

Frequently asked questions on Dematerialisation of Shares

A. What is Dematerialization of Shares and what are its Benefits?

Dematerialization ('Demat' in short form) signifies conversion of a share certificate from its present physical form to electronic form for the same number of holding.

SEBI vide Gazette notification dated June 8, 2018 has amended Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and mandated that transfer of securities would be carried out in dematerialized form only.

Therefore, request for effecting transfer of securities shall not be processed unless the securities are held in the Dematerialized form with the depository with effect from December 5, 2018. Therefore, please note that R&T agent and Company will not be accepting any request for transfer of shares in physical form with effect from December 5, 2018. This restriction shall not be applicable to the request received for transmission or transposition of physical shares.

Shares held in DEMAT form have several advantages and helps eliminate many problems that investors have to face while dealing with securities. They minimise paperwork that is involved with the ownership, trading, and transfer of securities. It facilitates faster transactions and makes trade of securities extremely convenient. There are a wide range of advantages associated with a DEMAT account such as:-

- a. The risks pertaining to physical certificates like loss, theft, forgery and damage are eliminated completely with a DEMAT account.
- b. The lack of paperwork enables quicker transactions and higher efficiency in trading including immediate transfer of shares and faster settlement cycle.
- c. Ease in portfolio monitoring
- d. The shares that are created through mergers and consolidation of companies are credited automatically in the DEMAT account.
- e. There is no need to pay stamp duty on transfer of securities thereby bringing down the cost of transaction significantly.

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

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 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.

C. How do I demat my Shares ?

To dematerialize your holding, you should first have an account with a DP of your choice. You may then hand over to your DP, the certificates along with the 'Dematerialisation Request Form' (DRF). Only the securities registered in your name can be submitted for dematerialization. Your DP will then send the DRF and the certificates to the Registrar and Share Transfer Agents of the Company and an electronic request will also be sent through the NSDL/CDSL network reconfirming the same. Registrar and Share Transfer Agents will verify the documents and if found in order, the dematerialization request will be confirmed to NSDL/CDSL who will in turn inform your DP.

NSDL/CDSL in their electronic records will credit the account of your DP who will then credit your



UFLEX LIMITED

(Formerly known as Flex Industries Limited)

Regd. Office : 305, 3rd Floor, Bhanot Cornner, Pamposh Enclave, Greater Kailash-I, New

Delhi-110 048 Phone : +91-11-26440917, 26440917 Fax : +91-11-26216922

Website: www.uflexltd.com E-mail ID: flexsec@vsnl.net CIN No. L74899DL1988PLC032166

Frequently asked questions on Dematerialisation of Shares

account with the number of securities that have been dematerialized and the securities will thereafter be held in electronic form. This process would take approximately 15-20 days.

D. What are the charges to be paid to demat one's physical shares? Will the company pay it or do I have to pay for it?

The charges differ from DP to DP and therefore you will have to contact your DP for the same. The charges for demat have to be borne by the shareholder.

E. Will I continue to receive corporate benefits?

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

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

You may buy and sell securities in electronic form 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 is done for physical certificates. Securities purchased in electronic form are credited to your account on the very next day of payout with no 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.

However, corporate benefits would be paid to the person holding such securities on the Record date/Book closure date as applicable.