

General

What is a depository?

A “Depository” is a provider of facility for holding and/or transacting securities in, book entry form. Physical securities can be converted in to book entry form i.e. electronic form by way of immobilization or dematerialization. (so that they exist only as electronic records). India has chosen the dematerialization route. A depository functions somewhat similar to a commercial bank. To avail of the services offered by a depository, the investor has to open a demat account with a registered DP.

What is dematerialization (Demat)?

“Dematerialization” is a process by which physical certificates are converted into electronic form.

What is Rematerialisation (Remat)?

Rematerialisation is the process of converting securities held in a demat account in electronic form back in physical certificate form.

Who is registered owner of Securities?

When securities of a company are held in physical form by an investor, Name of the investor is recorded in the books of the company as a ‘Registered Owner of the Securities. Each certificate is identified by Folio number, certificate number and distinctive range numbers.

Who is a Beneficial Owner (BO)?

When physical shares are converted in to electronic form, the depository becomes ‘Registered owner” in the books of the company and investors name is removed from books of the company. Depository is holding shares in its records on behalf of the investors who have opened a demat account with the depository. Hence all benefits are given to the actual investor who is called as a “**Beneficial Owner**” (BO) of the securities.

Who is a Depository Participant?

A “Depository Participant” (DP) is an agent of the depository who is authorized to offer depository services to investors. Financial institutions, banks, custodians and stockbrokers complying with the requirements prescribed by SEBI/ Depositories can be registered as DP. Further information on DP, can be accessed from CDSL’s web site www.cdslindia.com. An investor will always interact with a DP for the services and can not directly approach the depository for any services.

Who is an Issuer?

“Issuer” means any entity such as corporate / state or central government organizations Issuing securities which can be held in depository in electronic form.

Who is an RTA?

An RTA i.e. Registrar and Transfer Agent is an agent of the issuer. RTA act as an intermediary between the issuer and depository for providing services such as Dematerialization, Rematerialisation, Initial Public Offers and Corporate actions.

What is an ISIN (International Securities Identification Number)?

“ISIN” is a unique 12 digit alphanumeric code given to a security, shares, Debentures, Bonds etc. when the security is admitted in the depository system. First two digits of the ISIN code indicate country of registration for the security. All securities registered on depository in India, first two digits of the ISIN code are ‘IN’.

Whether different securities issued by the same Issuer will have same ISIN?

No, different securities issued by the same issuer will have different ISIN code.

What are the services provided by a Depository?

Depository provides following services to the investors through a DP:

- Opening a demat account.
- Dematerialization, i.e. converting physical securities into electronic form.
- Rematerialisation, i.e. converting electronic securities balances held in a BO account into physical form.
- To maintain record of holdings in the electronic form.
- Settlement of trades by delivering / receiving underlying securities from / in BO accounts.
- Settlement of transactions between BOs entered outside the Stock Exchange.
- Receiving electronic credit in respect of securities allotted by issuers under IPO or Otherwise on behalf of demat account holders.
- Receiving non cash corporate benefits, such as, allotment of bonus and rights shares or any other non cash corporate benefits given by the issuers in electronic form on Behalf of it’s demat account holders.
- Pledging of dematerialized securities & facilitating loans against shares.
- Freezing of the demat account for debits, credits, or both.
- Internet facilities “easi” and “easiest”, if the DP is registered for the same with CDSL.

What is the legal framework governing the depository functions in India?

Following are the acts and regulations under which a depository functions:

1. The Depositories Act, 1996,
2. SEBI (Depositories and Participant) Regulations.
3. CDSL Bye-laws which are framed under the above two documents.
4. Prevention of Money Laundering Act (PMLA), 2002.

DEMAT ACCOUNT OPENING

What are the benefits of opening a demat account for investors?

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

- 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.
- It is a safe and convenient way to hold securities compared to holding securities in physical form.
- No stamp duty is levied on transfer of securities held in demat form.
- Instantaneous transfer of securities enhances liquidity.
- It eliminates delays, thefts, interceptions and subsequent misuse of certificates.
- Change of address, registration of Power of Attorney – can be effected across companies by one single instruction to the DP.
- Each share is a market lot for the purpose of transactions - so no odd lot problem.
- Any number of securities can be transferred / delivered with one delivery instruction. Therefore, paperwork and signing of multiple transfer forms is done away with.
- It facilitates taking loans / advances against securities.
- Immediate credits in case of any allotment in bonus, rights issues and IPO's.

What are the benefits of opening a demat account with CDSL?

- The unique centralized database of CDSL enables DPs to debit/credit securities instantaneously to the BO's account.
- 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 keyed in incorrectly, CDSL system will not effect the transaction.
- CDSL offers a settlement facility to its BO's under which securities sold or purchased by them, through any broker on BSE/NSE, can be directly debited/credited in their BO account without routing it, through the broker's pool account.
- The cost for settlement of securities through CDSL is lower in most cases. Thus, BOs can expect a lower charge in respect of securities held in CDSL accounts.
- 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.

Can a demat account be opened directly with CDSL?

A demat account can not be opened directly with CDSL. The demat account has to be opened Only through a DP of CDSL.

Can an investor, already having a demat account; open another account with any other CDSL DP?

Yes. The investor has a choice to open another demat account with any CDSL DP.

Can a DP collect account opening charges?

SEBI has directed that no investor should pay account opening charges, besides the statutory charges.

Can all securities be dematerialized through a single demat account?

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

What should an investor do to open an account with a DP?

The process of opening a demat account through a DP of CDSL is very simple and easy. It is similar to the opening of a bank account.

- Investor has to first choose a DP based on his convenience and the DP's charges.
- The investor has to submit a completely filled, signed account opening form in the prescribed format along with following documents such as Photocopy of the PAN card, Proof of Identity, Proof of address. List of documents which are acceptable as proof of identity / address can be obtained from the DP.
- 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.
- On opening a demat account, a unique BO ID (Beneficial Owner Identification) Number is allotted, which should be quoted in all future transactions.

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.

Why bank details are required while opening a demat account?

This requirement is a security measure. The Dividend / interest warrants issued by the Companies will have your name printed on it, so that the warrants can not be misused by other person.

Can an investor open multiple demat accounts?

There is no restriction on number of demat accounts which an investor can open.

Is there any restriction to have demat account with only one DP?

A BO can open multiple demat accounts with the same DP or with different DPs.

Is it necessary for an investor to open an account with the same DP as that of his broker for settling the trades done through him?

There is absolutely no compulsions on any investor to open his demat account with the same DP as that of his 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.

Can a demat account be opened in the name of Joint Holders?

Yes. A demat account can be a single holder account or a joint holder account. A demat account can have maximum three account holders i.e. one main holder and two joint holders.

Can a Demat account be opened for a minor?

Demat account can be opened in the name of a minor. The account will be operated by a guardian till the minor becomes major, Guardian has to be the father or in his absence mother. In absence of both, father or mother, the guardian can be appointed by court.

Can minor be a joint holder in another demat account?

No. Minor can not be a joint holder in a demat account.

What happens to a minor account when the minor becomes major?

When a minor attains majority, two options are possible.

- Either the existing account can be closed and new account opened in the name of the minor turned major and all securities in the minor account are transferred to the new account.
- Existing account can still be used. Minor turned major has to sign a new agreement with the DP and complete all formalities required for opening a new demat account. Guardian details entered earlier have to be deleted.

Can a demat account be opened in the name of a trust?

If the trust is registered under the Public Trust act 1860 / Societies Registration act / Bombay Public Trust act / public trust act in force in the state, then a demat account can be opened in the name of a trust. If the trust is a private or unregistered trust then a demat account shall be opened in the name of trustees as an individual account. If the trust has more than three trustees, then they will have to decide in whose name the demat account will be opened.

Can any information submitted at the time of opening a demat account be modified at a later date?

Yes. Except names of the account holder(s) and type of the account, all other information such as address, bank details, date of birth etc. can be modified.

What is the procedure to be followed for account modification?

An account modification form duly signed by the account holder(s), along with the required documents as proof for the modification, has to be submitted to the DP who will verify the request and carry out the modifications in the depository system.

In case of a joint demat account, can a joint holder independently ask for account modification?

No. For a joint demat account, account modification form has to be signed by all the joint holders.

If one of the joint holders expires, Can name of the deceased account holder be deleted from the account?

No. If one of the joint holder expires, new demat account should be opened in the name of surviving joint holders and securities from the previous account should be transferred to the new account.

Can joint holder names be added / deleted from a demat account?

No. Once a demat account is opened addition / modification / deletion of account holder names is not permitted.

Can securities of different companies held in one demat account?

Yes.

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.

Can holdings in a single holder account be transferred to a joint holder account?

Yes. Securities can be transferred from a single holder account to a joint account or vice-a-versa.

How does a BO get information that his account has been updated after each transaction?

- DP sends to BO, a statement of transactions and balances at least once every month, even where 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.
- A BO can find out up-to-the-moment status of his account any-time, any-where by using internet based facility 'easi' launched by CDSL. The BO has to register for easi through his DP. Currently the transaction details are updated every 15 minutes.
- A BO can also get details of debits to the demat account directly from CDSL by registering to 'SMART', the SMS alert facility of CDSL.

NOMINATION FACILITY

Is Nomination facility available for Demat Accounts?

The nomination facility is available for demat accounts. The account holder(s) has to provide nomination details or given a declaration that nomination the account holder(s) does not wish to provide nomination for the demat account. However it is advisable for all individual BO's to avail of this facility.

Which BO can appoint a Nominee?

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

Who can be appointed as a nominee?

Only an individual can be appointed as a nominee. Non-individuals entities such as trust, corporate, HUF, AOPS etc can not be appointed as a nominee.

How many nominees can be appointed as nominee for a demat account?

Only one individual can be appointed as a nominee for a demat account.

Can the nomination given once be changed / deleted?

Yes. Nomination once given can be changed / deleted as and when required. However if the nomination is to be deleted then the account holder(s) should give a declaration that the account holder(s) does not wish to provide nomination for the demat account

What is the procedure to appoint a nominee?

The Account holder(s) is (are) required to fill a standard nomination form available with the DP. The nomination form has to be signed by two witnesses. If the account is a joint account, the nomination form should be signed by all account holders.

Can a minor be appointed as a nominee?

Yes. A minor represented by a guardian can be appointed as a nominee.

Can nomination be given for a Joint account?

Yes nomination can be given for a joint demat account also. But only one nominee can be appointed for all the account holders of the demat account. Each of the joint holders can not appoint separate nominee.

Who cannot nominate?

Non-individuals such as societies, trusts, body corporate, Karta of Hindu Undivided Family etc. and holders of power of attorney cannot make a nomination.

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. This would also depend on FEMA regulations.

Is nomination compulsory for a demat account?

SEBI has mandated that nomination should be recorded for a demat account held by individuals. If nomination is not to be given then the account holder(s) should give a written and signed declaration to the effect.

POWER OF ATTORNEY

What is Power of Attorney (POA) in demat scenario?

Power of Attorney is authority given by a demat account holder to some other entity operate his demat account.

Who can be a POA holder?

POA holder can be an individual or a corporate entity.

What are types of POA?

The POA can be

- General purpose POA i.e. the POA holder can perform all activities on behalf of the original holder(s)
- Specific purpose POA i.e. the POA holder can perform only certain operations.

Is there any specific format for execution of POA?

The format of POA depends upon the intention of the powers being given to the POA holder.

Can Power of Attorney (POA) be given for a joint demat account?

Yes. POA be given by holders of a joint demat account. All the holders may give POA to a single entity or each holder may give POA to a separate entity.

Should the Power of Attorney (POA) be notarized?

Notarization of POA is at the discretion of the DP.

Can the BO submit a copy of POA?

Yes. Copy of the POA document submitted should be certified as a "TRUE COPY" by the BO(s).

Can Multiple POAs be given by the same holder?

Yes, the same holder can give Multiple POAs.

Can BO himself give instructions when POA exists?

Yes, both BO & POA can sign instructions.

Can POA close a demat account?

No, POA holder cannot close the account.

Can POA holder give nomination instruction to the DP?

No, POA cannot give nomination instruction.

What happens if a BO loses his 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.

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.

HUF ACCOUNTS**What do you mean by HUF account?**

HUF stands for Hindu Undivided Family. It is a demat account opened for managing securities of a family. The account is managed by a 'Karta' who is a male member of the family and other members of the family are termed as 'Co-parceners'. Karta manages the HUF account on behalf of the Co-parceners.

In whose name the HUF account is opened?

HUF account can be opened in the name of the

- HUF entity as it appears on the HUF PAN card such as A B C & SONS HUF
- Existing Karta
- Deceased Karta

Whether the HUF account can be opened with joint holder(s)?

HUF accounts cannot be opened with joint holder(s).

Whether nomination can be recorded for a HUF account?

No. HUF accounts cannot appoint a nominee.

Who will sign the account opening form of HUF?

The Karta should sign the account opening form under the HUF stamp.

What are the documents to be obtained while opening the HUF account?

Following documents have to be obtained for opening a HUF account:

- Proof of Identity / Address for Karta
- Bank Pass Book indicating the existence of HUF entity.
- PAN Card of the Karta to be obtained and taken on record. However, the PAN details of the HUF entity would have to be obtained and entered in the CDSL system.
- Declaration by Karta giving details of the family member's i.e. co-parceners, of the HUF with their names, sex (male/ female), date of birth and relationship with the Karta.

Whether HUF account can appoint a POA?

Yes, HUF account can appoint a POA.

Who will sign the POA in case of HUF?

The Power of Attorney (POA) document should be signed by the Karta of the HUF and all the coparceners.

Can a Power of Attorney holder open an HUF account?

A Power of Attorney holder cannot open a HUF account.

Whether we have to open the new demat account in the event of death of Karta?

HUF is an entity and it does not come to an end in the event of death of the Karta. In such a case, the members of the HUF will appoint the new Karta.

What is the procedure to be adopted to appoint a new Karta in the event of death of existing Karta?

Following is the procedure to be followed in the event of death of kart:

- HUF, being a Hindu Undivided Family, the property of the family is managed by the Karta,
- The new Karta shall submit the new list of members and a no objection from the surviving members of the HUF for him to act as Karta of the HUF.
- The new Karta will submit an account modification form to the DP and record change in signature of the new Karta to operate the account.
- The previous account need not be closed and the same account can continue.

NRI ACCOUNTS**Who is a Non-Resident Indian [NRI]?**

Non- Resident Indian [NRI] means a 'person resident outside India' who is a citizen of India or is a 'person of Indian origin'.

Who is a 'person of Indian origin' (PIO)?

'Person of Indian Origin' (PIO) means a citizen of any country other than Bangladesh or Pakistan, if

- a. he at any time held Indian passport; or
- b. he or either of his parents or any of his grandparents was a citizen of India by virtue of the Constitution of India or the Citizenship Act, 1955; or
- c. the person is a spouse of an Indian citizen or a person referred to in sub-clause [a] or [b].

Investment by PIO in Indian Securities is treated the same as the investment by non-resident Indians and requires same approvals and enjoys the same exemptions.

Where can an NRI/PIO open a demat account?

NRI/PIO can open a demat account with any Depository Participant [DP] of CDSL. The NRI/PIO needs to mention the type ['NRI' as compared to 'Resident'] and the sub-type ['Repatriable' or 'Non-Repatriable'] in the account opening form collected from the DP.

Does an NRI need any RBI permission to open a demat account?

No permission is required from RBI to open a demat account. However, credits and debits from demat account may require general or specific permissions as the case may be, from designated authorized dealers.

If NRI/PIO desires to make investments under different schemes, can he hold all such securities in a single demat account?

No. Securities received against investments under 'Foreign Direct Investment scheme (FDI)', 'Portfolio Investment scheme (PIS)' and 'Scheme for Investment' on non – repatriation basis have to be credited into separate demat accounts. Investment under PIS could be on repatriation or non – repatriation basis. Investment under FDI scheme is on repatriation basis.

Does an NRI require RBI permission for dematerialization / rematerialisation of securities?

No special permission is required. Holding securities in demat only constitutes change in form and does not need any special permission. However, only those physical securities which already have the status as NR – Repatriable / NR- Non-Repatriable can be dematerialized in the corresponding demat accounts.

Can securities purchased under repatriable and non-repatriable category be held in a single demat account?

No. An NRI must open separate demat accounts for holding 'repatriable' and 'non-repatriable' securities.

In case a non-resident Indian becomes a resident in India, will he be required to change the status of his holding from Non-Resident to Resident?

Yes. It is the responsibility of the NRI to inform the change of status to the designated authorized dealer branch, through which the investor had made the investments in Portfolio Investment Scheme and the DP with whom he/she has opened the demat account. Subsequently, a new demat account in the resident status will have to be opened, securities should be transferred from the NRI demat account to resident account and then close the NRI demat account.

DEMATERIALIZATION OF SECURITIES

Is dematerialization of securities compulsory?

According to the Depositories Act, 1996, an investor has the option to hold securities either in physical or electronic form. Part of holding can be in physical form and part in demat form. However, SEBI has notified that settlement of market trades in listed securities should take place only in the demat mode.

What type of instruments are available for demat at CDSL?

All types of equity/debt instruments viz. Equity shares, Preference Shares, Partly paid shares, Bonds, Debentures, Commercial Papers, Certificates of Deposit, Government Securities (G-SEC) etc. irrespective of whether these instruments are listed / unlisted / privately placed can be dematerialized with CDSL, if they have been admitted with CDSL.

Can any securities held in physical form be dematerialized?

Only those securities held in the form of certificates and also admitted with CDSL can be dematerialized. Securities held in street name (seller's name) cannot be dematerialized by the buyer in his / her demat account.

What is the procedure for dematerialization?

Following steps have to be followed by a BO to dematerialize physical securities:

- Open a demat account with a DP.
- Fill in a DRF (Demat Request Form) and submit the same with the physical certificate/s to the DP for dematerialization.
- DP to verify that the form has been filled correctly.
- Setup the demat request on the CDSL system.
- Deface and mutilate the physical certificates.
- Send the certificates to the Issuer/Registrar who verifies genuineness of the certificates and credits an equivalent number of securities in the demat account of the BO maintained by CDSL.
- For each ISIN, a separate DRF has to be used.
- If the BO has free as well as lock-in shares of the same ISIN, separate demat request has to be setup for free shares and lock-in shares.
- For lock-in shares, separate demat request has to be given for different lock-in codes or for different lock-in expiry dates.

What happens to the physical certificates after they are dematerialized?

After dematerialization, physical certificates may be retained / destroyed by the Issuer / RTA.

After submitting DRF form and certificates to the DP, within how many days the dematerialization will take place?

As per regulations in force presently, the dematerialization process should be completed within 21 days from the date of setup of demat request on CDSL system.

If the demat request is not processed with in the stipulated time, what do I do?

Contact your DP to look in the delay.

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 dematerialized. If, however, the investor does not know the ISIN, the same can be obtained from the DP or from CDSL's website, www.cdslindia.com.

Is 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.

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

Yes, part of the BO's holdings can be held in physical form as per the choice of the investor. Though it is advisable to have the entire holdings held in demat mode so that the holdings have liquidity as and when available, it should be noted that part dematerialization of holdings in a single physical certificate is not allowed.

Can a sole holder of the share certificate, add any name as a joint holder, at the time of dematerializing the share certificate?

It is not possible to add any name while dematerialization of 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 dematerialized. 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.

If securities of a company are not admitted with CDSL, What should an investor do to get his physical shares dematerialized?

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 his physical shares dematerialized.

Can securities in odd lots be dematerialized?

Yes. In demat mode securities in odd lots can be dematerialized since demat form market lot for any securities is of one share only.

Do dematerialized securities have distinctive or certificate numbers?

Dematerialized securities do not have any distinctive or certificate numbers. In demat all securities are fungible, which means that any share of an ISIN is similar to any other share of that ISIN.

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. 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.

Is there any charge for dematerialization of physical certificates?

CDSL does not levy any charge for dematerialization of securities. However, DPs may collect dematerialization charges towards postage / courier charges etc. as per their tariff sheet.

Can debt instruments and government securities be dematerialized in the same demat account?

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

Can commodity warehouse receipts be dematerialized 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.

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 dematerialization of certificates. Transposition-cum-dematerialization facilitates dematerialization 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.

What procedure should be followed by the BO for transposition-cum- dematerialization request?

The BO should submit his application in Transposition Request Form (TRPF) along with 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.

Whether a separate TRPF should 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.

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.

Does CDSL collect any additional charge for entertaining transposition-cum-demat requests?

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

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

No, the application for transposition cannot be used along with Rematerialisation request

What is transmission?

Transfer of Electronic balances in a BOs account to successors / nominees in case of sole holder account and to the account of surviving joint holders in case of a joint account.

What is the significance of transmission in demat?

Certificates held in joint names have to be dematerialized in a demat account in the name of joint holders only. If one (or more) of the joint holder(s) expires before the certificates are dematerialized, the surviving holder(S) need not sent the certificates to the issuer to change the names on the share certificates. Such certificates can still be dematerialized in the existing account. In such situation the BO can use the transmission – cum – demat facility offered by CDSL.

What is Transmission-cum-demat?

Transmission-cum-demat facility enables an investor to dematerialize securities held in joint names in a BO account opened in the names of same joint holders in the event of death of a joint holder.

What procedure should be followed by the BO for transmission-cum- dematerialization request?

The BO should submit Original / notarized / attested copy of the death certificate of the deceased BO and a Transmission Request Form (TRF) along with the Demat Request Form (DRF) and the share/securities certificates to his DP for each demat request.

Can Transposition-cum-dematerialization and Transmission-cum-dematerialization combined in one demat request (Transposition-cum- Transmission) ?

No. Names in the new demat account should be in the same order of names as in the old account.

REMATIALIZATION

What is rematerialization?

Rematerialization is the process of converting securities held in an electronic form in a demat account into paper form i.e. physical certificates.

What is the procedure for rematerialization?

- A BO who wishes to rematerialize balance in his demat account has to fill up a Remat Request Form (RRF) in duplicate.
- If the BO has multiple ISINs in his demat account and wishes to rematerialize all balances then a separate RRF should be submitted for each ISIN.
- The RRF should be signed by all the account holders / POA (if any).
- Completely filled RRF should be submitted to his DP.
- The BO may specify on the RRF whether all the quantity of an ISIN to be included in only one certificate (Jumbo Lot) or the certificates may be for market lot i.e. one share per certificate or any such quantity per certificate (odd lot) as may be desired.
- The DP will verify the details on the RRF form and enter the same in the CDSL system.
- The system generated Remat Request Number (RRN) is written on the RRF and it is sent to the Issuer / RTA.
- The Issuer / RTA verify the remat request and issues securities in physical form. Balance in the BO account is reduced to the extent of quantity rematerialized.

Is it possible to rematerialize lock-in securities held in a demat account?

Yes. Lock-in securities in a demat account can be rematerialized. If a BO has free as well as lock-in securities in his account for an ISIN then a separate RRF is to be submitted for rematerialization of free quantity and quantity under lock-in. If lock-in balance is for different lock-in reasons or different lock-in expiry dates then a separate RRF is to be submitted for each lock-in reason / lock-in expiry date.

In case of request for rematerialization, does one get back the same certificate(s) that was dematerialized?

No. The Issuer / RTA will issue new certificate(s). The new certificate/s may be issued under new folio number or in the existing folio, if investor already has one with the company.

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

The Issuer or RTA, as the case may be.

Does the rematerialization attract any stamp duty?

No. Remat does not amount to a transfer and does not attract any stamp duty.

SETTLEMENT OF SECURITIES IN DEMAT MODE

What is the procedure for buying / selling securities through stock exchange in demat form?

The procedure for buying / selling securities in demat form through a stock exchange is similar to the procedure for buying / selling physical shares.

What is the procedure for delivery of securities in demat mode in case of sale of securities?

The procedure for deliveries of securities in demat form is much simpler when compared to the delivery of securities in physical form. In case of sale of securities, immediately on receipt of intimation of execution of trade from broker, the seller should issue debit instructions to the DP with whom he maintains his demat account. Securities can be transferred either directly to the Clearing Corporation/Clearing House or to the broker's clearing account, as advised by his broker.

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

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

The securities which the BO has purchased will be first delivered in his brokers demat account by the Clearing Corporation / Clearing house. The broker will subsequently transfer the securities in the BOs demat account. The broker may give request to the Clearing Corporation / Clearing house to deliver the securities directly in the BO account.

What is an On Market Transaction?

Any transaction involving receipt of delivery of securities to a clearing corporation / Clearing House for sale and purchase of securities done on a stock exchange is generally termed as On Market transaction.

What is an Off Market transaction?

Off Market transaction is one which is settled directly between two BOs with or without using the broker and where Clearing Corporation / Clearing House is not involved. Both BO accounts will be within CDSL. Accounts may be with same DP or different DP but within CDSL.

What is an Inter Depository transfer?

Any transfer of securities between two BOs not having demat accounts within the same depository is termed as an "Inter Depository" transfer.

What is procedure of giving instructions to DP for carrying any of the above transfers?

BO can execute such transactions by filling up a slip referred 'Instruction Slip' and handing over the same to his DP. Since Depository has a facility whereby the BO can give a 'One time Credit Instruction', also referred as purchase waiver, a BO needs to give instructions only for debits to his account, the instruction slip is referred as 'Debit Instruction Slip' or 'DIS'.

Which type of transaction can be executed through the DIS?

DIS can be used to give instructions to execute on market transactions, off market transactions as well as inter depository transfers. Separate DIS has to be used for each type of transaction.

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.

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

Transaction charges for each debit in a BO account is levied a transaction charge 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. As per SEBI guidelines all DPs are required to publish their tariff structure on CDSL web site www.cdslindia.com. Investors can check the tariffs displayed on the web site and take a decision before opening their demat account.

For on market transaction what are the details to be entered on the instruction slip?

The BO has to enter his Demat account number, ISIN, Quantity to be delivered, Settlement number and a unique number of their broker called as 'CM ID' on the DIS. The BO also has to enter exchange name and settlement type on the DIS.

How the Settlement Number is indicated on the DIS?

Settlement number has 7 digits, the first 4 digits represent the year and the remaining 3 digits represent the settlement number of the exchange on which the transaction has been executed.

What is 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.

What are the benefits of 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 i.e. credit received in account just before pay-in dead line time can be used for 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).

Does CDSL provide for the client level pay-in?

Yes. CDSL provides the facility of client level 'normal' and 'early' pay-in of all the exchanges.

16. 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 pre stamped on each DIS.
- After the DIS has been filled, strike out remaining blank space to prevent misuse.
- All details like target account ID, quantity, ISIN, etc. to be furnished in the DIS should be filled in by BO himself.
- Use separate DIS for giving On Market / Off Market / Inter depository transfers instructions. Also for Delivery and Receipt transactions separate DIS should be given..
- 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 keep a blank and signed DIS.
- All the holders must confirm any alteration, correction or cancellation made on the DIS with their signatures.

PLEDGE OF DEMAT SECURITIES

What is meaning of Pledge?

Pledge is an activity of taking loan against securities by the investor. The investor is called as 'pledgor' and the entity who is giving the loan against the securities is called as 'pledgee'.

Can securities in demat mode be pledged?

Yes. Procedure for pledging securities in demat form is very convenient, both, for the pledgor and the pledgee. Moreover, a pledgor may be able to obtain higher loan amounts, with lower rate of interest for securities in demat form as compared to securities held in physical form.

What is the procedure for pledging securities?

- The pledgor and the pledgee must have BO accounts with CDSL. These accounts can be with the same DP or with different DPs.
- The pledgor has to fill up the Pledge Request Form (PRF) in duplicate available with his DP.
- On receipt of the PRF, the pledgor's DP shall verify that the securities can be pledged. The DP then sets up a pledge in the depository system and a unique Pledge Sequence No. (PSN) will be generated. The PSN number should be recorded on the PRF. Authorized official of the DP should sign the PRF and stamp it. A copy of the PRF is then given to the pledgor.
- 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.
- 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.

In physical form pledged shares have to be handed over to the pledgor. What happens when dematerialized securities are pledged?

When dematerialized securities are pledged, they remain in the pledgor BOs demat account but they are blocked so that they can not be used for any other transaction.

How are the securities unpledged in the depository system?

- The pledgor has to fill up the Unpledge Request Form (URF) in duplicate.
- 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.
- 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.
- 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.

- 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.

How is a pledge invoked?

In case of default by the pledgor or any other reason agreed by pledgor and pledgee, the pledgee, after giving notice to the pledgor as per the terms of the agreement, may instruct his DP to invoke the pledge. The pledgee BO has to submit a “Invocation Request Form” (IRF). On execution of this instruction, the securities are transferred into the pledgee’s account. Invocation does not require any confirmation from the pledgor.

Can all types of securities be pledged?

Technically all types of securities can be pledged. It depends on pledgee to accept a security for pledge or not.

Can lock-in securities be pledged?

CDSL system permits pledging of lock-in securities to be pledged. However, it is the option of the pledgee to accept such securities in pledge. A security under lock-in can be invoked by the pledgee only after the lock in period is over.

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.

Can the physical securities pledged with a bank be dematerialized?

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

TRANSMISSION

What is transmission of securities?

Transmission of securities means transferring ownership of securities to the nominee / successors / Legal heirs in the event of death of the original owner. If the securities are held in joint names then the surviving joint holder(s) become the owner of the securities.

What is transmission of dematerialized securities?

Transmission is the process by which securities of a deceased account holder are transferred to the account of his legal heirs / nominee. Process of transmission in case of dematerialized holdings is more convenient as the transmission formalities for all securities held in a demat account can be completed by submitting necessary documents to the DP.

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:

- Original or notarized / attested copy of the death certificate, In case of death of the sole holder where the sole holder has appointed a nominee.
- In case of death of the sole holder, where the sole holder has not appointed a nominee then original or notarized / attested copy of the death certificate, and any one of the below mentioned documents
- Succession certificate
- Probate of the will
- Letter of administration

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.

If a successor is not able to provide either the succession certificate / Probate of the will / Letter of administration, then what is the way to get the securities transmitted?

If value of the securities in the deceased BOs account is less than Rs. One lac, then by providing following documents, transmission can still be carried out.

- Transmission Request Form
- Copy of the death certificate of the deceased BO, duly notarized.
- Letter of Surety from an independent Surety who is not the spouse / family member of the applicant and who is acceptable to the DP.
- Letter of Indemnity executed by the applicant and Surety on non-judicial stamp paper of appropriate value.

- An Affidavit from the applicant executed on non-judicial stamp paper of appropriate value and notarized.
- No objection letter(s)' from all legal heir(s) who are not applicants conveying no objection to the transmission of the relevant securities in favor of the applicant(s).

CORPORATE ACTIONS & IPO

What is a Corporate Action (CA)?

Corporate action is a process by which a company gives benefits to the investors who are holding securities of the company.

What are types of corporate actions?

Corporate actions are classified in to two main categories. Cash and Non-cash corporate actions. Cash corporate action results in investors getting benefits in form of cash. Examples of cash corporate actions are payment of interest / dividend. Non cash corporate actions result in the investors getting benefits in form of securities. Examples of non cash corporate action are bonus, rights, merger, split etc.

Who distributes benefits of cash corporate actions?

The issuer / RTA distribute the benefits of the cash corporate actions directly to the BOs. CDSL is not involved in distribution of cash.

Who disburses the benefits of non cash corporate actions?

CDSL distributes the benefits of non-cash corporate actions in demat form to the investors having their demat accounts with CDSL.

Who provides the list of investors to the issuer / RTA for a particular corporate action?

- CDSL provides 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.
- The Issuer / RTA then calculate the entitlement of the corporate benefit due to all BOs.
- Credit of non-cash (bonus, rights) entitlements is made directly to the BOs demat accounts through the depository.

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.

Is there any option for the manner in which non cash corporate benefits could be received?

Yes, BOs have 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.

In case of any discrepancy in entitlement of corporate benefit 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.

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

- 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.
- 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.
- Where allotment is made in demat form, the Issuer or its RTA sends allotment advice directly to the BO.
- Securities credited directly to the BO account will be reflected in the statement issued by DPs.
- In case any security is not admitted with CDSL system, the Issuer/ RTA will distribute the corporate benefit in the physical form.

If the BO has holding in physical form, can he receive bonus / rights in the dematerialized form?

If 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 dematerialized form to the Issuer/RTA.

If any investor requests for credit of rights / bonus allotment in dematerialized 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.

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

No. The investors who have applied for allotment in demat form are treated on par with the investors who have requested for allotment in physical form.

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.

Does an NRI require any permission to receive bonus/rights shares?

No.

What is an Initial Public Offer (IPO)?

When a company issues securities to the public directly is popularly known as an IPO. Credit of securities allotted in IPO's can be directly effected in the investors demat accounts.

Is it possible to get securities allotted in IPO's directly in demat form?

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

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

In case the IPO form provides for 16 digits, the 16 digit BO ID should be entered by the BO. However, if the form provides for separate fields for DP ID & CLIENT ID, the first 8 digits are to be entered as the DP ID and the last 8 digits CLIENT ID.

E.g. DPID BO ID
12010100 00003467

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

BOs can verify the credit of the securities allotted to them in the following ways:

- The RTA would send to BOs the allotment advice regarding the shares allotted and credited to their demat account.
- From the statement of account sent by the DP.
- Through CDSL's Internet facility easi/easiest, if the BOs have registered for the same.

What is book building?

While offering shares in IPO, company gives option to investors to apply for the shares within the price range given by company. It is called book building method. Minimum price is known as floor price and maximum price is called as cap price.

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.

Can an NRI purchase securities by subscribing to public issue? What are the permissions/approvals required?

Yes. The issuing company is required to issue shares to NRI on the basis of specific or general permission from GoI/RBI. Therefore, individual NRI need not obtain any permission.

Dematerialization and Settlement of Warehouse Receipts

Can I hold securities and warehouse receipts (WR) in one demat account?

No. Separate demat account should be opened for holding securities and warehouse receipts.

Is the procedure of opening demat account for holding WR same as that for holding securities?

Yes, but under a separate account category.

Can demat account for holding WR be opened with any DP?

Demat account for holding WR has to be opened with only those DPs who have been empanelled by the respective commodity exchange. Presently there are two commodity exchanges in India, NCDEX, MCX and National Spot Exchange are the exchanges that have entered into agreement with CDSL.

Who will issue warehouse receipts that can be dealt in CDSL depository system?

Warehouses, who are empanelled by the above exchanges have to enter into agreement with CDSL, exchange and RTA. Only these warehouses will issue warehouse receipts for dematerialization to holder of commodities.

How these warehouse receipts can be dematerialized?

An account holder will furnish details of the demat account number specifically opened for dematerialization of warehouse receipts to warehouse. Warehouse will intimate CDSL, exchange and RTA for credit of warehouse receipts in the demat account. RTA will credit the balance using "IPO" module of CDSL. The balances so created can be used for transfer to other commodity accounts within CDSL or for settlement of commodity trades.

Is an ISIN number also allotted to commodities?

Yes. The identifier is called as ICIN. Depending on type of commodity, grade, validity, expiry date, name and location of warehouse, the exchanges allot ICIN to each commodity. ICIN for same commodity differs from exchange to exchange.

How to give delivery of warehouse receipts in the depository system?

Similar to securities market, warehouse receipts can be transferred to the Clearing Member's account using Delivery Instruction Slip (DIS) for settlement of trades on exchange. However, warehouse receipts issued for one exchange can not be used for delivery of trades on other exchange.

How to claim delivery of commodities against warehouse receipts credited in the demat account?

Deliveries of commodities credited in demat accounts by dematerialization of Warehouse receipt can be claimed by submitting "Remat Request Form" to the DP. DP will setup rematerialization request in CDAS system and handover letter / acknowledgement generated by CDSL system to BO for producing the same to respective warehouse. These remat requests will reach the Registrar electronically through depository system. The account holder needs to submit to the warehouse, the acknowledgment given by the DP for the purpose of taking delivery. Warehouse may deliver the commodity after satisfying itself based on the details given in the letter / acknowledgement and details of account holder given by the Registrar.

Is inter depository transfer warehouse receipts possible?

No.

ELECTRONIC ACCESS TO SECURITIES INFORMATION (easi)

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 / valuation and transactions, corporate announcements, anytime anywhere, through CDSL's website www.cdslindia.com.

What are the benefits of easi to BOs?

- Viewing and printing details of holdings and/or transactions for last 7 days in their account.
- Viewing and printing the valuation of holdings in their demat account based on the previous day's closing price on BSE.
- Viewing multiple demat accounts through a single login id-name.
- 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.

What are the benefits of easi to CMs?

- Viewing and printing of holdings of the securities held in their settlement accounts along with the valuation as per the previous day's closing price on BSE.
- Viewing and printing the status of their transactions and also the pay-in and pay-out positions along with the shortages (DP89) for any given settlement.
- Downloading holding and/or transaction details to update their Backoffice.
- 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.

Can I monitor corporate announcements for the shares in my demat account through easi?

Yes, you can monitor corporate announcements for the securities held in your demat account through your easi login. You can also add 25 more ISINs not held in your demat account, but wish to monitor corporate announcements for such ISINs.

How do I register for easi?

To register for easi, logon to CDSL's website www.cdslindia.com and click on the link "Register Online" in the homepage.

- Select Register Online
- Select the type of user

- Select the facility (easi) you register for.
- Enter your BOID (8 digit DPID / 8 digit Client ID) & click on submit
- Enter your details like Login-Id, Email-Id, etc.
- Entry of Mobile number is mandatory.
- Print the registration form.

Submit the registration form to your DP signed by all the account holders for authentication (Note down Login Name, Email ID for your ready reference) you will receive the password at your email-Id. You can commence using easi by entering your 'User name' and 'Password' at the homepage of CDSL's site www.cdslindia.com. **(Click on My easi)**

In case, I am not able to PRINT the form, what should I do?

Please do not register again. On successful registration, in case, you are not able to print the form, contact your DP. We have provided facility to print the form to the DPs using their DP login in easi.

Who will do the authentication of online easi registration?

After online registration, the individual and corporate BOs should send the registration forms to the DP for authentication. Clearing Members (CMs) should send the registration forms to CDSL for authentication. On authentication, BOs will receive the password ~~through~~ on the email ID entered while doing online registration.

How can I view my demat account details?

To view your demat account details go to our website - <http://www.cdslindia.com>, click on My easi, enter your login ID (user name) and password and click on <go>, there you can your demat account details.

Can all BOs/CMs use this facility?

Yes, this facility is available to all BOs/ CMs.

How many accounts I can map in one login?

You can map 8 additional accounts with one login. Which means you can avail easi facility of 9 accounts with one login.

Whether I should map the additional BOIDs only during registration for the first time?

You can either map the additional 8 BOIDs during registration for the first time or system will also allow you add/ delete the additional 8 BOIDs (1 +8 = 9) as and when you require through the option 'edit groupings'. Please remember any BOIDs grouped using the option 'edit groupings', needs to be authenticated by your DP.

Can I edit my profile like email ID/ telephone number, etc.?

Yes, you can do the modification of your email ID / telephone number, etc. thru your login. For doing so click on the option 'edit profile' change the desired details, select the security question type correct answer and click on submit.

Why I am facing problem while viewing my account details?

Our easi facility is more compatible with Internet Explorer 6.00 and above versions or Netscape Navigator and the details can be entered / viewed without any disturbance. If you are using Mozilla or Firefox application such problem would occur on internet. Hence you should use above suggested Internet Explorer for easi facility.

What is auto registration?

When a new account [**BOID**] is activated in the CDSL system and for such account email id has been entered then a log-in for "easi" will be created for the BOID automatically. The 16-digit BOID would be the initial "log-in ID". The BO will receive an email from CDSL (on the email ID entered in the CDSL system), informing him of the "password" for the "easi" log-in.

What is the procedure BO should follow on receipt of email for auto registration?

The BO would be required to click on the link sent in the email and complete the registration process the 16-digit log-in ID may be changed to the BO's preference. It should be noted that the BO will be permitted to change the log-in ID only once, at the second screen displayed to the user, when the user logs in for the first time. On initial log-in, a prompt to change the password will be displayed and the BO would then be required to change the existing password given in the email sent by CDSL.

ELECTRONIC ACCESS TO SECURITIES INFORMATION (easiest)

What is easiest?

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

What are benefits of 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. Easiest permits CMs to submit off-market, on-market, inter-depository and early pay-in debit instruction from their demat account.

Does a BO/CM still need to submit physical instruction slip (DIS) to the DP when executing transactions on easiest?

No, a BO / CM who submits instructions through easiest need not give any instruction slip to their DP.

How do I register for easiest?

To register for easiest, go to CDSL's website www.cdslindia.com and complete following steps

- . Click on the link "Register Online" in the homepage.
- . Click on Register Online
- . Select the type of user
- . Select the facility easiest
- . Enter your BOID & click on submit
- . Enter your details like Login-Id, Email-Id, etc.
- . Select the accounts operation method (Trusted Accounts /Account of Choice (e-token))
- . (for details click on http://www.cdslindia.com/CrossLinks/easiest_writeup.htm)
- Print the registration form. Submit the registration form to your DP signed by all the account holders for authentication. You will receive the password at your email-Id. You can commence using easiest by entering your 'User name' and 'Password' at the homepage of CDSL's site www.cdslindia.com.

If I have already registered for easi, how do I register for easiest?

If you have registered for easi, go to our website www.cdslindia.com, login to your easi account, click on the link upgrade to easiest. Send the documents pertaining to easiest through your DP.

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

There are two types of account transfers available on easiest i.e. Trusted account Transfer and Account of Choice Transfer.

What is Trusted Account Transfer? And who can use the said facility?

Trusted Account Transfer permits transfer of securities from a BO account to the settlement account of a CM. Transfers can to settlement accounts of any FOUR CMs, which have been pre-notified by the BO. Transactions through the trusted account option can be set up by an additional Personal Identification Number (PIN), which will be emailed to the BO separately. That is: if any BO opts for the Trusted Account option, he will receive two separate emails with two separate passwords, one for accessing his “easiest” log-in and second for the PIN for authorizing his transactions. BOs other than Clearing Members can opt for trusted account facility. BOs who opt for this facility can transfer securities only within CDSL accounts i.e. inter depository transfers are not permitted.

What is Account of Choice Transfer? And who can use the said facility?

Accounts of Choice Transfer permits transfer of securities from the BOs account to any other demat account including the CM settlement accounts. All the on-market, off-market, early-payin and inter-depository transactions are authenticated by means of a digital signature (e-token), 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. Any BO can opt for Account of Choice Facility.

Can a BO/CM submit multiple transactions through easiest?

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

Who can avail of the upload facility?

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

What are charges involved in trusted account?

There are no additional charges.

What are charges involved in Account of Choice account?

The transactions are authenticated by an e-token. The charges for e-token are Rs.2,000 plus service tax as applicable for the first time. Every year you need to renew the e-token and the e-token renewal charges are Rs.1,000 plus service tax as applicable. These charges are subject to change any time without prior notice.

Can I monitor corporate announcements for the shares in my demat account through my 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 maximum of 25 more ISINs not held demat account, but wish to monitor corporate announcements for such ISINs.

Can I under a BO login get the easiest facility for my grouped accounts?

No, you will get easiest facility only to the main account and the grouped accounts will have only the easi facility.

Can I under a CM login get the easiest facility for my grouped accounts of CM?

Yes, you will get easiest facility to your grouped accounts of CM Principle, CM Pool and CISA accounts and the early pay-in account will have only easi facility.

Can I under a CM login group BSE CM accounts and NSE CM in one login?

No, currently you have to map BSE CM accounts and NSE CM accounts separately i.e. through one login BSE CM accounts and through other login NSE CM accounts.

SMART

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 debits in a day, and for credits due to IPO's allotments and corporate actions.

How do I get details of more than four debits to my account?

You have to contact your DP for the details.

How do I avail of this facility for my account?

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

When will I receive a SMART alert?

Presently the alerts are sent twice a day, around 8 AM and around 7 PM.