

**9.12. DEMATERIALISATION OF GOVERNMENT SECURITIES**

9.12.1. Credit of securities into the Depository shall be made on account of dematerialisation of physical securities or on account of transfer from Subsidiary General Ledger (SGL) accounts maintained by other eligible entities or on fresh issue of securities in dematerialised form.

9.12.2. A Client may convert his physical holding of securities into dematerialised form by making an application to the Participant in the Dematerialisation Request Form (DRF-GS) along with relevant security certificate and form of transfer prescribed by RBI as contained in the Business Rules.

9.12.3. A Client may transfer his holdings in dematerialised form held in an SGL account with other eligible entity by making an application to the Participant in the Dematerialisation Request Form (DRF-GS) as prescribed under the Business Rules.

9.12.4. In case the request is for dematerialisation of physical certificates, the Participant shall forward the DRF-GS and the documents so received, along with the security certificates, to the Depository after electronically registering such a request in the DPM. Such DRF-GS shall be forwarded by the Participant to the Depository not later than seven days of accepting the same from its Client.

9.12.5. In case the request is for transfer of holdings from an SGL account of the other eligible entity to depository, the Participant shall register such request in the DPM electronically and forward request in such form and manner to the depository as may be specified in the Business Rules.

9.12.6. The Depository shall cause the necessary credit entries to be made in the account of the Client concerned, after obtaining prior approval from RBI for conversion of physical securities into SGL balances or for transfer of balances from SGL account maintained by other eligible entities, as the case may be.

9.12.7. Where any dematerialisation request is rejected by RBI, the Depository shall electronically intimate the Participant regarding such rejection within a period of seven days.

9.12.8. On receipt of rejection of the dematerialisation request, the Depository shall return the DRF along with the relevant security certificates and documents submitted by the Client unless the reasons for such rejections are:-

- a) the security certificates lodged by the Client are reported to be stolen;
- b) the security certificates are reported to be forged or fake;
- c) an order from a court or a competent statutory authority restraining the Depository from doing so;
- d) any other reason which in the opinion of RBI, that it would not be proper to return the security certificates.

### **9.13. WITHDRAWAL OF GOVERNMENT SECURITIES FROM THE DEPOSITORY**

9.13.1. A Client or a Participant holding its own securities in the Depository may withdraw the same and seek physical certificate or seek transfer to an SGL account of other eligible entity by making an application to that effect to the Depository in the Rematerialisation Request Form (hereinafter referred to as RRF-GS) as specified in the Business Rules.

9.13.2. On receipt of the RRF-GS, the Participant shall check whether sufficient free relevant security balance is available in the account of the Client. If there is sufficient balance, the Participant shall accept the said RRF-GS and block the balance of the Client to the extent of the requested quantity and electronically intimate the request to the Depository.

9.13.3. On receipt of the request referred to in Bye Law 9.13.2 above, the Depository shall block the balance of the Participant to the extent of rematerialisation quantity in Depository system.

9.13.4. In case the request is for physical certificates, the Participant shall forward the RRF-GS and documents so received to the Depository within seven days of accepting such request from the Client. The Depository shall forward the rematerialisation request to RBI in the form prescribed by RBI.

9.13.5. In case the request is for transfer to an SGL account with other eligible entity, the Participant shall register such request in the DPM electronically and forward request in such form and manner as may be specified in the Business Rules.

9.13.6. In case the request was for physical certificates, the Depository shall receive from RBI the physical certificates in its name and execute a form of transfer as prescribed by RBI in favour of the Client. The Depository shall confirm the acceptance of RRF-GS electronically and forward the physical certificates along with the form of transfer to the Client directly.

9.13.7. In case the request was for transfer to an SGL account with other eligible entity, the Depository shall confirm the acceptance of RRF electronically to the Participant, after obtaining approval from RBI.

9.13.8. On receipt of such confirmation from RBI as mentioned in clause 9.13.6 and 9.13.7 above, the Depository shall remove the balances from the respective Participant's account and the Participant shall remove the balances from the respective Client's account.