

IX. DEMAT ACCOUNT CLOSURE

1. Account closure

BO(s) shall give a written request to the Depository participant (DP) on the Account Closure Request Form (ACRF) as specified by CDSL in Annexure 10.1 or a letter signed by all the holder(s).

2. In case of Account closure and shifting to other account

The BO(s) shall submit the Account Closure Request Form (ACRF) having the details of target account to the concerned DP duly signed by all the holders.

3. Closure of accounts with pending demat requests

In case of closure of demat accounts where there are long-pending dematerialisation of shares of non- responding companies, BO(s) shall submit the following documents to the Issuer with a copy marked to the electronic connectivity RTA and DP.

In cases the BOs wishes to withdraw the demat requests pending disposal by Issuers / RTAs for a long time, in order to enable them to close the demat account(s) –

- A letter, as per the format given in Annexure 10.2 to the Issuer/Company, requesting rejection of the pending demat request.
- A letter giving the Demat Request Number [DRN] details which is duly signed and stamped by the DP.
- BO(s) shall obtain the system generated a letter from their respective DP. This letter shall be addressed to the RTA.
- On rejection of the demat request by the Issuer / RTA, the account will be closed by the DP, based on the duly signed ACRF.

In cases where there are long-pending (more than 60 days) dematerialization of shares of non-responding companies, BO(s) shall submit a letter, addressed to the DP (as per the format given in Annexure 10.3) requesting the rejection of the long-pending demat request so that the account closure process may be completed.

4. When is the BO account closure initiated by the DP.

A DP can initiate the closure of a BO account for the following reasons such as:

1. Non-payment of dues
 2. Violation of Rights and Obligations document
 3. Transfer to another DP/Main DP due to closure of Branch/Main DP.
- In this case BO will receive a notice of minimum 30 days from the DP, intimating the BO of DP's intention to close the account, citing the reason for initiating closure of the account.

- If BO will not respond to the notice sent by the DP within 30 days from despatch of the letter by the DP, the DP shall initiate closure of the BO account.

5. Account closure and shifting of account from one CDSL-DP to another CDSL-DP

If BO wishes to shift an existing account to another CDSL DP, in this case BO shall open a new account with another DP in the same order of holder names as in the existing account. BO is required to submit the following documents to the existing DP.

- Client Master Report duly stamped and signed in case of physical copy or digitally signed/e-signed in case of electronic copy by official of the new DP.
- Duly filled and signed ACRF with a remark in the "Reason for closure" column as 'Shifting of account'.
- A declaration stating that all transactions in the account are authentic (part of Account Closure Form).

BOs shall note that ISIN balances which are under Inactive or Lock-in status and balances which are under Pending Demat / Remat / Destat / Restat will also be transferred to target demat account along with the free securities, for transfer and account closure is within CDSL except the ISINs are under Pledge and/ or ISINs which are frozen for debits and / or credits will not be transferred.

6. Shifting of account from a CDSL-DP to a DP of the other depository

If BO wishes to shift an existing account to another DP, in this case BO shall open a new account with another DP in the same order of names as in the existing account. BO is required to submit the following documents to the existing DP.

- Client Master Report duly stamped and signed in case of physical copy or digitally signed/e-signed in case of electronic copy by official of the new DP.
- Duly filled and signed Account Closure Request Form with a remark in the "Reason for closure" column as 'Shifting of account'.
- A declaration stating that all transactions in the account are authentic.

BOs shall note that only free balances will be transferred. Balances which are under lock-in, Pledge, Pending for Remat, Pending Demat verification, Pending Demat confirmation, and ISINs which are frozen for debits and /or credits will not be transferred.

7. Online facility for closure of the demat account.

Online closure facility has been made available to the BOs, BO shall be entitled to close the demat account through online mode without mandatorily giving any reasons to the DP, For the closure of demat account maintained with the DP, subject to the compliance requirements as stipulated by SEBI / Depository from time to time.

8. Whether all DPs are applicable to provide the online closure facility to the BOs.

No, DPs who are providing the online account opening process are applicable to provide the online closure facility to the demat account holders. Further clients who have opened their accounts offline or online, by the DPs that provide various Depository related services in online mode can also opt to close the demat account online.

In case of DPs who do not provide any online services and do not open accounts online , may not be required to offer online closure facility to the demat account holder.

9. Can BO give a account closure request on email.

BO can give the request for closure from the registered email id of the BO if the BO having nil holdings in the demat account .

10. Is it possible to do online closer of demat account with holdings.

Online account closure for account with holdings can be done only through web portal / app of DP, through secured access by way of client specific user ID and password (in case of internet clients) and the request sent through emails, SMS, other messaging apps, etc. shall not be entertained by the clients DP.

Since the KYC process requires e-sign post which demat accounts can be opened by the DP, for online closure of accounts with balance also, client will be required to e-sign the form (using Aadhaar based online electronic signature service) , since DP has to verify the same.

Target account details also should be mentioned in case of request for closure of demat account having holding in case of account closure and shifting of demat account.

BO will have to upload the scan / photograph of the signature alongwith Client Master Report (CMR) of the target account digitally signed by official of the new DP . Further BO will have to sign the online account closure form displayed in the DPs app using the e-sign (using Aadhaar based online electronic signature service) along with the documents and submit the same for further processing.

BO shall note that online closure facility is available only for sole holder BO (without pledge / freeze / pending demat requests balances).

Requests accepted through above mechanism shall be considered as a valid client request and DPs / Depository shall not be held liable for acting on such requests.

11. As a demat account holder can I close my demat account, if the holder has only mutual funds?

Yes, but you must either: Redeem your mutual funds Securities or Transfer them to another demat account before submitting the closure request.

12. What should I do if my DP refuses to close my demat account?

If all the dues are cleared by you, and documents are complete in all respects. You may file a complaint with the respective Depository complaints department.
