The said regulation shall come into force on the one hundred and eightieth day from the date of its publication in the official gazette i.e. by **December 05, 2018**.

In view of above, the Company will not accept any request for transfer of shares in physical form w.e.f. December 05, 2018. You are, therefore, requested to dematerialize your securities at the earliest to avoid any hassle while transferring the securities in future.

HOLDING SHARES IN DEMAT FORM HAS FOLLOWING BENEFITS OVER PHYSICAL HOLDING:

1. Freedom from physical storage of securities;
2. Elimination of chance of theft, mutilation, defacement etc.;
3. No stamp duty for transfer of securities – bringing down the cost of transaction significantly;
4. Easy to carry out any change/alteration in personal particulars across all companies in which securities are held by making single request for such change with your Depository Participant;
5. Monitoring of securities held in Demat form can be done from anywhere;
6. The lack of paperwork enables quicker transactions and higher efficiency in trading;
7. No odd lot problem exists; even one share can be sold;
8. Convenient to take loan against securities which are held in DEMAT account by offering it as a collateral to the lender.

For opening the Demat Account, you can get in touch with any Depository Participant having registration with the Securities and Exchange Board of India. You may also visit websites of depositories viz., National Securities Depository Limited (NSDL) or Central Depository Services (India) Ltd (CDSL) for further understanding about the demat procedure:

NSDL Website:<https://nsdl.co.in/faqs/faq.php>

CDSL website:<https://www.cdslindia.com/investors/open-demat.aspx>

PROCEDURE FOR DEMATERIALIZATION OF SHARES

- a. The registered owner (shareholders) needs to submit a request to the concerned Depository Participant (DP) in the Dematerialisation Request Form (DRF) for dematerialisation, along with the certificates of shares to be dematerialised.
- b. The DP will deface the certificates by writing "SURRENDERED FOR DEMATERIALIZATION".
- c. The DP will verify the DRF and certificates and issue an acknowledgement slip, duly signed and stamped, to the shareholder.
- d. The DP will thereafter scrutinize DRF and certificates. In case the DRF/certificates are not in order, the same will be returned to the shareholder for removing deficiencies. In case DRF/certificates are in order, the details mentioned in the DRF and certificates will be entered in the software system/internet application provided by the Depository and a Dematerialisation Request Number (DRN) will be generated.

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- e. The DRF with the DRN mentioned on it, will then be released electronically to the company/Registrars and Transfer Agents of the Company (RTA).The DP will also despatch the certificates along with the DRF to the Company/RTA for verification and approval.
- f. The Company/RTA will, after due verification of DRF and certificates, confirm acceptance of the request for dematerialisation in the necessary software system/internet application.
- g. The Depository's software system will then electronically create and credit appropriate number of shares in the shareholder's demat account.
- h. The DP will inform the shareholders of the changes in the shareholders demat account following the confirmation of the DRF.
- i. The Company/RTA may reject dematerialization request in some cases and will send an objection memo to the DP, with or without DRF and certificates depending upon the reason for rejection. The DP/shareholders has to remove reasons for objection within 15 days of receiving the objection memo. If the DP/shareholder fails to remove the objection within 15 days, the Company/RTA may reject the request and return DRF and accompanying certificates to the DP. The DP, if the shareholders so requires, may generate a new dematerialization request and send the certificates again to the Company/RTA for dematerialisation. No fresh request can be generated for the same securities until the Company/RTA has rejected the earlier request and informed the Depository and DP about it.

The Process of dematerialisation is completed within 21 days from the date of submission of a valid dematerialisation request.

For any queries, Shareholders may contact the Share Department of the Company at the following address:

Share Department
Himachal Futuristic Communications Limited
8, Commercial Complex, Masjid Moth
Greater Kailash –II, New Delhi – 110048
Tel: 011-30882624
Email:Investor@hfcl.com

FREQUENTLY ASKED QUESTIONS ON DEMATERIALISATION/REMATERIALISATION

1. What is Depository Participant (DP)?

A depository is an institution holding a pool of pre-verified shares held in electronics mode that offers efficient settlement of transactions for e.g. National Securities Depository Limited (NSDL) or Central Depository Services (India) Ltd (CDSL).

A Depository Participant (DP) is an intermediary between the investor and the depository. A DP is typically a financial organization like a bank, broker, financial institution, or custodian acting as an agent of the depository to make its services available to the investors. Each DP is assigned a unique identification number known as **DP-ID**.

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

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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 Limited (CDSL) through your Depository Participant. Your DP will allot you an account number known as **Clent ID** 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 electronic account.

3. Will I continue to receive corporate benefits?

All the corporate benefits such as dividend, interest, bonus shares, rights shares will be issued by the Company 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 through 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.

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

You may buy and sell securities in electronic form at stock exchanges through the depository by co-ordinating 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 was done for physical certificates. Securities purchased in electronic form are credited to your Demat account on the T+2 working days ("T" means transaction days). There will not be any 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.

5. How can I reconvert any electronic holding into paper/physical form? (Rematerialisation)

As per the existing guidelines, an investor can choose to reconvert his electronic holding into physical form at any time through his DP. On receipt of the rematerialisation request along with the 'Remat Request Form' (RRF) the Company will issue fresh certificates.