

FAQs DMAT & DP SERVICES

I. General

1.What is a depository?

Ans. A depository can be compared to a bank. A depository holds securities, in electronic form.

2.How can I avail the service of a depository?

Ans. If an investor wants to avail the services offered by the depository, he has to open a D'mat account with a DP.

II. Benefits/Services

1.What are the benefits of participation in a depository?

Ans. The benefits of participation in a depository are:

Immediate transfer of securities;

No stamp duty on transfer of securities;

Elimination of risks associated with physical certificates such as bad delivery , fake securities , etc.;

Reduction in paperwork involved in transfer of securities;

Reduction in transaction cost;

Nomination facility;

Change in address recorded with DP gets registered electronically with all companies in which investor holds securities and this eliminates the need to correspond with each company separately;

Transmission of securities is done by DP eliminating correspondence with companies;

2.What are the facilities offered by us?

Ans. DPs offers following facilities: -

Dematerialisation i.e., converting physical certificates to electronic form;

Rematerialisation i.e., conversion of securities in demat form into physical certificates;

Facilitating repurchase / redemption of units of mutual funds;

Electronic settlement of trades in stock exchanges connected to us;

Pledging/hypothecation of dematerialised securities against loan;

Electronic credit of securities allotted in public issues, rights issue;

Receipt of non-cash corporate benefits such as bonus, in Electronic form;

Freezing of demat accounts, so that the debits from the account are not permitted;

III. Account Opening

1.What should I do when I want to open an account with a DP?

Ans. You can approach any of our DP authorised branches for opening a Demat account. At the time of opening an account, you have to sign an agreement with us in a DPs prescribed standard agreement, which details your and our rights and duties. You have to submit the following with the prescribed account opening form. In case you want to open account jointly with other person(s), following should be submitted for all the account holders.

Proof of Identity (POI) (copy of any one proof):

✓ ***Passport***

✓ ***Driving license***

✓ ***Voter ID Card***

Proof of Address (POA) (copy of any one proof):

Ration card

Driving license

Passport

Bank passbook

Voter ID Card

FAQs DMAT & DP SERVICES

- ✓ **Passport-size photograph.**
- ✓ **A specimen of the MICR Cheque leaf.**

PAN card with photograph is mandatory for opening of Demat Accounts

You must remember to take original documents for verification. We will carry-out “in-person verification” of account holder(s) at the time of opening your account.

2.Can I open more than one account with the same DP?

Ans. Yes. There is no restriction on the number of accounts you can open with a DP.

3.Am I restricted to having account with only one DP?

Ans. No. There are no restrictions on the number of DPs you can open accounts with.

4.Can I open a single account for securities owned in different ownership patterns such as securities owned individually and securities owned along-with my wife?

Ans. No. The demat account must be opened in the same ownership pattern in which the securities are held in the physical form. e.g. if share certificate is in your individual name and another certificate is jointly held in your and your wife's name, two different accounts would have to be opened.

5.What do I do if I have physical certificates with the same combination of names, but the sequence of names is different some certificates with husband as first holder and wife as second holder and other set of certificates with wife as first holder and husband as the second holder?

Ans. In this case you may open only one account with husband and wife as the account holders and lodge the security certificates with different order of names for dematerialisation in the same account. You will fill-up an additional form called " Transposition cum Demat" form (available at our website). This would help you to effect change in the order of names as well as dematerialise the securities.

6.Can someone else operate my account on my behalf on the basis of a power of attorney ?

Ans. Yes, you can authorise any person to operate your account by executing a power of attorney.

7.Can I operate a joint account on "either or survivor" basis just like a bank account?

Ans. No. The demat account cannot be operated on "either or survivor" basis like the bank account.

8.Can I add or delete names of accountholders after opening the account?

Ans. No, Names of the accountholders for a depository account cannot be changed under any circumstances.

9.What should I do if my address is changed? Do I need to write to each company separately?

Ans. In case your address is changed, you only need to inform the new address to us alongwith copy of the Proof. When we enter the new address in the depository computer system, it will be automatically conveyed to all companies in which you hold shares.

V. Nomination

1.Who can nominate?

Ans. Nomination can be made only by individuals holding beneficiary accounts either singly or jointly. Non-individuals including society, trust, body corporate, partnership firm, karta of HUF holder of power of attorney cannot nominate. The power of attorney holder for NRI cannot nominate on behalf of NRI. Nomination can be made account wise only and not security wise.

2.Can a minor nominate?

Ans. No, a minor cannot nominate either directly or through its guardian.

FAQs DMAT & DP SERVICES

3. Who can be a nominee?

Ans. Only an individual, including NRI, can be a nominee. A nominee shall not be a society, trust, body corporate, partnership firm, karta of Hindu Undivided Family or a power of attorney holder.

4. Can a minor be a nominee?

Ans. Yes, a minor can be a nominee. In such a case, the guardian will sign on behalf of the nominee and in addition to the name and photograph of the nominee, the name, address and the photograph of the guardian must be submitted to us.

5. What is the procedure for nomination?

Ans. The nomination form duly filled-in should be submitted to the DP either at the time of account opening or later. The account holder, nominee and two witnesses must sign this form and the name, address and photograph of the nominee must be submitted.

6. Can the nominee be changed?

Ans. Yes, the nomination can be changed anytime by the account holder/s by simply filling up the nomination form once again and submitting it to the DP.

VI. Transmission

1. What does transmission mean in relation to demat accounts?

Ans. Transmission is the process by which securities of a deceased account holder are transferred to the account of the surviving joint holder(s)/nominee/legal heirs of the deceased account holder. Process of transmission in case of dematerialised holdings is more convenient as the transmission formalities for all securities held in a demat account can be completed by submitting documents to us.

VII. Dematerialisation

1. What do you mean by dematerialisation?

Ans. Dematerialisation is the process by which physical certificates of an investor are converted to an equivalent number of securities in electronic form and credited in the investor's account with its DP. In order to dematerialise certificates; an investor will have to first open an account with a DP and then request for the dematerialisation of certificates by filling up a dematerialisation request form [DRF], which is available with the DP and submitting the same along with the physical certificates.

2. Can I dematerialise any share certificate?

Ans. You can dematerialise only those certificates that are already registered in your name and are in the list of securities admitted for dematerialisation with us. You can get an updated list of these companies from the NSDL website at www.nsdl.co.in.

3. How long does the dematerialisation process take?

Ans. Dematerialisation will normally take about 30 days.

VIII. Trading / Settlement

1. What is the procedure for selling dematerialised securities?

Ans. The procedure for selling dematerialised securities is very simple. After you have sold the securities, you would instruct us to debit your account with the number of securities sold by you and credit your broker's clearing account. This delivery instruction has to be given to us using the delivery instruction slips given by us at the time of opening the account.

FAQs DMAT & DP SERVICES

3.What do you mean by 'Market Trades' and 'Off Market Trades'?

Ans. Any trade settled through a clearing corporation is termed as a 'Market Trade'. These trades are done through stock brokers on a stock exchange. 'Off Market Trade' is one which is settled directly between two parties without the involvement of clearing corporation. The same delivery instruction slip can be used either for market trade or off-market trade by ticking one of the two options.

4.What precautions do I need to observe with respect to Delivery Instruction Slips [DIS]?

Ans. The following precautions are to be taken :-

Ensure and insist with your DP to issue DIS book; do not accept loose slips.

Ensure that DIS numbers are pre-printed and DP takes acknowledgment from you for the DIS booklet issued to you.

Ensure that your account number [client id] is pre-stamped.

If your account is a joint account, **all the joint holders have to sign** the instruction slips. Instruction cannot be executed if all joint holders have not signed.

Do not leave signed blank DIS with anyone viz. broker/sub-broker.

Keep the DIS book under lock and key when not in use.

If only one entry is made in the DIS , strike out remaining space to prevent misuse by any one.

Please fill in target account -Id and all details in the DIS, **yourself**.

5.What is 'execution date' given in the delivery instruction form?

Ans. Execution date is the date on which securities will be actually debited from your account. You may issue the instruction well in advance of the date on which you want the securities to be debited from your account but your account will be debited only on the execution date. DPM system will record the date and will debit your account only on that date. This facility is called future execution date facility. This eliminates the risk of non-execution of instruction due to lack of time or last minute rush is covered.

IX. Charges

1.What will be the charges for account opening and other depository related transactions?

Ans. The charges for various services are mentioned in the Schedule of Charges that forms a part of the account opening agreement. You may keep a copy of this for your future reference.

X. Inter Depository Transfers

1.If my depository account is with Indian Bank, can I receive my securities from an account holder having account with some other depository in India?

Ans. Yes, Inter depository transfers are possible.