

I DEPOSITORY SYSTEM

1. What is a depository?

A depository is a provider for holding and transacting securities in electronic form. A depository functions somewhat similar to a commercial bank.

2. Who is a Depository Participant?

A Depository Participant (DP) is an agent of the depository and provides depository services to investors. To avail the services of the depository, the investors has to open an account with a DP. A list of CDSL DPs can be obtained from its website www.cdslindia.com.

3. Who is a Beneficial Owner (BO)?

Beneficial Owner is a person in whose name a demat account is opened with CDSL for the purpose of holding securities in the electronic form and whose name is recorded with CDSL.

4. What is dematerialisation?

Dematerialisation is the process of converting physical certificates into electronic form.

5. Who is an Issuer?

Issuer means any entity making an issue of securities.

6. What is an ISIN (International Securities Identification Number)?

ISIN is the unique identification number given to each security of an issuer at the time of admitting such security in the depository system.

7. Will different securities issued by the same Issuer have same ISIN?

Different securities issued by the same issuer will have different ISINs.

8. What are the services provided by a DP?

Following services can be availed of through a DP:

- a. Dematerialisation, i.e. getting physical securities converted into electronic form.
- b. Rematerialisation, i.e. getting securities balances held in electronic form in a BO account converted into physical form.
- c. To maintain record of holdings in the electronic form.
- d. Settlement of trades by delivering / receiving underlying securities from / in BO accounts.
- e. Settlement of off-market trades i.e. transactions between BOs entered outside the Stock Exchange.
- f. Providing electronic credit in respect of securities allotted by issuers under IPO or otherwise.
- g. Receiving on behalf of demat account holders non-cash corporate benefits, such as, allotment of bonus and rights shares in electronic form or securities resulting upon consolidation, stock split or merger / amalgamation of companies.
- h. Pledging of dematerialised securities & facilitating loans against shares.
- i. Freezing of the demat account for debits, credits, or both.
- j. Internet facilities "easi" and "easiest", if the DP is registered for the same with CDSL.
- k. SMS alerts to BOs registered for SMART

9. What are the benefits of opening a CDSL demat account?

- a. CDSL allots a unique demat account number to each investor, which ensures debit/credit of securities only to the intended account. Thus, if an account number is entered incorrectly, CDSL system will not accept the transaction.
- b. The unique centralized database of CDSL enables DPs to debit/credit securities instantaneously to the BOs account.
- c. CDSL offers a settlement facility to its BOs under which securities sold or purchased by them, through any broker on BSE/NSE, can be directly debited from their demat account without routing it, through the broker's settlement account.
- d. Investors can monitor and access their holding and the status of their transactions in their accounts through CDSL's internet based facility 'easi'. Further, using CDSL's internet based facility 'easiest' BOs can also submit settlement instructions through the internet.
- e. Investors registered for CDSL's SMS Alert Facility – SMART can obtain information for any debits from their demat account. Further, information regarding credits in their account due to corporate actions such as IPOs bonus, rights etc. also would be provided to them.

10. Can a demat account be opened directly with CDSL?

A demat account can be opened only through a DP registered with CDSL.

II DEMAT ACCOUNT OPENING

11. What are the benefits of opening a demat account?

A demat account has become a necessity for all categories of investors for the following:

- a. SEBI has made it compulsory for trades in all listed scrips to be settled in demat mode. Although, trades upto 500 shares can be settled in physical form, physical settlement is virtually not taking place for the apprehension of bad delivery on account of mismatch of signatures, forgery of signatures, fake certificates etc.
- b. It is a safe and convenient way to hold securities compared to holding securities in physical form.
- c. No stamp duty is levied on transfer of securities held in demat form.
- d. Instantaneous transfer of securities enhances liquidity.
- e. It eliminates delays, thefts, interceptions and subsequent misuse of certificates.
- f. Change of address, registration of Power of Attorney – can be effected across companies by one single instruction to the DP.
- g. Each share is a market lot for the purpose of transactions - so no odd lot problem.
- h. Any number of securities can be transferred/ delivered with one delivery order. Therefore, paperwork and signing of multiple transfer forms is done away with.
- i. It facilitates taking advances against securities.
- j. Immediate credits in case of any allotment in bonus, rights issues and IPOs.

12. What should an investor do to open a demat account?

The process of opening a demat account through a DP of CDSL is similar to the opening of a bank account.

- a. Investor has to first choose a DP based on his convenience and the DP's charges.
- b. Besides submitting an application in the prescribed form, the intending demat account holders, including joint holders, if any, should personally visit and submit the following to the DP,

- i. A photocopy of the PAN card along with the original for verification by the DP.
 - ii. Address proof such as passport, Voter ID Card, ration card, driving license, bank passbook. Verified copies of Telephone bills (not more than two months old), Electricity bills (not more than two months old),etc.
- c. Before opening the demat account, the investor will have to execute an agreement on a stamp paper to be provided by the DP, which defines the rights and obligations of both, the investor and the DP.
- d. On opening a demat account, a unique BO ID (Beneficial Owner Identification) Number is allotted, which should be quoted in all future transactions.

13. Is there any restriction to have a demat account with only one CDSL DP?

You can open a demat account with the same or different CDSL DPs provided all the account opening requirements have been complied with.

14. Is it necessary for a BO to open a demat account with the same DP as that of the broker for settling trades done through him?

There is absolutely no compulsion on any investor to open their demat account with the same DP as that of the broker. Investor can open account with the DP of his/her choice and can carry on his trading activity through a broker of his choice.

15. Can a demat account be opened in the name of a minor?

Yes. A demat account can be opened in the name of the minor as a sole holder only. A joint account cannot be opened in the name of a minor i.e. a minor cannot be the first, second or third joint holder.

16. Do all DPs collect account opening charges?

SEBI has directed that no investor should pay account opening charges.

17. Can there be a mix up of securities of different companies held in one demat account?

Different securities, even if of the same issuer, are given a separate ISIN to identify each one of them and each ISIN is maintained and accounted for separately within an account. Therefore, there is no question of any mix up. However, BOs are advised to indicate the correct ISIN while issuing any instruction.

18. Does a BO have to keep any minimum balance of securities in his demat account?

A demat account can be opened and maintained even with nil balance.

19. How does a BO get information that the account has been updated after each transaction?

- a. The DP sends a statement of transactions and balances to its BOs, at least once every month, even if a single transaction has taken place during the month. The statement can be sent more frequently, if so desired by BO against payment of additional charges.
- b. CDSL's internet based facility, easi (electronic access to securities information), enables BOs registered for easi to access their CDSL demat account any-time, any-where, thereby informing them of the latest status of their account (which is currently updated every 15 minutes).

20. Is it mandatory to submit PAN card details?

Yes. SEBI has made it mandatory for all existing and new account holders to submit a copy of their PAN card, along with the original for verification.

21. What happens if a BO loses his/her statement of holdings?

The BO should inform the DP about the loss of the statement of holdings and request for the issue of a duplicate statement.

22. Do all DPs have access to account details of all CDSL BOs?

No. A DP cannot access the BO accounts of any other DP. It can have access only to those demat accounts, which are serviced by it.

23. Is the Nomination facility available in Demat Accounts?

The nomination facility is available in demat accounts. It is advisable for all individual BOs to avail of this facility.

24. Who can nominate?

Individuals, having/opening demat accounts, either, singly or jointly with one or two persons can make nomination. If the shares are held jointly, all the joint holders are required to sign the nomination form.

25. Who cannot nominate?

Non-individuals including societies, trusts, body corporates, Kartas of Hindu Undivided Family, holders of power of attorney cannot make a nomination.

26. Can a minor be nominated?

A minor can be nominated only if he is represented by a court appointed/natural guardian.

27. Who cannot be appointed as nominee?

Trusts, societies, body corporates, partnership firms, Kartas of Hindu Undivided Family or power of attorney holder cannot be appointed as nominee.

28. Can an NRI be appointed as nominee?

Both resident Indians as well as NRIs can nominate an NRI. Similarly, an NRI can nominate a Resident Indian or another NRI.

29. How many nominees can be appointed?

Only one person can be nominated for any demat accounts. In the event of the death of the sole holder or all the joint holders, all rights of the securities held in the demat account will vest with the nominee.

III DEMATERIALISATION OF SECURITIES

30. Is dematerialisation of securities compulsory?

According to the Depositories Act, 1996, an investor has the option to hold securities either in physical or electronic form. However, SEBI has notified that settlement of trades in listed securities should take place only in the demat mode. Although, trades upto 500 shares can be settled in physical form, physical settlement is virtually not taking place for the apprehension of bad delivery on account of mismatch of signatures, forgery of signatures, fake certificates, etc.

31. What is the procedure for dematerialisation?

To dematerialise any physical security:

- a. Open a demat account with a DP.
- b. Fill in a DRF (Demat Request Form) and submit the same with the physical certificate/s to the DP for dematerialisation.
- c. DP defaces and sends the certificates to the Issuer/ Registrar who credits an equivalent number of securities in the demat account, maintained by CDSL.
- d. A separate DRF has to be used for each ISIN.

32. Is it compulsory to mention the ISIN of the security while filling up the DRF (Demat Request Form)?

Yes. The ISIN of the security should be mentioned in the DRF, to ensure that the correct security is dematerialised. If, however, the investor does not know the ISIN, he can obtain the same from his DP or from CDSL's website www.cdslindia.com.

33. Is a transfer deed required for dematerializing physical certificates?

No. There is no need to fill in a transfer deed. The physical certificates have to be accompanied by a DRF, which can be obtained from the DP.

34. What type of instruments are available for demat at CDSL?

All types of equity/debt instruments viz. Equity shares, Preference Shares, Bonds, Debentures, Commercial Papers, Certificates of Deposit, Government Securities, etc. irrespective of whether these instruments are listed / unlisted / privately placed can be dematerialised with CDSL, if they have been admitted with CDSL. CDSL also has the facility of holding warehouse receipts pertaining to commodities in dematerialised form.

35. Can any securities held in the form of a certificate be dematerialised?

Only those securities admitted with CDSL can be dematerialised. Further, securities held in street name (seller's name) cannot be dematerialised.

36. Can all securities be dematerialised through a single demat account?

Yes. Any number of securities admitted with CDSL can be dematerialised and held in one demat account.

37. Can a sole holder of the share certificate, add/ delete any name as a joint holder, at the time of dematerialising the share certificate?

It is not possible to add or delete any name while dematerialising a share certificate. If the shares held in single name are intended to be held in any joint account, they have to be transferred to such names before they are dematerialised. Alternatively, such shares can be dematerialized first in the demat account in the single name and then transferred to the demat account in the joint names, or vice-versa, through an off-market transaction.

38. Can a BO's holdings be held partially in physical and demat form?

Yes. A part of the BO's holdings can be held in physical form as per the choice of the investor. It is advisable to have the entire holdings held in demat mode so that the holdings provide liquidity as and when required. It should be noted that part dematerialisation of holdings in a single physical certificate is not allowed.

39. What should I do if I want to dematerialize securities of a company that are not admitted with CDSL?

In such a case, the investor should request the company to have that security admitted with CDSL and once that is done, he can get it dematerialised. It may be mentioned that, on the request of any investor, a company must get that security admitted with the depository.

40. Can securities in odd lots be dematerialised?

Yes. In demat mode securities held in odd lots can be dematerialised, as the market lot is one share.

41. Do dematerialised securities have distinctive or certificate numbers?

Dematerialised securities do not have any distinctive or certificate numbers. In demat all securities are fully fungible, which means that any 100 shares of an ISIN are similar to any other 100 shares of that ISIN.

42. Can electronic holdings be converted back in certificate form?

Yes it can be done through Rematerialisation, which is the process of converting electronic holdings back into physical certificates. For this, a BO should submit his request in a Remat Request Form (RRF) to his DP. The DP will electronically forward the request to the Issuer / Registrar after verifying that there is a sufficient balance of that security in the account. The Issuer / Registrar will send the physical certificates directly to the BO.

43. Is there any charge for dematerialisation of physical certificates?

CDSL does not levy any charge for dematerialisation of securities. However, DPs may collect dematerialisation charges together with postage / courier charges.

44. Can debt instruments and government securities be dematerialised in the same demat account?

Yes. Debt instruments, mutual fund units, government securities can also be dematerialised in the same demat account in which equities are held.

45. Can commodity warehouse receipts be dematerialised in the same demat account?

Investors and brokers are required to open separate demat accounts for holding warehouse receipts. These accounts can be used only for holding warehouse receipts.

46. What is transposition?

Change in the order of names in which certificates are issued is termed as transposition.

47. What is the significance of transposition in demat?

Sometimes, a titleholder of securities holds them jointly with one/two/three persons in different order of names. Since dematerialisation can take place through a demat account only in the identical order of names, such investors would have to open multiple demat accounts as per the order of their names. To avoid such a situation, the investor could consider using the transposition-cum-demat facility offered by CDSL.

48. What is Transposition-cum-demat?

Transposition-cum-demat facility enables an investor to transpose names of the joint holders in desired order along with the process of dematerialisation of certificates. Transposition-cum-demat facilitates dematerialisation of certificates held in different order of names through one demat account, provided the securities to be transposed are held in the same joint names, but, in a different order.

Illustratively if A owns a security, which he holds in the joint names of ABC, ACB, etc. he can first transpose them in the name of, say, ABC in which order demat account might have been opened. No new name can be added through transposition process. Similarly, existing names cannot be deleted.

49. What procedure should be followed by the BO for a transposition-cum- demat request?

The BO should submit his application in Transposition Request Form (TRPF) alongwith the Demat Request Form (DRF) and the share/securities certificates to his DP. It should be noted that a separate TRPF would have to be filled for each ISIN.

50. Should a separate TRPF be filled for each combination of names?

No. Different combination of names can be listed in separate boxes in section (c) of the TRPF. If the space provided in the TRPF is not found sufficient, a separate form or an annexure may be used.

51. What are the requirements for availing of the transposition-cum-demat facility?

The application for transposition should contain only those names in which the BO account has been opened. Signatures of all the holders affixed on TRPF should tally with the DP's records.

52. Does CDSL collect any additional charge for processing transposition-cum-demat requests?

No. CDSL does not collect any fee from DPs for processing transposition-cum-demat requests.

53. Can the application for transposition be used with remat request form?

No. The application for transposition cannot be used along with rematerialisation request.

IV SETTLEMENT OF SECURITIES IN DEMAT FORM

54. What is the procedure for delivery of securities demat form in case of sale of securities?

In case of sale of securities in demat mode, on receipt intimation of execution of trade from broker, the seller/ BO should immediately issue the delivery instruction slip to their DP with whom the demat account is held, for delivery of securities either directly to the Clearing Corporation/Clearing House or to the CMs settlement account, as advised by their broker.

55. What is the procedure for receipt of securities demat mode in case of purchase of securities?

A purchaser of securities can give one-time standing instruction to his/her DP for receiving securities in his/her account. This standing instruction can be given at the time of opening the account or later. Alternatively, a BO may choose to issue a separate receipt instruction to his DP every time he/she makes a purchase.

56. What is an On Market and Off Market transaction?

- a. Any transaction for sale and purchase of securities executed through a broker on the stock exchange which is to be settled through the Clearing Corporation / Clearing House is an On Market transaction.
- b. Any transfer of securities which is settled directly between two BOs having an account with the same depository without the involvement of the broker and the Clearing Corporation / Clearing House is an Off Market transaction.

57. What is an Inter Depository transfer?

Any transfer of securities between two BOs not having demat accounts with the same depository is an Inter Depository transfer.

58. Can inter depository instructions be executed through the same instruction slips as used for on market and off market transactions?

Yes. In CDSL, inter depository transfers can be executed through the same instruction slips used for on market and off market transactions.

59. Can securities be bought and sold through Depository Participant?

No. Securities can be bought and sold only through a stockbroker. DP facilitates delivery of securities against a sell transaction or receipt of securities for a buy transaction.

60. What are the transaction charges in respect of transfer of demat securities?

Transaction charges for each debit in a BO account is levied by CDSL and collected by DPs. DPs after adding their mark up, if any, fix a composite charge which is intimated by them to their clients.

61. How is the Settlement Number in the depository indicated?

Settlement number in CDSL has 13 digits, the 1st 2 digits are exchange-ID, next 2 digits are clearing house-ID, next 2 digits are settlement type, the next 4 digits represent the year and the remaining 3 digits represent the settlement number of the exchange on which the transaction has been executed.

62. What are the different Market Types for settlements through CDSL?

	Market Type Description	Character Codes
a)	Rolling Market (BSE)	RM
b)	Normal Rolling (NSE)	NR
c)	Auction Rolling (BSE)	AR
d)	Normal Auction (NSE)	NA
e)	Company Objection	CO
f)	Company Objection Auction	CO
g)	Trade-to-Trade	TT

63. What is client level pay-in? What are the benefits of client level pay-in?

Facility to deliver securities to Clearing Corporation/Clearing House directly from the demat account of investors is termed as client level pay-in. Benefits of the client level pay-in are: -

- In the present market environment of T+2 pay-in settlement cycle, faster settlement of securities can be facilitated through client level pay-in.
- Client level pay-in avoids issuance of multiple instructions i.e. first from client to CM and then from CM to Clearing Corporation/Clearing House. Last minute pay-in is possible through the client level pay-in.
- Client level pay-in avoids counter party risk associated with the delivery of securities through an intermediary.
- Last minute credits received in a BO account before pay-in time can be used for pay-in.
- Part pay-in of securities is possible, thereby, reducing losses due to auction (if any).

64. Does CDSL provide for the client level pay-in?

Yes. CDSL provides the facility of client level 'normal' and 'early' pay-in for, both, BSE and NSE settlements.

65. What precautions need to be observed with respect to Instruction Slips?

BOs should take the following precautions with respect to instruction slips: -

- Ensure that the DP issues Debit Instruction Slip (DIS) book.
- Ensure that instruction slip numbers are pre-printed on each DIS.
- Ensure that the demat account number is prestamped.
- If only one entry is made in the DIS, strike out remaining space to prevent misuse.
- All details like the counter BOID, quantity, ISIN, etc. to be furnished in the DIS should be filled in by the BO himself.
- Use separate DIS for confirming On Market / Off Market / Inter depository obligations / transfers and also for Delivery and Receipt Instructions.
- In case of a Joint Account, all the account holders must sign the DIS.
- Submit the DIS in duplicate and obtain the DP's acknowledgment / receipt stamp on the copy of the DIS and retain the same in safe custody.
- Keep the DIS book in proper custody under lock and key when not in use. In case of any loss / misplacement of DIS, the same should be intimated to the DP immediately.
- Should never sign and keep a blank DIS.
- All the holders must confirm any alteration, correction or cancellation made on the DIS with their signatures.

V PLEDGE OF DEMAT SECURITIES

66. Can securities held in demat form be pledged?

A BO can pledge his/her securities held in demat form. Moreover, procedure for pledging securities in demat form is very convenient, both, for the pledgor and the pledgee.

67. What is the procedure for pledging securities?

- a. The pledgor and the pledgee must have BO accounts with CDSL. These accounts can be with the same DP or with different DPs.
- b. The pledgor has to fill up the Pledge Request Form (PRF) in duplicate available with his DP.
- c. On receipt of the PRF, the pledgor's DP verifies that the securities can be pledged. The DP then sets up pledge in the depository system and a unique Pledge Sequence No. (PSN) will be generated.
- d. One copy of PRF (with the PSN) should be sent to the pledgee by the Pledgor. The Pledgee will then countersign the PRF for acceptance/ rejection of the pledge request and submit the PRF to his DP.
- e. The pledgee's DP has the facility to access the request on line. Based on copy of PRF the pledgee's DP either accepts or rejects the pledge request.

68. How are securities unpledged in the depository system?

- a. The pledgor has to submit the Unpledge Request Form (URF) in duplicate, which is available with his DP.
- b. On receipt of the URF, the pledgor's DP sets an unpledge request in the depository system using the PSN generated at the time of creating the pledge. An unpledge request can be for part or entire quantity of pledged securities.
- c. One copy of URF (with the PSN) should be sent to the Pledgee by the Pledgor. The Pledgee will then countersign the URF for acceptance/ rejection of the unpledge request and submit the URF to his DP.
- d. The pledgee's DP has the facility to access the request on line. Based on copy of URF the pledgee's DP either accepts or rejects the unpledge request.
- e. The securities can also be unpledged by the Pledgee giving duly filled URF to his DP instructing to unpledge the securities. This facility is called Auto Unpledge where no instruction is required to be given by the Pledgor.

69. How is a pledge invoked?

In case of default by the pledgor, the pledgee, after giving notice to the pledgor as per the terms of the agreement, may instruct his DP to invoke the pledge by submitting the "Invocation Request Form" (IRF). On execution of this instruction, the securities are transferred into the pledgee's account. This does not require any confirmation from the pledgor.

70. Can all securities be pledged?

All securities other than Government Securities can be pledged.

71. Can lock-in securities be pledged?

Yes. In CDSL lock-in securities can be pledged. However, it is the discretion of the pledgee to accept such securities in pledge. A security under lock-in cannot be invoked by the pledgee.

72. Who receives corporate benefits on the pledged securities?

The pledgor continues to remain the beneficial owner of the pledged securities and will, therefore, be receiving the corporate benefits during the period of pledge.

73. Can the securities pledged with a bank be dematerialised?

The pledged securities can be dematerialised with the prior permission of the pledgee bank.

VI CORPORATE ACTIONS & PUBLIC OFFERINGS

74. What is a Corporate Action (CA)?

Distribution of dividend or interest payments, issue of rights or bonus securities, consolidation of holdings or issue of another security on account of merger or demerger, calling money on partly paid securities, buyback or open offer, etc. are normally the purposes for which issuer sets up corporate action to consider benefits or entitlements of holder.

75. What is an Initial Public Offer (IPO)?

When a company issues securities to the public through a prospectus it is known as an IPO. Credit of securities allotted in IPOs is directly effected in the investors demat accounts.

76. Is it possible to get securities in an IPO allotment in demat mode only?

Yes, it is possible to get allotment of securities in an IPO in demat mode only. In the public issue application form, the investor has to mention the BOID and name and the ID of the DP. Any allotment will be credited to the BO's account directly and the BO will receive intimation to that effect from the company.

77. Is there any specific way in which BOs are required to mention the details of their demat account numbers in the IPO form?

The IPO form provides for 16 digits, the 16 digit BO ID should be entered by the BO. If the form has separate fields for the DP ID & BO ID, the first 8 digits are the DP ID and the last 8 digits is the BO ID.

DPID	BO ID
12010100	00003467

78. Who disburses the CA benefits arising out of bonus, rights or dividend in respect of demat holdings?

- a. When any corporate benefits such as rights or bonus or dividend or interest is announced for a particular security, CDSL provides the list to the concerned issuer / RTA list of the BOs, their electronic holdings as on the record / book closure date for recording the entitlement of the corporate benefit.
- b. The Issuer / Registrar then calculates the entitlement of the corporate benefit due to all BOs.
- c. The disbursement of cash benefits, such as dividend or interest, rights application form etc. is made by the Issuer / Registrar directly to the BOs.
- d. Credit of non-cash (bonus, rights) entitlements is made directly to the BOs demat accounts through the depository.
- e. If the demat account number is mentioned incorrectly in an IPO, will the application be rejected?

Yes. The application will be rejected in case the account number is mentioned incorrectly in the IPO form.

79. How does the BO know that the securities allotted through the IPO have been credited to his demat account?

A BO can verify the credit of the securities allotted to his/ her in the following ways:

- a. The RTA would send an allotment advice to the BO, advising the shares allotted and credited to their demat account.
- b. From the statement of account sent by the DP.
- c. Through CDSL's Internet facility easi/easiest, if the BO has registered for the same.

80. Is there any option for the manner in which noncash corporate benefits could be received?

Yes. there is a choice of receiving the non-cash corporate benefits either in electronic or in physical mode. Issuers send intimation directly to BOs for ascertaining their choice in this regard.

81. In case of any discrepancy in entitlement of corporate benefits whom should the BO contact?

It is desirable that in case of any discrepancy in cash and non-cash corporate benefits, BO should contact the Issuer / Registrar directly.

82. Whom should BOs contact for any query on allotment/ refund relating to an application made under the IPO?

All queries regarding the IPO should be addressed to the company or the Registrar & Transfer Agent, whose details are available in the application form/offer document.

83. If the holdings are in dematerialised form, will the bonuses / rights against them be issued in the same form?

- a. The Issuer/RTA regularly obtains holdings report on ISIN balances from CDSL. On the basis of holdings report, the Issuer/RTA issues advice for credit of bonus/rights shares in the demat accounts.
- b. The Issuer/RTA may, if the benefits are being given in the form of securities, distribute such benefits to the investor through CDSL by crediting them electronically to the BO account, provided that the newly created security is an eligible security and has been admitted into CDSL.
- c. Where allotment is made in demat form, the Issuer or its RTA sends allotment advice directly to the BO.
- d. Securities credited directly to the BO account will be reflected in the statement issued by DPs.
- e. In case any security is not admitted with CDSL system, the Issuer/ RTA will distribute the corporate benefit in the physical form.

84. If the BO is holding securities in physical form, can he receive bonus / rights in the dematerialized form?

If the holding is in physical form, the BO can choose to receive the rights/ bonus allotment in the dematerialized form if he informs his intent to receive the rights/bonus in dematerialised form to the Issuer/RTA.

85. Can a BO holding securities in dematerialised form, receive the bonus/ rights through a different demat account?

Normally, the credits due, on account of a rights/bonus allotment are given in the same demat account.

86. Is the rights issue form sent by the Issuer / RTA or CDSL?

As in the physical segment, the Issuer / Registrar mails the rights form directly to BOs. CDSL / DP would not be mailing the same.

87. If any investor requests for credit of rights / bonus allotment in dematerialised form without having a demat account, will CDSL open an account on its own to provide credit?

No, in such a case the rights/bonus allotment would be issued in physical form only.

88. Does one get any preference in allotment, if one applies for issuance of securities in dematerialized form?

The basis of allotment of securities is independent of the form (physical / dematerialised) in which the allotted security is requested. Thus, there is no preference given in the allotment to investors applying for securities in dematerialised form. These investors are treated on par with the requests for allotment in physical form.

89. In case of holding in electronic form, when will an investor get electronic credit to his account?

Securities in such cases are credited to the demat account on the effective day indicated by the Issuer/ RTA, as against time of 15 - 20 days taken in for receiving securities in physical form, because in such cases certificates have to be printed and dispatched.

90. Are there any means to identify partly and fully paid up securities in demat form?

- b. A separate ISIN is issued by depositories to identify partly paid up securities.
- c. Such securities are traded separately on the stock exchanges.
- d. After the call money realisation, when the issuer /Registrar converts the partly paid up securities to fully paid up securities, the security will have the same ISIN.

VII TRANSMISSION OF DEMATERIALIZED SECURITIES

91. What is transmission of dematerialised securities?

Transmission is the process of transferring securities in the account of the deceased holder to the account of the nominee / legal heirs. The process of transmission of securities in case of dematerialised holdings is more convenient as the formalities for the securities held in the demat account can be completed by submitting necessary documents to the DP only.

92. In the event of death of the sole holder, how should the successors claim the securities lying in the demat account?

The claimant should submit to the concerned DP an application with Transmission Request Form (TRF) along with the following supporting documents:

- a. A notarised copy of the death certificate, In case of death of the sole holder where the sole holder has appointed a nominee.
- b. In case of death of the sole holder, where the sole holder has not appointed a nominee:
 - i. A notarised copy of the death certificate, and Any one of the below mentioned documents
 - ii. Succession certificate
 - iii. A certified copy of the will and the probate.
 - iv. A certified copy of the Letter of Administration if the value of the securities is more than 1 lakh.

The DP, after ensuring that the application is genuine, will transfer securities to the account of the claimant. The major advantage in case of dematerialized holdings is that the transmission formalities for all securities held in a demat account can be completed just by interaction with the DP alone.

VIII REMATERIALISATION OF DEMAT SECURITIES

93. In case of request for rematerialisation, does one get back the same certificate/s that he had got dematerialised?

The Issuer / RTA issues new certificate(s) with different distinctive numbers in case of a remat request. The new certificate(s) may be issued under a new or existing folio number, if investor already has one with the company.

94. If the physical certificate issued on rematerialisation has some mistake in the name or any other details, whom should the investor contact?

The investors should contact the Issuer or RTA, as the case may be.

95. Does the remat request constitute transfer and attract stamp duty?

A Remat request does not amount to a transfer and does not attract any stamp duty.

96. Can securities be rematerialised in odd lots?

A beneficial owner can remat his holding even if it is an odd lots.

IX ELECTRONIC ACCESS TO SECURITIES INFORMATION (easi)

97. What is easi?

easi (electronic access to securities information) is a convenient, easy to operate internet based facility, which allows registered Beneficial Owners (BOs) & Clearing Members (CMs) to access their demat account through the internet to check the details of their holdings and/or transactions, anytime anywhere, through CDSL's website www.cdslindia.com.

98. What are the benefits of easi to BOs?

- b. Viewing and printing details of holdings and/or transactions for last 7 days in their account.

- c. Viewing and printing the valuation of holdings in their demat account based on the previous day's closing price on BSE.
- d. Viewing multiple demat accounts through a single login id.
- e. Monitoring corporate announcements related to the securities, held in their demat account. A BO also has the additional option to add upto 25 ISINs not held in their demat account, but wishes to monitor corporate announcements for such ISINs.

99. What are the benefits of easi to CMs?

- a. Viewing and printing of holdings of the securities held in their settlement accounts along with the valuation as per the previous days closing price on BSE.
- b. Viewing and printing the status of their transactions and also the pay-in and pay-out positions along with the shortages for any given settlement.
- c. Downloading holding and/or transaction details to update their backoffice.
- d. Monitoring corporate announcements for the securities, held in their demat accounts. A CM also has the additional option to add upto 25 ISINs not held in their demat account, but wishes to monitor corporate announcements for such ISINs.

100. Can all BOs/CMs use this facility?

Yes. this facility is available to all BOs and CMs and they can register for the easi facility on CDSL's website www.cdslindia.com.

X ELECTRONIC ACCESS TO SECURITIES INFORMATION & EXECUTION OF SECURED TRANSACTIONS (easiest)

101. What is easiest?

CDSL's internet based facility easiest (electronic access to securities information and execution of secured transactions), permits CMs and BOs to submit off-market, on-market, inter-depository and early pay-in debit instructions from their demat account. Moreover, all the facilities and benefits of easi are automatically made available to a subscriber of easiest.

102. What are the different types of account transfers available on easiest?

There are two types of account transfers available on easiest:

- a. **Trusted Account Transfer:** permits transfer of securities from a BO account to the settlement accounts of any 4 CMs in CDSL, which have been pre-notified by the BO.
- b. **Account of Choice Transfer:** permits transfer of securities from a BO account to any other demat account including the CM settlement accounts. All the on-market, off-market, early-payin and interdepository transactions are authenticated by means of a digital signature, which is provided by CDSL at an additional cost. CMs would be able to register for the account of choice option only for submitting transactions on easiest.

103. Why should I register for easiest?

easiest, not only provides all the benefits of easi, but also gives a BO/CM the convenience of executing debit/ credit instructions from their demat account, over the internet, anytime anywhere.

104. Does a BO/CM still need to submit instruction slip(s) to the DP when executing transaction(s) on easiest?

No. A BO/CM who submits instruction(s) through easiest need not give any instruction slip(s) to their DP.

105. If I am registered for easi, can I register for easiest?

Yes. you can by selecting the option 'Upgrade BO ID to easiest', in your easi account login. However you may have to check with your DP if they have subscribed for the easiest facility.

106. Can a BO/CM submit multiple transactions through easiest?

Yes. The easiest upload facility enables a CM/BO to submit multiple transactions in a single file.

107. Who can avail of the upload facility?

All BOs or CMs who have opted for the account of choice login, in easiest can avail of this facility. A BO or CM would have to approach their DP to have their upload rights activated.

108. Can I monitor corporate announcements for the shares in my demat account through my easi/ easiest login?

Yes. you can monitor corporate announcements for the securities held in your demat account through your easi/easiest login. You can also add ISINs not held demat account, but wish to monitor corporate announcements for such ISINs.

109. How do I register for easi/easiest?

- a. Login to CDSL's website www.cdslindia.com and on the link "Register Online" from the homepage.
- b. Select the facility (easi or easiest) you register for.
- c. Enter your details like Login-Id, Email-Id, etc.
- d. Print the registration form.
- e. Submit the registration form to your DP signed by all the account holders.
- f. You will receive the password at your email-Id.
- g. You can commence using easi / easiest by entering your 'User name' and 'Password' at the homepage of CDSL's site www.cdslindia.com.

XI SMART

110. What is the SMART facility?

SMART stands for SMS Alerts Related to Transactions in which investors registered for SMART will receive alerts for all types of debits, subject to a maximum of four ISINs, and for credits due to IPOs allotments and corporate actions.

111. How do I avail of this facility for my account?

You will have to approach your Depository Participant (DP) and submit the SMART registration form duly completed. This can also be downloaded from CDSL's website www.cdslindia.com.

112. When will I receive a SMART alert?

You will receive SMART alerts for any debits in the account, subject to maximum of four ISINs, and for credits due to IPO allotment and corporate actions.

113. Is this facility available for all types of demat accounts?

The SMART alert service is presently not available for Clearing Member accounts, Client Beneficiary accounts or Client Margin Accounts.

114. What is the registration procedure?

- a) An account holder will have to submit the SMART registration form duly completed to their DP. The form can be obtained from your DP or downloaded from CDSL website www.cdslindia.com.
- b) After verifying the signatures and details mentioned in the form, the DP enters the details in the CDSL system for initiation of this service.
- c) CDSL will generate an acknowledgment letter, which the DP will certify and hand over or mail to the BO.
- d) CDSL will then send a message to the cell phone number registered for this facility.