Know Your Demat Account



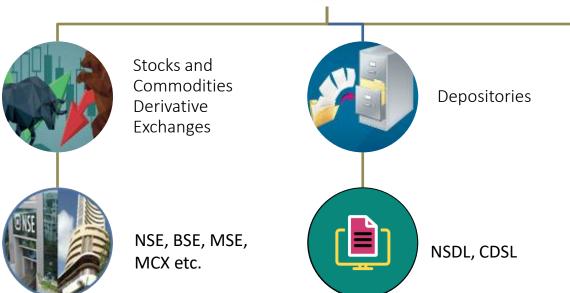


Indian Securities Market - Overview



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

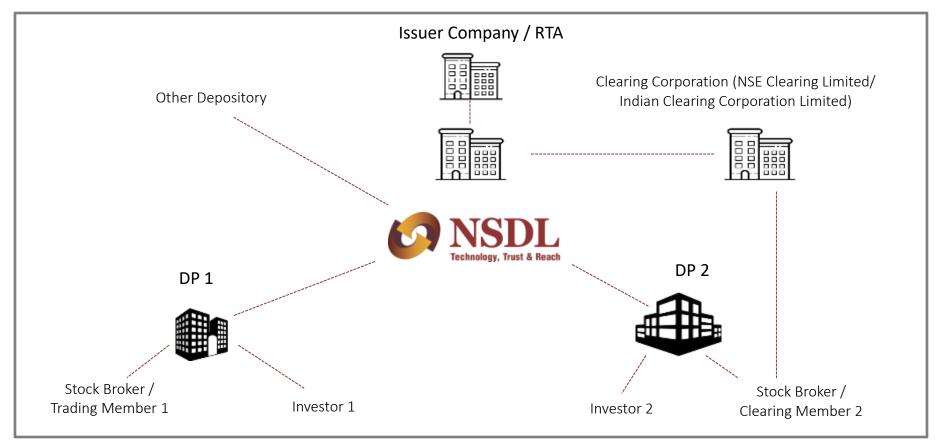


Demat Account

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



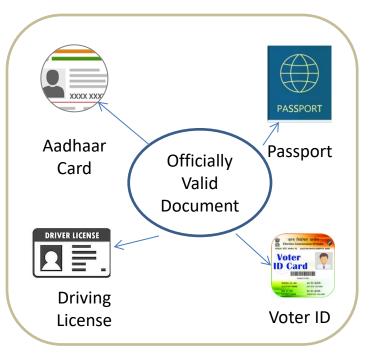


^{*}Even unlisted shares can be dematerialized. **Transfer of securities held in physical form not allowed w. e. f. April 1, 2019. Re-lodgement of transfer deeds which were submitted prior to this, but were rejected or returned, was allowed till March 31, 2021. Shares pending for transfer with listed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

Documents required for Opening Demat Account







Proof of Identity and Address (any of the above)



Cancelled Cheque
or Bank Passbook
or Statement
Proof of bank account

Opening a Demat Account Online



- 1. All SEBI registered intermediaries need to fulfil 'Know Your Customer' (KYC) norms as primarily specified in PML Act, 2002 and PML Rules, 2005.
- 2. Accordingly, DPs and Stock Brokers collect Proof of Identity and Proof of Address documents from those who seek to obtain depository and broking services respectively from them.
- 3. They also collect PAN and conduct 'In-person verification' as per SEBI's guidelines.
- 4. On April 24, 2020 SEBI issued a circular permitting e-KYC. This enabled opening demat account electronically without ink signature.

Mandatory KYC Information



From August 1, 2021, all Clients must provide following information at the time of account opening -

- 1. Name
- 2. Address
- 3. PAN (must be linked to Aadhaar)
- 4. Valid mobile number
- 5. Valid email ID
- 6. Income range

Above information is required for all joint holders.

All Existing Clients should also verify their KYC information and update if required, on or before June 30, 2022.

Mandatory Verification of email ID and Mobile Number



- Depository may send SMS and email to the account holder at the mobile number and the email ID recorded in the demat account.
- 2. Verify your email ID and mobile number by clicking the link received.
- Accounts where the mobile number or email ID cannot be verified, shall be considered as non-complaint accounts.



Opening a Demat Account Online

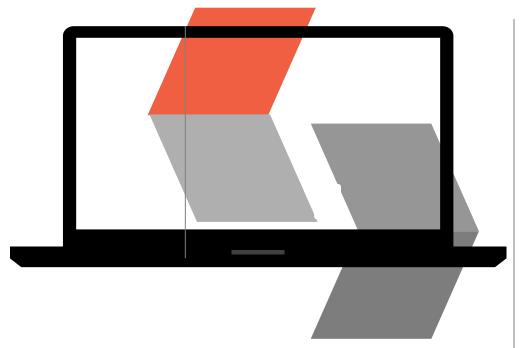


- Now DPs can conduct online KYC through website or a mobile application to open a demat account.
- NSDL has enabled DPs to complete account opening process online. You may approach your DP to know if it is offering online NSDL demat account opening facility.



Features of Demat Account





No minimum balance required

Account can be opened for a minor

One person can have multiple Demat accounts with same or different DPs

Joint Account can not be operated on 'either or survivor' basis

Account can not be opened on your behalf by stock broker holding Power of Attorney

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.

Nomination



- Nomination is Not mandatory but recommended. If you do not wish to nominate, submit a declaration for 'No Nomination'.
- 2. Any Individual can be a nominee.
- 3. Minor, NRI and Power of Attorney holder can be nominated.
- 4. Nominee can be added / changed any time.
- 5. Up to three nominees can be mentioned in one demat account.

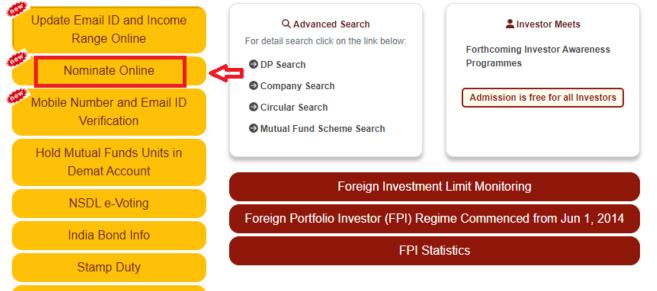
Nomination in Demat Account



- 6. No compulsion that nominee must have a demat account at the time of nomination.
- 7. Only account holder can nominate, Power of Attorney holder can not nominate.
- 8. Existing clients who have not given nominee details, must provide the same or a declaration for 'No Nomination' on or before June 30, 2024.
- 9. Your demat account may be frozen if above requirement is not complied with on or before June 30, 2024.
- 10. Now, some DPs have enabled clients to update nomination online.
- 11. Clients of select DPs can update nomination online through NSDL website.

Be a Prudent Investor





News

Express Program reaches over 4,000 students across 75+ cities covering all States of India

Watch NSDL's Silver Jubilee Celebration on YouTube

Archives 2

Attention Investors

KYC is one time exercise while dealing in securities markets-once KYC is done through a SEBI registered intermediary(broker,DP,Mutual Fund etc.), you need not undergo the same process again when you approach another intermediary

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.

Basic Services Demat Account



 BSDA is just like a regular Demat account except that it has 0 or maximum ₹100 Annual Maintenance Charges (AMC).

2. Individual who has only one Demat account as the sole or first holder, across depositories.



Basic Services Demat Account



Annual Maintenance Charges

Value of Holdings in the Demat Account (Debt as well as other than debt securities combined)	Maximum Annual Maintenance Charges
Up to Rs.4 lakhs	NIL
More than Rs.4 lakhs but up to Rs.10 lakhs	Rs.100
More than Rs.10 lakhs	Not a BSDA. Regular AMC may be levied.

Online Closure and Shifting of Demat Account



- 1. Account holder has a right to close his / her demat account.
- 2. Account can be closed by giving an Account Closure request to DP. It should be duly filled and signed by all the joint holders.
- 3. If your DP is offering online account opening, then account closure can also be done online through e-Sign facility.
- 4. A confirmation will be sought from the client by way of OTP sent on the registered email ID and mobile number.
- 5. In case there is any security lying in the demat account, it must be transferred to some other demat account. Account can not be closed until it is nil.
- The request for closure must include target account details if there is any security in demat account.
- 7. Demat account having nil balance can be closed by the DP on the basis of email received from the registered email ID of the demat account holder.

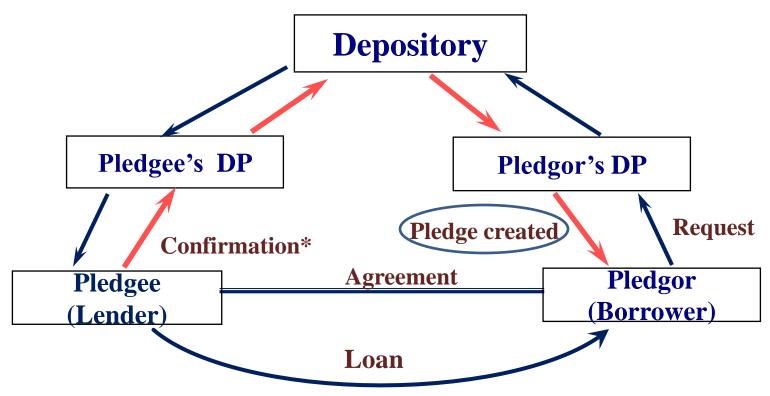
Use of your Demat Account



- 1. Apply for IPOs, NFOs and receive allotment directly in demat account by mentioning your DP ID and Client ID in application or subscription form.
- 2. Receive corporate benefits (bonus, rights etc.).
- 3. Cash benefits like dividend, interest or maturity amount payable on bonds etc. are credited directly in linked bank account. Keep your bank details updated in demat account.
- 4. Ease in getting finance against your investments through Loan Against Shares / Digital LAS.
- 5. Participate in Securities Lending and Borrowing Scheme.

Pledge Creation and Confirmation

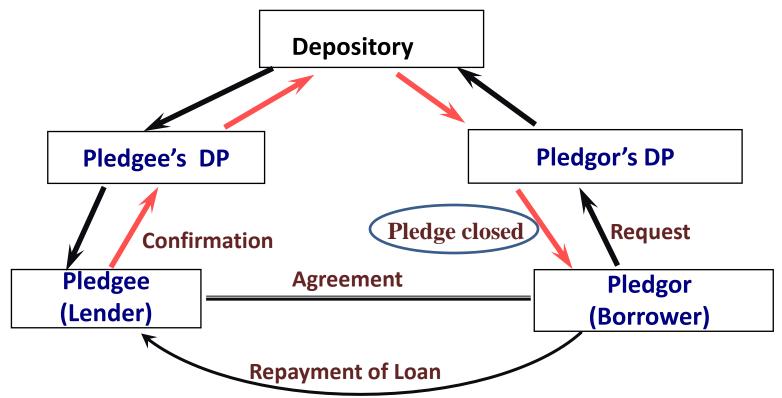




^{*} Not needed if Pledge Standing Instruction is enabled

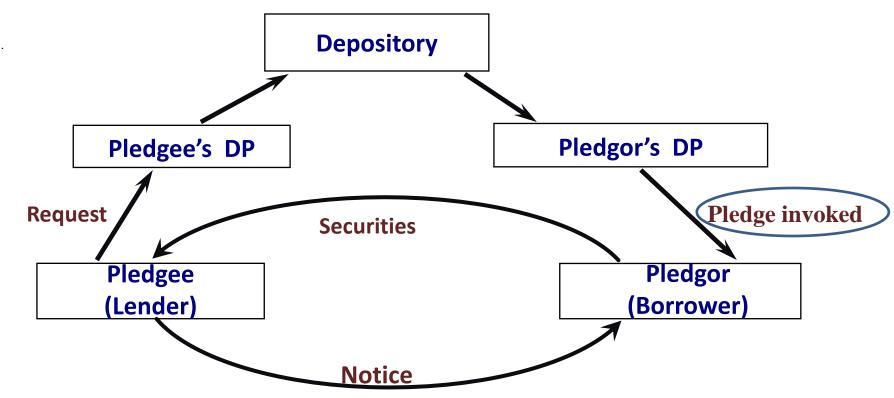
Pledge Closure (Normal)





Pledge Invocation





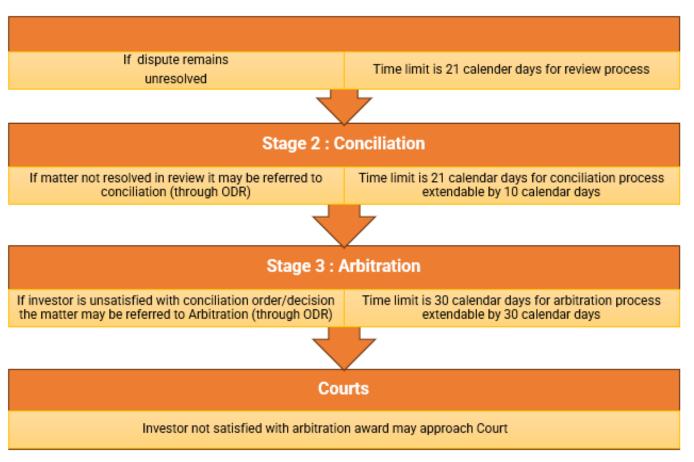
SMART Online Dispute Resolution (SMART ODR) Mechanism



- 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.

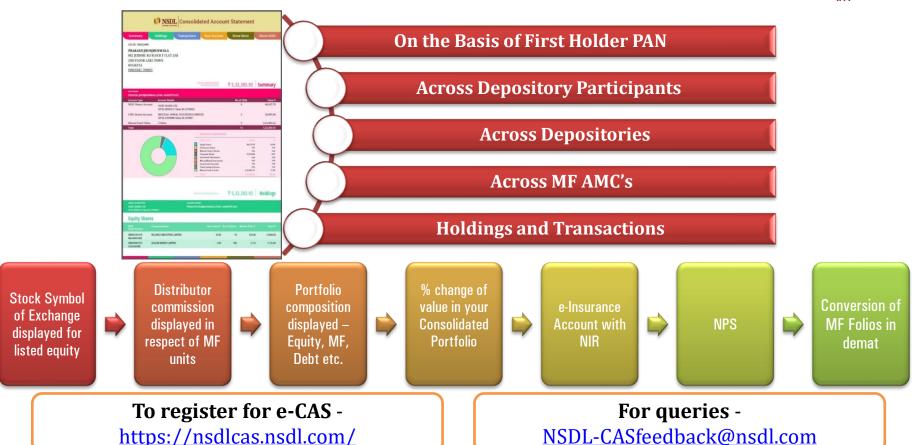
Stages of SMART ODR





NSDL Consolidated Account Statement





NSDL's Investor Centric e-Services



- View transactions, holdings and valuation
- Subscribe to CAS
- Update email ID for CAS
- View and download 12 past CAS
- Participate in e-Voting

Facility for shareholders to vote electronically on resolution of companies, Anytime, Anywhere



*Free for all demat account holders

- View holdings and valuation
- e-Voting
- Submit delivery instruction
- Confirm e-DIS and off Market Instruction (OTP)
- Accept Margin Pledge Initiation Request
- Mutual Fund Redemption
- Register for IDeAS
- Online Nomination
- NSDL's web facility to enable users to submit various instructions online, including Margin Pledge
- All features of IDeAS
- You may register at www.nsdl.co.in

e-Voting for Shareholders





Shareholders have right to participate in decision making process of their company by voting on the resolutions.

NSDL facilitates all Shareholders holding shares in paper or Demat form, with NSDL or other depository.

e-Voting facilitates this process by removing the need for physical presence.

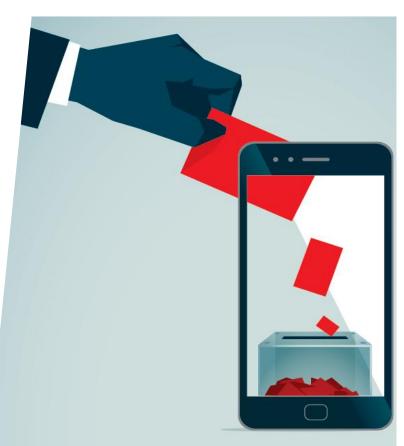
SMS alert to shareholders after details of vote.

they cast votes.

How to Use NSDL e-Voting Service?



- Multiple options for Voting
- NSDL e-Voting Portal https://evoting.nsdl.com/
- NSDL Mobile App Speede
- IDeAS and SPEED-e facilities of NSDL
- Through integration with other websites
- ❖ At venue Voting using Tablets
- NSDL helps companies to conduct virtual meetings and live streaming of proceedings



Claiming Unclaimed Shares and Dividends

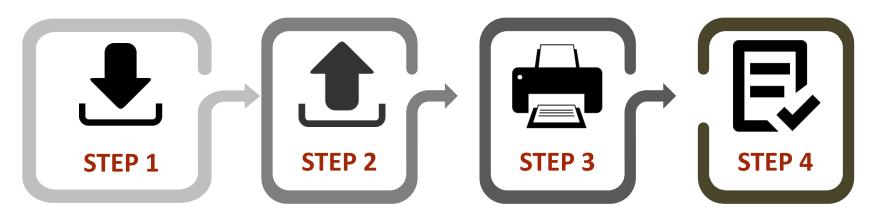


- 1. All dividends and shares which remain unpaid or unclaimed for seven consecutive years, are transferred by respective companies to Investor Education and Protection Fund Authority.
- 2. IEPF Authority is a statutory body, constituted under the provisions of Companies Act, 2013.
- 3. Investor or his representative need to submit claim to IEPF Authority to receive unpaid dividend and/or unclaimed shares.
- 4. You may find details of unclaimed shares and dividends on the website of concerned company or at www.iepf.gov.in.



How to Claim Unclaimed Shares and Dividends?





Register on www.iepf.gov.in and submit claim in Form IEPF-5 online

Attach scanned images of documents and Submit form online

Take print of the receipt generated and indemnity bond

Send all original documents to the 'Nodal officer' of the company at its registered office

Company shall verify the documents and e-verify the claim online. If accepted, refunds will be transferred to Aadhaar linked bank account of the claimant through electronic transfer or to Demat account of claimant.

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

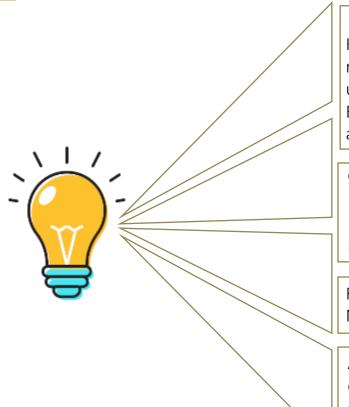
Non – Individuals:

- 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

Be a Prudent Investor





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.

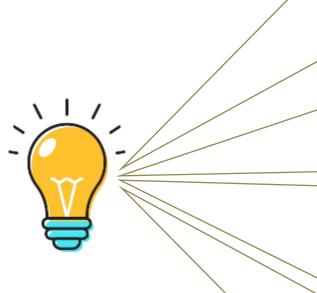
Never click on suspicious links received via SMS, email or social media platforms.

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.

Be a Prudent Investor





- 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.

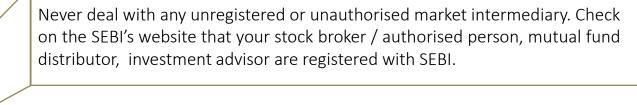
Always mention your Mobile Number and email ID in account opening form and keep them updated.

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 Adviso 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 !!

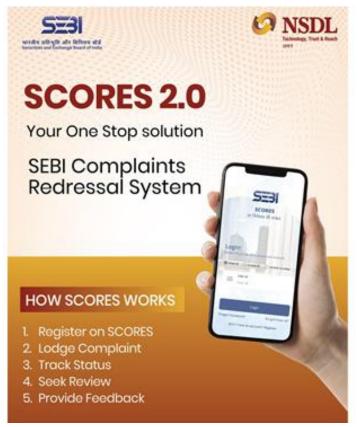
For more information on NSDL Depository Participants registered with SEBI, visit https://nsdl.co.in/direct_search.php on NSDL website.

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

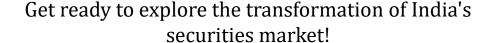
Dharohar – Milestones in the Indian Securities Market



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/).

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

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

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)
- c) 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
- 2. 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

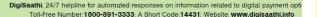




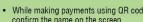
RESERVE BANK OF INDIA

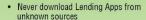
For more details. visit https://rbikehtahai.rbi.org.in/dp















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



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

More Information / Useful References



- 1. SEBI website <u>www.sebi.gov.in</u> and <u>https://investor.sebi.gov.in/</u>
- 2. NISM website www.nism.ac.in (NISM conducts many certification programs)
- 3. National Centre for Financial Education https://www.ncfe.org.in/
- 4. Platform for Investor Education https://pie.ccmrm.org/#/
- Unauthorised collection of deposits https://sachet.rbi.org.in/
- 6. NSE website https://www.nseindia.com/invest/investors-home
- 7. BSE website https://www.bseindia.com/investor.html
- 8. IEPF Authority www.iepf.gov.in and https://www.iepfportal.in/
- 9. SEBI's mobile app SAA₹THI





Demat Ki Paathshala - An initiative by NSDL for Investor Education

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