Demat and Remat of Securities



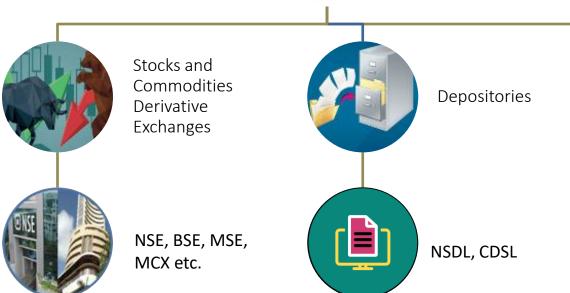


Indian Securities Market - Overview



Market Regulator SEBI







Other Intermediaries



Stock Brokers, RTAs, Mutual Funds, Investment Advisors etc.

Starting Investment in Securities Market



Accounts Required



Bank Account



Trading or Broking Account

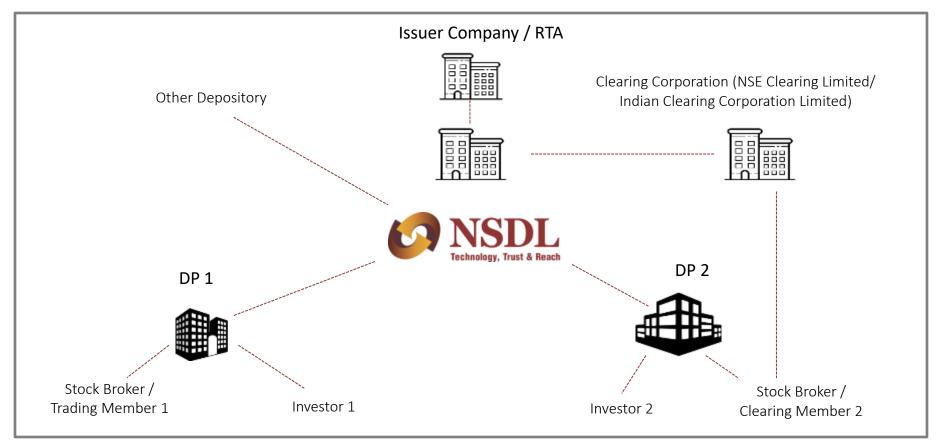


Demat Account

Many DPs offer a 3-in-1 account opening facility which gives you the convenience of opening a trading, demat and bank account – all together. Now many DPs are offering online demat account opening. Trading or Broking account is required only if you want to buy / sell shares through stock exchange.

Indian Securities Market - Depository System





Services offered by Depository Participant

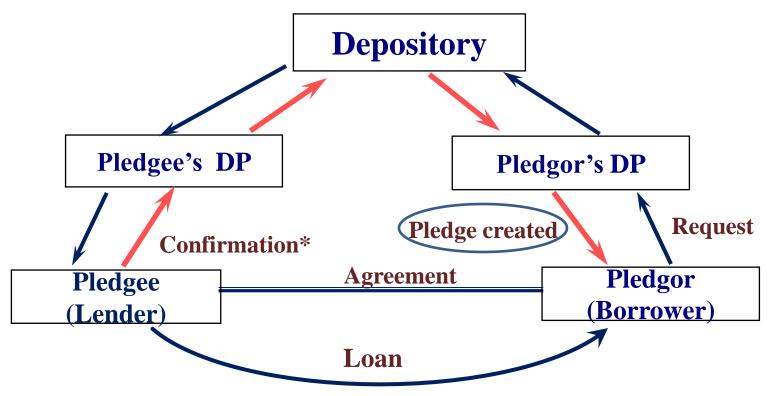




^{*}Even unlisted shares can be dematerialized. **Transfer of securities held in physical form not allowed w. e. f. April 1, 2019. Re-lodgement of transfer deeds which were submitted prior to this, but were rejected or returned, was allowed till March 31, 2021. Shares pending for transfer with listed company / its RTA shall be issued only in demat.

Pledge Creation and Confirmation

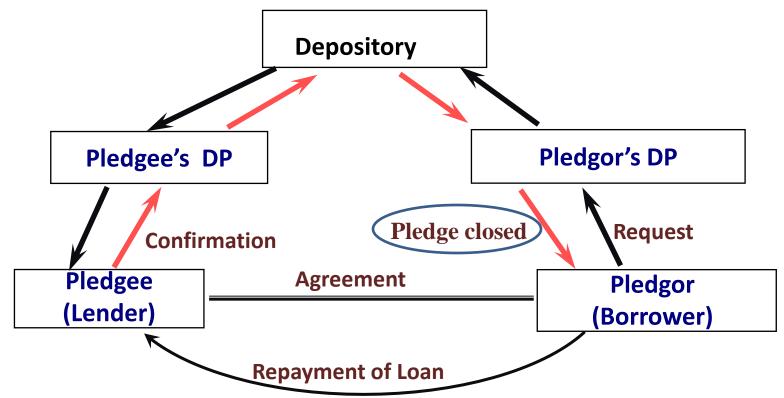




^{*} Not needed if Pledge Standing Instruction is enabled

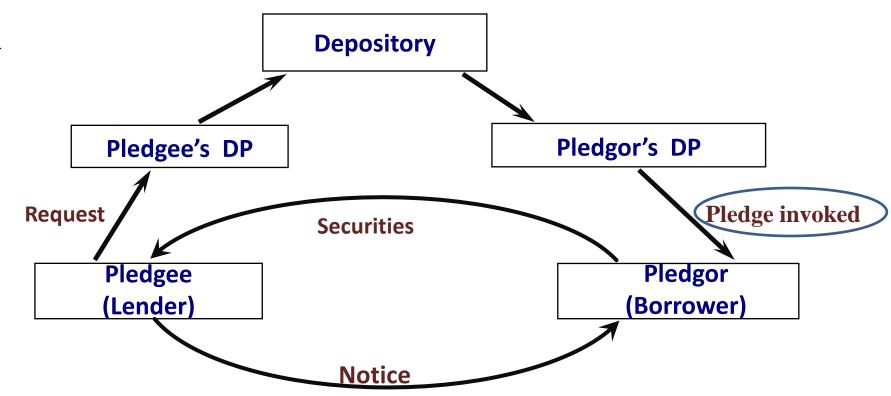
Pledge Closure (Normal)





Pledge Invocation





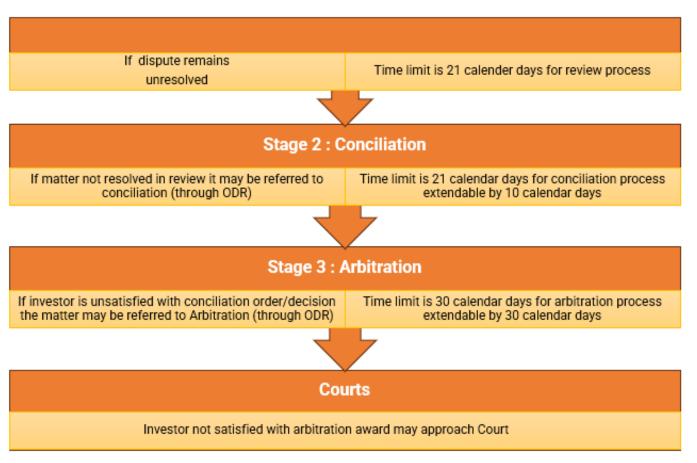
SMART Online Dispute Resolution (SMART ODR) Mechanism



- 1. An investor/client (including institutional/corporate client) shall first take up grievance directly with the Market Participant by lodging a complaint.
- 2. If the grievance is not redressed satisfactorily, the investor/client may escalate through SEBI SCORES.
- 3. If the investor/client is still not satisfied with the outcome, then the investor/client can initiate ODR through the SMART ODR portal.
- 4. An investor/client can initiate dispute through ODR if grievance is lodged directly with Market Participant and remains unresolved; <u>OR</u> after lodging grievance on SCORES and is not satisfactorily resolved.
- 5. Market Participant may also initiate dispute through the ODR Portal by giving notice period of 15 calendar days to the investor/client for resolution of the dispute, which is not resolved.
- 6. For more information, visit SEBI Circular No. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 dated July 31, 2023 on SEBI website.

Stages of SMART ODR





Key points on Anti-Money Laundering



Legislative and Regulatory References

- Prevention of Money Laundering Act, 2002
- Prevention of Money Laundering (Rules), 2005
- SEBI Master Circular October 15, 2019

What is Money Laundering (ML)?

• Money Laundering is "the process in which the proceeds of crime are converted and disguised as legitimate assets"

What is Anti-Money Laundering (AML)?

• Anti-Money Laundering is "the initiative to effectively prevent, detect, control and report ML activities to the authorities"

What are Suspicious Transactions?

Transactions (including attempted transactions), that may involve proceeds from a predicate offence, do not have any economic rationale, made in circumstances of unusual or unjustified complexity or gives rise to a reasonable ground of suspicion that it may involve financing of activities relating to terrorism

Key Authorities – Financial Intelligence Unit (FIU-IND), Ministry of Home Affairs and the Enforcement Directorate

Key points for all Investors



Índividuals:

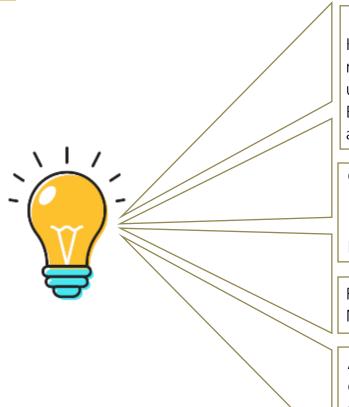
- Provide officially valid documents for proof of identity and address
- Furnish correct information on income, occupation, business, marital status, etc.
- Provide accurate financial information salary or business income as applicable
- Inform about any changes to the above information
- Invest only using own sources of funds, not third party funds
- Do not fall prey to any gimmicks or schemes from anyone

Non – Individuals:

- Provide officially valid documents for proof of identity and address
- Furnish information about Beneficial Owner(s), where applicable
- Furnish all other related documents (AoA, MoA, Partnership deed, ASL, etc.)
- Provide correct information about nature and type of business
- Changes to the above information may be duly informed to DPs

Cooperate with DPs who may seek any additional information for due diligence
Be diligent and aware about various money laundering schemes
Contact your DP or broker in case of any doubts





Keep record of documents signed, account statements, contract notes received and payments made. Save important emails and take periodic back up of data.

BO may note that off-market transfer of shares leads to change in ownership and cannot be treated as pledge.

Change password of your online accounts frequently.

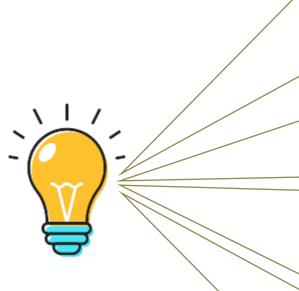
Never share your passwords, OTP, CVV and PIN with any one.

Never click on suspicious links received via SMS, email or social media platforms.

Read SMS, emails, letters, statements, bills sent by your broker, bank, DP and NSDL. These are sent to you to keep you updated.

Accept the DIS only if serial number is pre printed and Client ID is pre stamped or pre printed. Keep DIS in safe custody. Do not to leave the DIS "blank or signed" with the Depository Participants (DPs) or any other person/entity when not in use.





- Inform your DP about any change in your Personal Information such as address, bank account immediately.
- If your DP is offering you an online account opening facility, you also have the facility to close your account online.

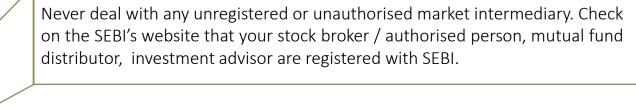
Always mention your Mobile Number and email ID in account opening form and keep them updated.

NSDL publications and presentations are available in Hindi, English and other languages at www.nsdl.co.in → Education

Schedule of Awareness Programs, Registration, Feedback and Webinar Recordings are available at www.nsdl.co.in → Education

Be a Prudent Investor – Don'ts







Never invest with borrowed money. Avoid unnecessary loans and credits.

Nominate Karo - Surakshit, Samajhdaar, aur Atmanirbhar Niveshak Bano!



NOMINATE YOUR LOVED ONES TODAY!!

Opt-in/Opt-out of Nomination in your demat account for ensuring smooth transmission of securities and to prevent accumulation of unclaimed assets in securities market.







SCAN TO NOMINATI ONLINE*

*Applicable to single demat account holder (Resident Individual) who have not opted-in/opted-out for Nomination in their demat account.

www.nsdl.co.in







Do Not Fall Prey To Stock Tips, Hot Picks etc. Circulated on Twitter, Instagram, WhatsApp, Telegram, Unsolicited SMS, YouTube Channels etc.



Be a Prudent Investor – Consult a SEBI Registered Investment Advisor and Do Your Own Homework Before Investing



Do Not Invest In Any Ponzi Scheme, Unregistered Collective Investment Scheme or Any Other Schemes Promising Unrealistic Returns



Be a Prudent Investor – Consult a SEBI Registered Investment Advisor and Do Your Own Homework Before Investing

Be Vigilant! Invest through a SEBI registered Intermediary

Investors are advised to stay away from fraudulent schemes/Apps promising unrealistic returns.

Beware of impersonators !!

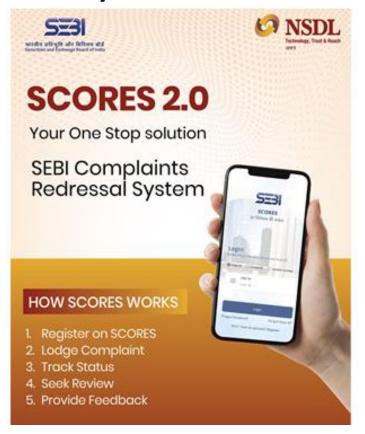
For more information on NSDL Depository Participants registered with SEBI, visit https://nsdl.co.in/direct_search.php on NSDL website.

For SEBI registered Intermediaries, visit <u>SEBI | Recognised Intermediaries</u> on SEBI website.



SEBI Complaints Redressal System - SCORES 2.0





For more information, visit https://scores.sebi.gov.in/scores-home

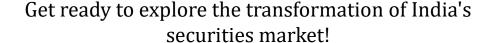
Dharohar – Milestones in the Indian Securities Market



Explore the evolution of Indian Securities Market



Website: https://mism.org/



SEBI's 'Dharohar' platform offers a unique glimpse into the market's growth over the years.

For more information, visit https://mism.org/





Launched by SEBI on the occasion of 76th Republic Day, January 26, 2025















In case of receiving suspected fraud communication, report to Chakshu Platform of Department of Telecommunications

https://sancharsaathi.gov.in/ sfc/Home/sfc-complaint.jsp







SEBI Launches Free Online Investor Certification Examination



Enhance your investment knowledge and test your skills with this voluntary certification program





For more information, visit

SEBI Investor Website (https://investor.sebi.gov.in/)

NISM website (https://www.nism.ac.in/sebi-investor-certification-examination/).

NSDL Newsletter for Investors



The Financial Kaleidoscope – Free monthly newsletter





March 2025

Women and
Financial Planning:
Taking Charge of Your
Financial Future



www.nsdl.co.in



Education



Newsletter - The Financial Kaleidoscope

SEBI Investor Website





Learn to Manage Your Money for Financial well-being.

For more information related to investments in securities market, please visit SEBI Investor Website https://investor.sebi.gov.in

SEBI Saa₹thi 2.0 Mobile App





For more information related to investments in securities market, please visit SEBI Investor Website https://investor.sebi.gov.in/ and SEBI Saa₹thi Mobile App

If You are holding Securities in Paper form



- 1. Provide PAN, KYC information and Nomination to RTA / Company for all joint holders.
- 2. Get PAN and Aadhaar linked for all joint holders.
- 3. Folio may be frozen if not complied.
- 4. Electronic interface provided by company / RTA for various service requests like issuance of duplicate shares, transmission, change in name etc.
- 5. SEBI has prescribed 'Simplified and Standard Norms' for processing of various service requests [Form ISR -1 and other forms available on website of listed company / RTA].

Lodge complaints for Unsolicited Communication and fraudulent activities using telecom resources



In case of Unsolicited Communication and fraudulent activities using telecom resources, you can lodge complaints as follows:

- a) In case of receiving spam or commercial communication make "DND" complaint at respective Telecom Service Provider's App/Website, TRAI DND App, or Call/SMS to 1909
- b) In case of receiving suspected fraud communication, report the same to "Chakshu Platform" of DoT (https://sancharsaathi.gov.in/sfc/Home/sfc-complaint.jsp)
- In case fraud has already happened Report the same to Cyber Crime helpline number 1930 or website (https://www.cybercrime.gov.in)

Grievances Redressal



- 1. Read Investor Charter at www.nsdl.co.in → Education
- Lodge your complaint with SEBI at https://scores.sebi.gov.in/ or SEBI Saa₹thi Mobile App.
- 3. For filing dispute for resolution by conciliation and arbitration, visit SEBI's Securities Market Approach for Resolution Through ODR (SMART ODR) Portal https://smartodr.in/login
- 4. SEBI Toll free helpline 18002667575 / 1800227575
- 5. NSDL helpline 022-48867000
- 6. Online submission of Grievances at www.nsdl.co.in → Query related to Demat
- 7. NSDL email for grievance <u>relations@nsdl.com</u>
- 8. NSDL email for other information <u>info@nsdl.com</u>





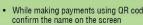
- · Verify details of website if it requests
- · Do not share personal or bank inform on social media

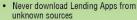


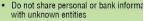


DigiSaathi, 24/7 helpline for automated responses on information related to digital payment opt









भारतीय रिजर्व बैंक

RESERVE BANK OF INDI



Be smart.

Verify the credentials of

unknown callers, investme

portal sites and requests

for urgent help for money

through social media.

Prasidh Krishna Indian Cricketer, RBI Employee

Beware of fraudsters:

- . Do not answer calls/emails from unknown persons demanding money
- . Check details of websites/Apps offering high returns
- · Verify requests for urgent help for mon



For more details. risit https://rbikehtahai.rbi.org.in/dp



भारतीय रिजर्व बैंक RESERVE BANK OF INDI

DigiSaathi, 24/7 helpline for automated responses on information related to digital payment op-Toll-Free Number: 1800-891-3333: A Short Code: 14431: Website: www.digisaathi.info Toll-Free Number: 1800-891-3333; A Short Code: 14431; Website: www.digisaathi.info



For more details.

visit https://rbikehtahai.rbi.org.in/dp

DigiSaathi, 24/7 helpline for automated responses on information related to digital payment opti Toll-Free Number: 1800-891-3333: A Short Code: 14431: Website: www.digisaathi.info



Demat and Remat of Securities

Dematerialisation

What is dematerialisation?





- Means conversion of physical securities into electronic form
- 2. All kinds of securities such as equity shares, preference shares, debentures, bonds, mutual fund units, government securities, sovereign gold bonds etc., can be dematerialized.
- 3. Unlisted securities can also be held in demat form.



1. Have a demat account with any DP.

- 2. Securities should be available for dematerialisation (active ISIN).
- 3. You can find ISIN and its status at www.nsdl.co.in Company search.
- 4. Check that RTA of the company has not stopped service.
- 5. List of companies with high pendency of demat request is available at www.nsdl.co.in —> Company search.

How to Demat your physical securities?





Obtain Demat Request Form (DRF) from your DP



2. Fill it properly and sign it



Submit DRF and certificates to your DP



- 1. DRF should be signed by all holders.
- 2. Pattern of holdings in the certificates should match with demat account.
- 3. Separate DRF should be submitted for
 - ✓ Each ISIN
 - ✓ Free and locked in securities
 - ✓ Securities locked-in for different reasons and different lock-in release dates

What is ISIN?



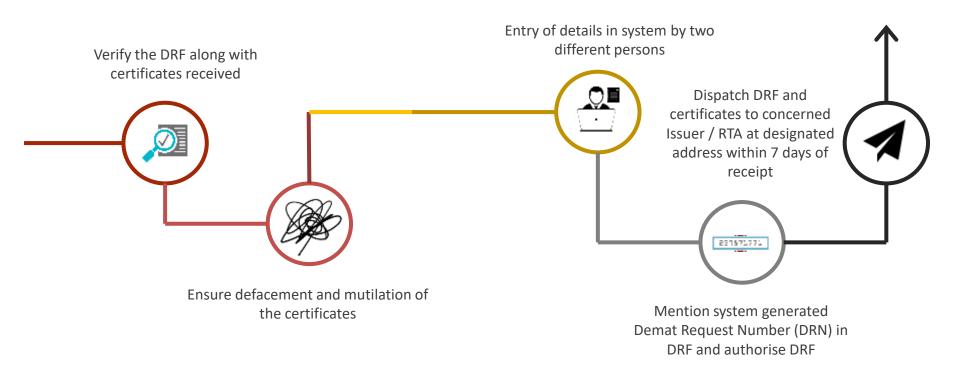
- 1. ISIN stands for International Securities Identification Number.
- 2. It is 12-characters unique identification number for each security.
- 3. As National Numbering Agency for India, SEBI has authorised NSDL to allot ISINs for all securities (except for Government Securities) as per ISO-6166 standards.
- 4. Same ISIN is used by both depositories.

Structure of ISIN - IN E 001A 01 01 0

- 'IN' stands for INDIA
- 3rd digit 'E' stands for Company, 'F' stands for Mutual Fund
- 4th to 7th digits '001A' for Company identity
- > 8th & 9th digits '08' for Security code
- 10th & 11th digits serial no. / type of the instrument
- > 12th digit check digit

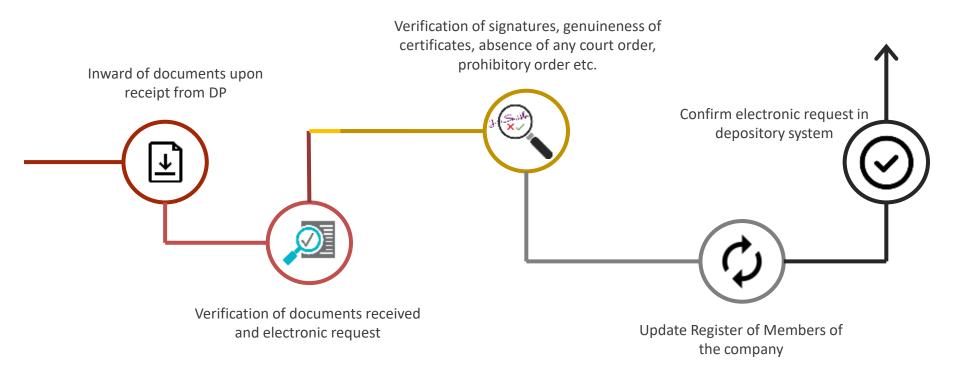
Procedure of Demat at DP





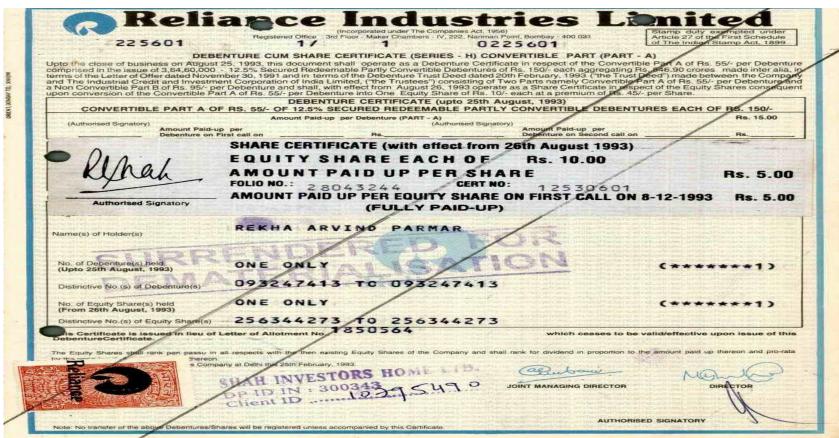
Processing at Issuer / RTA





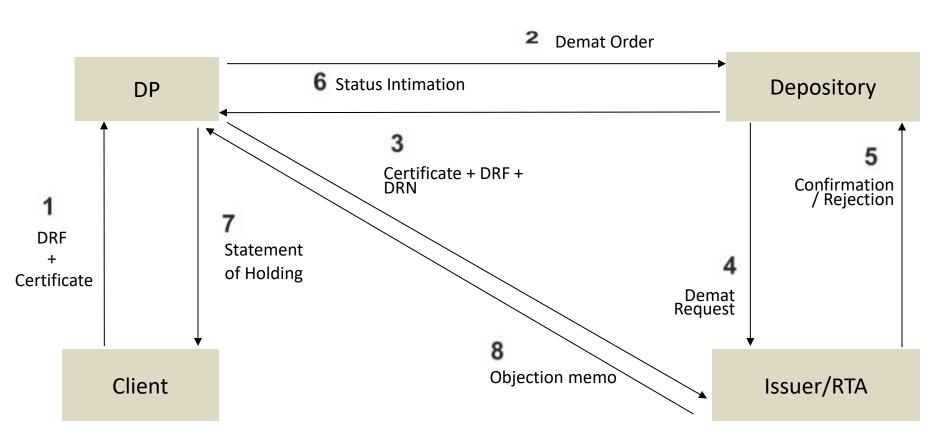
Defacing Physical Certificate





Demat Process





Compulsory demat for pending Transfer Deeds



- 1. Transfer of listed securities held in physical form not allowed w. e. f. April 1, 2019. (Transfer of securities belonging to unlisted public companies is also not allowed.)
- Re-lodgement of transfer deeds which were submitted prior to this, but were rejected or returned, was allowed till March 31, 2021.
- 3. Shares pending for transfer with listed company / its RTA shall be issued only in demat.
- 4. Upon re-lodgement of transfer deed, RTA shall retain the physical shares and inform the transferee about the execution of transfer through 'Letter of Confirmation'.
- Transferee shall submit a demat request to its DP on the basis of 'Letter of Confirmation' within 90 days.
- 6. Demat request shall be processed by DP on the basis of 'Letter of Confirmation'.
- 7. Request shall be processed by RTA and upon confirmation, shares shall be credited in transferee's demat account.
- 8. Incase transferee does not submit demat request within 90 days, shares shall be kept in 'Suspense Escrow Demat account' of the Company.

How to Dematerialise Mutual Fund Units?





- 1. All the existing mutual fund units issued by all the mutual fund companies are available for conversion to demat form.
- 2. All New Fund Offers have option to subscribe directly in demat form.
- 3. ISIN of your mutual fund units can be seen in the statement of account or your can find at www.nsdl.co.in.
- You need to submit a 'Conversion Request Form' along with Statement of Account received from mutual fund company to your DP.
- 5. All existing mutual fund investments through SIP mode can also be converted into demat form.

How to Dematerialise Mutual Fund Units?





- 6. You may submit a single request for conversion of All the existing mutual fund units held in one folio with any mutual fund company to demat form. This is known as 'Folio based' conversion of units into demat form.
- You may also submit a single request for conversion of All the existing mutual folios held with different mutual fund companies to demat form by quoting your NSDL CAS ID.
- 3. In above options, conversion request will be generated for All the units held in a folio as per information made available to NSDL by respective mutual fund registrar as on end of previous month.

Common Reasons for Rejection of Demat Request

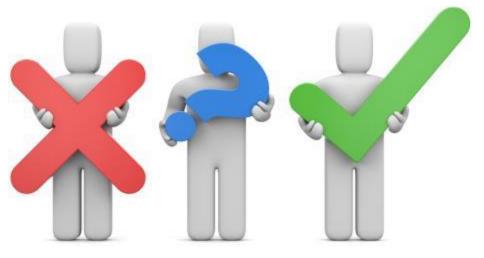




- 1. Incorrect Holder(s) name / Pattern
- Certificate details mismatch
- 3. Transmission Form / Death Certificate not submitted
- 4. Signature mismatch
- Mismatch between share quantity received and DRF quantity
- 6. Shares under stop transfer / court injunction
- 7. Allotment / Call Payment receipt not attached
- 8. Certificates sent are reported stolen
- 9. Duplicate certificates already issued
- 10. Old defunct certificates surrendered for demat
- 11. Forfeited securities surrendered for demat
- 12. Forged endorsement on certificate

What to do in case of Rejection of Demat Request?





- 1. Your DP will inform you about the rejection of demat request.
- 2. You can also see the transaction status in your statement of transactions.
- 3. Understand the reason for rejection from Objection Memo sent by Issuer / RTA.
- 4. Rectify the errors / remove the deficiency in the documentation.
- 5. Submit demat request once again through your DP.

Transposition Cum Demat Facility



Name in the	Share Certificate	Demat Account
Two holders	A and B Or B and A	A and B
Three holders	A , B, C Or A, C, B Or B, A, C Or B, C, A Or C, A, B Or C, B, A	A, B and C

Submit <u>Demat Request Form</u> (DRF) along with Transposition form to your DP.

Transmission



In the event of	Nomination given	Nomination not given	
	Transmission in favour of		
Death of single holder	Nominee	Legal heir (as per Succession Certificate / Will / Probate / Letter of Administration)	
Death of one of the joint holders	Surviving joint holder(s)	Surviving joint holder(s)	
Death of all the joint holders	Nominee	Legal heir (as per Succession Certificate / Will / Probate / Letter of Administration)	

Transmission Cum Demat Facility



Share Certificate	In the event of	Demat Account
A and B Or B and A	Death of one of the joint holders – A	В
A and B Or B and A	Death of both holders – A & B	C (Legal heir)

Submit DRF along with death certificate (s) and Transmission request to your DP.

Rematerialisation



Rematerialisation means conversion of securities held in demat form to physical form



Procedure

- Client has to submit Remat Request Form (RRF) to DP
- 2. RRF should be signed by all holders
- 3. Separate RRF should be submitted for -
 - Each ISIN
 - Free and locked in securities
 - Securities locked-in for different reasons and different release dates

Pre-requisites: Sufficient balance of securities in account

Procedure of Remat at DP





- 1. Verify signature on RRF with depository system
- 2. Verification of sufficient balance in the client's account
- 3. Entry of details in depository system by two different persons
- Mention system generated Remat Request Number (RRN) in RRF and authorise the RRF
- Dispatch RRF to concerned Issuer / RTA at designated address within 7 days of receipt

Processing at Issuer / RTA

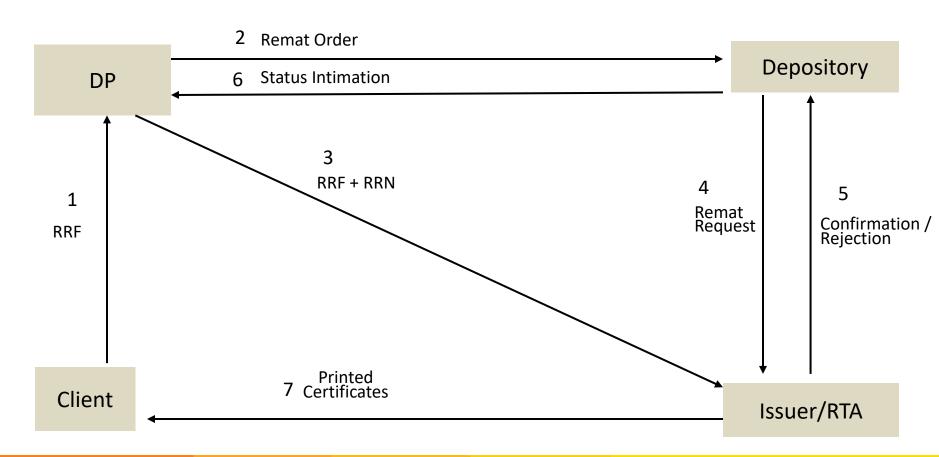




- 1. Inward of documents upon receipt from DP
- 2. Verification of documents received and electronic request
- 3. Update Register of Members of the company
- 4. Confirm electronic request in depository system
- 5. Printing and dispatch of physical certificates to client within 30 days

Re-materialisation Process





Common Reasons for Rejection of Remat Request





- 1. Incomplete or incorrect RRF
- 2. RRF details mismatch with electronic request
- 3. Non receipt of RRF by Issuer / RTA

Redemption of Mutual Fund Units held in demat form



- 1. Online redemption is possible at SPEED-e.
- 2. Redemption request can be given to DP also.
- 3. Redemption proceeds shall be credited to bank account linked to your demat account directly by mutual fund company.
- 4. Sell of units through stock broker is possible.

Be a Prudent Investor





Demat Ki Paathshala - An initiative by NSDL for Investor Education

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