

## General

### What is a depository?

A depository can be compared to a bank. A depository holds securities (like shares, debentures, bonds, Government Securities, units etc.) of investors in electronic form. Besides holding securities, a depository also provides services related to transactions in securities.

### How can I avail the service of a depository?

A depository interfaces with the investors through its agents called **Depository Participants** (DPs). If an investor wants to avail the services offered by the depository, the investor has to open an account with a DP. This is similar to opening an account with any branch of a bank in order to utilize the bank's services.

### Benefits

#### What are the benefits of participation in a depository?

The benefits of participation in a depository are:

- Immediate transfer of securities;
- No stamp duty on transfer of securities;
- Elimination of risks associated with physical certificates such as bad delivery , fake securities , etc.;
- Reduction in paperwork involved in transfer of securities;
- Reduction in transaction cost;
- Nomination facility;
- Change in address recorded with DP gets registered electronically with all companies in which investor holds securities
- Eliminating the need to correspond with each of them separately;
- Transmission of securities is done by DP eliminating correspondence with companies;
- Convenient method of consolidation of folios/accounts;
- Holding investments in equity, debt instruments and Government securities in a single account;
- Automatic credit into demat account, of shares, arising out of split/consolidation/merger etc.

### Services

#### What are the facilities offered by NSDL?

NSDL offers following facilities: -

- Dematerialisation i.e., converting physical certificates to electronic form;
- Rematerialisation i.e., conversion of securities in demat form into physical certificates;
- Facilitating repurchase / redemption of units of mutual funds;
- Electronic settlement of trades in stock exchanges connected to NSDL;
- Pledging/hypothecation of dematerialised securities against loan;
- Electronic credit of securities allotted in public issues, rights issue;
- Receipt of non-cash corporate benefits such as bonus, in electronic form;
- Freezing of demat accounts, so that the debits from the account are not permitted;
- Nomination facility for demat accounts;
- Services related to change of address;
- Effecting transmission of securities;
- Instructions to your DP over Internet through SPEED-e facility. (Please check with your DP for availing the facility);
- Account monitoring facility over Internet for clearing members through SPEED facility;
- Other facilities viz. holding debt instruments in the same account, availing stock lending/borrowing facility, etc.

## Account Opening

### **You mentioned that I would have to open an account with a DP if I want to participate in the depository. Who is a DP?**

NSDL provides its services to investors through its agents called depository participants (DPs). These agents are appointed by NSDL with the approval of SEBI. According to SEBI regulations, amongst others, three categories of entities i.e. Banks, Financial Institutions and Members of Stock Exchanges [brokers] registered with SEBI can become DPs. You can get a list of DPs from NSDL's office or from our website at [www.nsdl.co.in](http://www.nsdl.co.in).

### **How do I select a DP?**

You can select your DP to open a demat account just like you select a bank for opening a savings account. Some of the important factors for selection of a DP can be:

- Convenience - Proximity to your office/residence, business hours.
- Comfort - Reputation of the DP, past association with the organization, whether the DP is in a position to give the specific service you may need?
- Cost - The service charges levied by DP and the service standards.

In order to obtain the complete list of DP locations and their comparative charge structure, you may log on to [www.nsdl.co.in](http://www.nsdl.co.in) or else you may write to NSDL for the same.

### **Whether all the DPs are same?**

All the DPs are appointed subject to fulfillment of uniform requirements of SEBI ( Depositories and Participants) Regulations, 1996 and requirements of NSDL. However, the type of services offered and the service standards may differ among various DPs. For example, a DP branch having direct connectivity with the main office having depository set-up may be in a position to execute instructions faster.

### **What should I do when I want to open an account with a DP?**

You can approach any DP of your choice and fill up an account opening form. At the time of opening an account, you have to sign an agreement with the DP in a NSDL prescribed standard agreement, which details your and your DP's rights and duties. You have to submit the following with the prescribed account opening form. In case you want to open account jointly with other person(s), following should be submitted for all the account holders.

- **Proof of Identity (POI) (copy of any one proof):**
- **Proof of Address (POA) (copy of any one proof):**
- **Passport-size photograph.**
- **Copy of PAN Card.**

You must remember to take original documents to the DP for verification. Your DP will carry-out "in-person verification" of account holder(s) at the time of opening your account. You should remember to obtain a copy of the agreement and Schedule of charges for your future reference.

- Passport
- Voter ID Card
- Driving license
- PAN card with photograph
- Identity card/document with applicant's Photo, issued by a) Central/State Government and its Departments, b) Statutory/Regulatory Authorities, c) Public Sector Undertakings, d) Scheduled Commercial Banks, e) Public Financial
- Institutions, f) Colleges affiliated to Universities (**this can be treated as valid only till the time the applicant is a student**), g) Professional Bodies such as ICAI, ICWAI, ICSI, Bar Council etc., to their Members; and h) Credit cards/Debit cards issued by Banks.
- Ration card
- Passport
- Voter ID Card

- Driving license
- Bank passbook
- Verified copies of Electricity bills (not more than two months old)/ Residence Telephone bills (not more than two months old)/ Leave and License agreement / Agreement for sale.
- Self-declaration by High Court & Supreme Court judges, giving the new address in respect of their own accounts.
- Identity card/document with address, issued by a) Central/State Government and its Departments, b) Statutory/Regulatory Authorities, c) Public Sector Undertakings, d) Scheduled Commercial Banks, e) Public Financial Institutions, f) Colleges affiliated to universities (**this can be treated as valid only till the time the applicant is a student**); and g) Professional Bodies such as ICAI, ICWAI, Bar Council etc., to their Members.

Note: Your DP may ask an additional proof of identity/address.

**Can I open more than one account with the same DP?**

Yes. You can open more than one account with the same DP. There is no restriction on the number of accounts you can open with a DP.

**Am I restricted to having account with only one DP?**

No. There are no restrictions on the number of DPs you can open accounts with. Just as you can have savings or current accounts with more than one bank, you can open accounts with more than one DP.

**Do I have to keep any minimum balance of securities in my account with my DP?**

No. The depository has not prescribed any minimum balance. You can have zero balance in your account.

**Can I open a single account for securities owned in different ownership patterns such as securities owned individually and securities owned along-with my wife?**

No. The demat account must be opened in the same ownership pattern in which the securities are held in the physical form. E.g. if one share certificate is in your individual name and another certificate is jointly held in your and your wife's name, two different accounts would have to be opened.

**What do I do if I have physical certificates with the same combination of names, but the sequence of names is different i.e. some certificates with husband as first holder and wife as second holder and other set of certificates with wife as first holder and husband as the second holder?**

In this case you may open only one account with husband and wife as the account holders and lodge the security certificates with different order of names for dematerialisation in the same account. You will fill-up an additional form called "Transposition cum Demat" form. This would help you to effect change in the order of names as well as dematerialise the securities.

**Can someone else operate my account on my behalf on the basis of a power of attorney?**

Yes. If you authorize any person to operate your account by executing a power of attorney and submit it to your DP, that person can operate the account on your behalf.

**Why should I give my bank account details at the time of account opening?**

It is for protection of your interest. Your bank account number will be mentioned on the interest or dividend warrant, you are entitled to, so that such warrant cannot be encashed by any one else. Further, a DP cannot open the account if bank account number is not given.

**Can I change details of my bank account?**

Yes. Since in the depository system monetary benefits on your security balances are paid as per the bank account details provided by you at the time of account opening, you must ensure that any subsequent change in bank account details is informed to your depository participant.

**What is 'Standing Instruction' given in the account opening form?**

In a bank account, credit to the account is given only when a 'paying in' slip is submitted together with cash/cheque. Similarly, in a depository account 'Receipt in' form has to be submitted to receive securities in the account. However, for the convenience of investors, facility of 'standing instruction' is given. If you say 'Yes' for standing instruction, you need not submit 'Receipt in' slip every time you buy securities.

**Can I operate a joint account on "either or survivor" basis just like a bank account?**

No. The demat account cannot be operated on "either or survivor" basis like the bank account.

**Can I add or delete names of accountholders (second or third accountholder) after opening the account ?**

No. Names of the accountholders for a depository account cannot be changed. If you want to change name or add / delete an accountholder, you need to open a new account in the desired holding pattern (names) and transfer the securities to the newly opened account. The old account may be closed.

**What should I do if my address is changed? Do I need to write to each company separately?**

In case your address is changed, you only need to inform the new address to your DP(s). When DP enters the new address in the depository computer system, it will be automatically conveyed to all companies in which you hold shares.

**Can I close my demat account with one DP and transfer all securities to my account with another DP?**

Yes. You can submit account closure request to your DP in prescribed form. Your DP will transfer all your securities, as per your instruction, and close your demat account.

**What would be the charges for account closure and securities transfer due to account closing?**

The charges would be as per the schedule of charges of your DP, agreed by you at the time of account opening or any subsequent changes therein.

## **Nomination**

### **Who can nominate?**

Nomination can be made only by individuals holding beneficiary accounts either singly or jointly. Non-individuals including society, trust, body corporate, partnership firm, karta of Hindu Undivided Family, holder of power of attorney cannot nominate.

### **Can joint holders nominate?**

Yes. Nomination is permitted for accounts with joint holders. But, in case of death of any of the joint holder(s), the securities will be transmitted to the surviving holder(s). Only in the event of death of all the joint holders, the securities will be transmitted to the nominee.

### **Can a NRI nominate?**

Yes, NRI can nominate directly. But, the power of attorney holder cannot nominate on behalf of NRI.

### **Can a minor nominate?**

No, a minor cannot nominate either directly or through its guardian.

### **Who can be a nominee?**

Only an individual can be a nominee. A nominee shall not be a society, trust, body corporate, partnership firm, karta of Hindu Undivided Family or a power of attorney holder.

### **Can there be more than one nominee?**

No, only one nomination can be made for one depository account.

### **Can a minor be a nominee?**

Yes, a minor can be a nominee. In such a case, the guardian will sign on behalf of the nominee and in addition to the name and photograph of the nominee, the name, address and the photograph of the guardian must be submitted to the DP.

### **Can separate nomination be made for each security held in a depository account?**

No. Nomination can be made account wise and not security wise.

### **Can a NRI be a nominee?**

Yes, NRI can be a nominee subject to the exchange control regulations in force from time to time.

### **What is the procedure for nomination?**

The nomination form duly filled-in should be submitted to the DP either at the time of account opening or later. The account holder, nominee and two witnesses must sign this form and the name, address and photograph of the nominee must be submitted. If nomination was not made at the time of account opening, it can be made subsequently by submitting the nomination form.

### **Can the nominee be changed?**

Yes, the nomination can be changed anytime by the account holder/s by simply filling up the nomination form once again and submitting it to the DP.

## **Transmission**

### **What does transmission mean in relation to demat accounts?**

Transmission is the process by which securities of a deceased account holder are transferred to the account of the surviving joint holder(s)/nominee/legal heirs of the deceased account holder. Process of transmission in case of dematerialised holdings is more convenient as the transmission formalities for all securities held in a demat account can be completed by submitting documents to the DP whereas in case of physical securities the surviving joint holder(s)/nominee/ legal heirs has to correspond independently with each company in which shares are held.

### **What is the procedure for transmission of securities to the nominee in case of the death of the sole account Holder?**

In case of the death of the sole holder, for the purpose of transmission of securities, the nominee has to submit a duly filled-in transmission form, notarized copy of death certificate and an affidavit in the prescribed format to the DP. After verifying these documents and if found in order, the DP will transmit the securities to the account of the nominee.

### **What would happen if no nomination is made for the account?**

In case nomination is not made by the sole account holder, the securities would be transmitted to the account of legal heir(s), as may be determined by an order of the competent court. However in cases where the value of securities to be transmitted is less than Rs. 1,00,000/- the DP may process the request based on submission of necessary letter of indemnity , surety , affidavits and NOC documents.

### **What is the procedure for transmission in case of Joint Accounts ?**

In the event of death of one of the joint holders, the securities will be transmitted to the surviving holder(s) on submission of Transmission Form and notarized copy of the death certificate of the deceased joint holder to the DP. For transmission of securities, the account of the surviving holder(s) must be in the same sequence in which the names appear in the joint account to be closed.

## **Dematerialisation**

### **What do you mean by dematerialisation?**

Dematerialisation is the process by which physical certificates of an investor are converted to an equivalent number of securities in electronic form and credited in the investor's account with its DP. In order to dematerialise certificates; an investor will have to first open an account with a DP and then request for the dematerialisation of certificates by filling up a dematerialisation request form [DRF], which is available with the DP and submitting the same along with the physical certificates. The investor has to ensure that before the certificates are handed over to the DP for demat, they are defaced by marking "Surrendered for Dematerialisation" on the face of the certificates.

### **Can I dematerialise any share certificate?**

You can dematerialise only those certificates that are already registered in your name and are in the list of securities admitted for dematerialisation at NSDL. All the scrips included in S&P, CNX, NIFTY and BSE SENSEX have already joined NSDL. This list has more than 4,300 companies and is steadily growing. You can get an updated list of these companies from your DP or from NSDL's office or from NSDL website at [www.nsdl.co.in](http://www.nsdl.co.in).

### **What precautions should I take before defacing a share certificate?**

Before defacing the share certificate, you must ensure that it is available for dematerialisation. You must therefore check with your Depository Participant (DP) whether the ISIN (code number for the security in a depository system) has been activated and made available for dematerialisation by the depository. If yes, then you may deface the share certificate. The certificates are defaced by marking "Surrendered for Dematerialisation" on the face of the certificate.

### **How long does the dematerialisation process take?**

Dematerialisation will normally take about 30 days.

### **What if it takes more than 30 days for dematerialisation of the shares?**

If the process of dematerialisation takes more than 30 days, please contact your DP. If he is unable to help you, then you may send your grievance to:

**The Officer in Charge**  
**Investor Grievance Cell**  
**National Securities Depository Limited**  
4th Floor, Trade World  
Kamala Mills Compound  
Senapati Bapat Marg  
Lower Parel, Mumbai - 400 013  
Email: [relations@nsdl.co.in](mailto:relations@nsdl.co.in)

### **Can I dematerialise my debt instruments , mutual fund units , government securities also in my demat account ?**

Yes. You can dematerialise and hold all such investments in a single demat account.

## **Rematerialisation**

### **Can my electronic holdings be converted back into certificates?**

Yes. If you wish to get back your securities in physical form, all you have to do is to request your DP for rematerialisation of the same. 'Rematerialisation' is the term used for converting electronic holdings back into certificates. Your DP will forward your request to NSDL, after verifying that you have the necessary balance. NSDL in turn will intimate the registrar who will print the certificates and dispatch the same to you.

## **Trading / Settlement**

### **What is the procedure for selling dematerialised securities?**

The procedure for selling dematerialised securities is very simple. After you have sold the securities, you would instruct your DP to debit your account with the number of securities sold by you and credit your broker's clearing account. This delivery instruction has to be given to your DP using the delivery instruction slips given to you by your DP at the time of opening the account. Procedure for selling securities is given here below:

- You sell securities in any of the stock exchanges linked to NSDL through a broker;
- You give instruction to your DP to debit your account and credit the broker's [clearing member pool] account;
- Before the pay-in day, your broker gives instruction to its DP for delivery to clearing corporation;
- Your broker receives payment from the stock exchange [clearing corporation] ;
- You receive payment from the broker for the sale of securities.

### **How can I purchase dematerialised securities?**

For receiving demat securities you may give a one-time standing instruction to your DP. This standing instruction can be given at the time of account opening or later. Alternatively, you may choose to give separate receipt instruction every time some securities are to be received. The transactions relating to purchase of securities are summarized below:

- You purchase securities through a broker ;
- You make payment to your broker who arranges payment to clearing corporation on the pay-in day ;
- Your broker receives credit of securities in its clearing account (clearing member pool account) on the pay-out day;
- Your broker gives instructions to its DP to debit clearing account and credit your account;
- You receive shares into your account. However, if standing instructions are not given at the time of opening the account, you will have to give 'Receipt Instructions' to your DP for receiving credit,.

You should ensure that your broker transfers the securities from its clearing account to your depository account, before the book closure. If the securities remain in the clearing account of the broker, the company will give corporate benefits (dividend or bonus) to the broker. In that case, you will have to collect the benefits from your broker.

### **What do you mean by 'Market Trades' and 'Off Market Trades'?**

Any trade settled through a clearing corporation is termed as a 'Market Trade'. These trades are done through stock brokers on a stock exchange. 'Off Market Trade' is one which is settled directly between two parties without the involvement of clearing corporation. The same delivery instruction slip can be used either for market trade or off-market trade by ticking one of the two options.

### **If I sell securities through a sub-broker, which part of the delivery instruction slip should be filled?**

If you are delivering securities to your sub-broker you would need to fill-in the off-market trade portion of the delivery instruction slip.

### **What settlement details are required on the delivery instruction slip?**

On every stock exchange, various settlements are effected every day such as daily settlement, auction settlement etc. Each of these settlements is identified by combination of a market type and a settlement number. You are required to mention the appropriate settlement details on the delivery instruction slip while transferring the shares to your broker's account. These settlement details are available on the contract note issued by the broker.

### **What is T+3 rolling settlement cycles and when delivery is to be given to a broker?**

In case of T+3 rolling settlements, the trades taking place on each trading day are required to be settled on the third day following the date of trade. For example trades of Monday will be settled on Thursday morning. In this example, if you have sold securities, you need to make sure that the securities reach the account of clearing member of the stock exchange latest by Wednesday.

**In case of T+3 rolling settlement cycles if I am trading (selling) through a sub-broker when do I need to give delivery instruction to my DP?**

In this case also the settlement deadlines will remain the same (i.e. Thursday morning for a Monday trade). However, there is an additional transfer involved. You will transfer securities to the sub-broker's account and the sub-broker will further transfer the securities to the account of clearing member. Therefore, in this case you should give delivery instructions to your DP immediately after confirmation of sale transaction.

**How do I come to know about the settlement deadlines?**

The depository participant with whom you have your demat account will prescribe the deadlines to be followed by you for submission of delivery instruction slips. You should deliver instructions to your DP as per these deadlines.

**When I buy shares, in what time should I receive the securities from my broker?**

The broker is expected to transfer the securities to you within two working days or four calendar days after securities are received in his pool account, provided you have made the requisite payment to the broker.

**What precautions do I need to observe with respect to Delivery Instruction Slips [DIS]?**

The following precautions are to be taken:-

- Ensure and insist with your DP to issue DIS book; do not accept loose slips.
- Ensure that DIS numbers are pre-printed and DP takes acknowledgment from you for the DIS booklet issued to you.
- Ensure that your account number [client id] is pre-stamped.
- If your account is a joint account, all the joint holders have to sign the instruction slips. Instruction cannot be executed
- if all joint holders have not signed.
- Avoid using loose slips
- Do not leave signed blank DIS with anyone viz. broker/sub-broker.
- Keep the DIS book under lock and key when not in use.
- If only one entry is made in the DIS , strike out remaining space to prevent misuse by any one.
- Please fill in target account -Id and all details in the DIS, yourself.

**What is 'execution date' given in the delivery instruction form?**

Execution date is the date on which securities will be actually debited from your account. The execution date written on the delivery instruction has to be entered by the DP, in the DPM system [computer]. DPM system will record the date and will debit your account only on that date. You may issue the instruction well in advance of the date on which you want the securities to be debited from your account but your account will be debited only on the execution date. This facility is called future execution date facility.

**What benefit do I get by giving delivery instruction with a future execution date?**

By giving a future dated instruction the risk of non-execution of instruction due to lack of time or last minute rush is covered.

**What is the importance of record dates to me?**

In case the securities bought by you are yet to be transferred into your account by your broker before the book closure / record date, you will not be entitled to receive corporate benefits such as dividend or bonus since your name will not figure in the list of beneficial owners. Hence, you must ensure that securities bought by you are transferred into your account before the book closure / record date announced by the company.

## **Speed-e Facility (Internet Facility)**

### **Is it possible to give delivery instructions to the DP over Internet and if yes how?**

Yes. NSDL has recently launched a facility for delivering instructions to your DP over Internet, called SPEED-e. The facility can be used by all registered users. Your DP will help you in registering for the facility.

### **How does SPEED-e work?**

You can submit delivery instructions electronically, on the SPEED-e website <https://www.speed-e.nsd.com>, after your DP has authorised you to operate your account through the SPEED-e facility. You can monitor the status of such delivery instructions to ensure that the instructions have been executed.

### **How can I, as a Demat Account-holder / Clearing Member benefit from SPEED-e?**

The benefit offered by SPEED-e to a demat account holder / Clearing Member is the convenience of conducting demat account transactions using an Internet connection from anywhere at anytime eliminating paperwork. Time and efforts for obtaining delivery instruction forms from your DP and submitting them to the DP every time you sell securities is saved.

### **How can I register myself for SPEED-e?**

For using the SPEED-e facility it is essential that your DP must be registered with NSDL for this facility. There are two types of users for this facility, one is password based user who logs in with his password and can transfer securities only to three prespecified broker accounts of his choice. The second is the smart-card based user who is issued a smart card for logging on to the site and can transfer the securities to any account. A password user can visit the SPEED-e website; fill-up the registration form available on the website. The website would allot a registration number and the DP of the client would authorize him for using the facility upon submission of a request with the registration number. A smart card user can download the form from the website, fill it and submit the same to its DP. The DP will process the form and enable the client for using the facility. The smart card user will also be issued a smart card reader and a smart card.

### **What is the difference between Smart-card and Password based access to SPEED-e?**

Smart card based access to SPEED-e is more secure as your identification is based both on "What you have i.e. smart card" and "what you know i.e. PIN code" and provides a digital signature to identify you. In the case of password based access, you should handle your password carefully. In view of this security difference, the password based users have been permitted to transfer securities through SPEED-e facility to only three pre-specified broker accounts. These three accounts can be changed by the user.

### **Is there any further benefit of the smart card option in SPEED-e facility?**

Following are the additional benefits of smart card option in SPEED-e facility:

- smart card user can transfer securities to any account unlike password users where transfer of securities is permitted only to three pre-notified broker accounts;
- single smart card can be used to access all your demat accounts, opened with the same DP;
- facility of multiple authorization;
- you can freeze your demat account or any particular ISIN or specific quantity within an ISIN yourself, through SPEED-e. The accounts freed using SPEED-e can be unfreeze only by you. Thereby you can deliver instructions and transfer securities when you wish, lock the account and unlock it only when you need, i.e. complete control of your account in your hands.

### **How does one operate jointly held Demat Accounts through SPEED-e?**

For password based operation, only one user can operate the account. Joint holders will have to give a power of attorney to one joint holder among themselves. For smart card based operation, in addition to what is stated above, all the joint holders can operate the account independently or jointly using multiple authorisation facility.

## **Corporate Benefits**

### **How would I get my dividend / interest or other cash entitlements?**

The concerned company obtains the details of beneficiary holders and their holdings from NSDL. The payment to will be made by the company through the ECS ( Electronic Clearing Service) facility or by issuing warrants on which your bank account details are printed. The bank account details will be those which you would have mentioned in your account opening form or changed thereafter.

### **How would I get my bonus shares or other non-cash entitlements?**

The concerned company obtains the details of beneficiary holders and their holdings from NSDL. Your entitlement will be credited by the company directly in your NSDL depository account.

### **How will the investor confirm that bonus/rights entitlement is credited into the account?**

An allotment advice will be sent by the Issuer/ its R&T agent for bonus/ rights entitlement. The Transaction Statement given by the DP, will also show the bonus/ rights credit into the account. The quantity shown in the advice and statement of transaction should match.

## **Pledging**

### **What should I do if I want to pledge electronic securities?**

The procedure is as follows:

- Both you (pledgor) as well as the lender (pledgee) must have depository accounts;
- You have to initiate the pledge by submitting to your DP the details of the securities to be pledged in a standard format ;
- The pledgee has to confirm the request through its DP. It is suggested that after creation of the pledge request, you may inform the pledgee and request him to confirm the request;
- Once this is done, your securities are pledged All financial transactions between the pledgor and the pledgee are handled as per usual practice outside the depository system.

### **How can I close the pledge after repayment of my loan?**

After you have repaid your loan, you can request for a closure of pledge by instructing your DP in a prescribed format. The pledgee on receiving the repayment will instruct its DP accordingly for the closure of the pledge.

### **Whether pledgee account can be in a different DP?**

Yes. The pledgee can have an account with a different depository participant of NSDL.

### **Can I change the securities offered in a pledge?**

Yes; if the pledgee [lender] agrees, you may change the securities offered in a pledge.

### **Who will receive dividend on the pledged securities?**

Pledgor will continue to receive dividend on the pledged securities. The pledgee will get the benefits only if pledge is invoked and on record date the shares are in the pledgee's account.

### **How will the distribution of bonus shares for pledged shares happen?**

The software in NSDL has been modified to handle distribution of bonus entitlements through Automatic Corporate Action (ACA) Module. This works as follows:

- The holdings as of the record date / book closure, (including those holdings which are pledged) are considered for computing bonus entitlements.
- At the time of effecting the credit of bonus shares, the system checks whether pledge is still open or closed.
- Where pledge orders are not closed / invoked or partially closed / invoked, the bonus entitlements in such cases are credited to the pledgor's account with pledge marked in favour of the pledgee.
- If the pledge is closed/invoked fully, the bonus entitlements will be credited to the pledgor's account as free balances.

## **Securities Lending and Borrowing**

SEBI has introduced Securities Lending and Borrowing scheme. As per this scheme, those persons having securities can lend their securities for consideration and those requiring securities (for meeting market obligations, as collateral etc.) can borrow the same. Under the scheme, the securities are lent through intermediaries who are approved by SEBI. The approved intermediary would borrow the securities for further lending to borrowers. Lenders of the securities and borrowers of the securities enter into separate agreements with the approved intermediary for lending and borrowing the securities. Lending and borrowing is effected through the depository system.

### **Can I lend the securities lying in my account ?**

Yes. You can lend your securities through Intermediaries approved by SEBI.

### **How would I lend my demat securities?**

You may enter into an agreement with the approved intermediary to be a lender under this scheme. After that, you may lend securities any time by submitting lending instruction to your DP.

### **How would I get back the securities lent by me?**

Intermediary may return the securities at any time or at the end of the agreed period of lending. Intermediary has to repay the securities together with any benefits received during the period of the loan.

### **How would I receive the corporate benefits which would accrue on these securities during the period of lending?**

The benefits will be given to the Intermediary/borrower. However, whenever the securities are being returned/recalled, Intermediary/borrower will return the securities together with benefits received.

## **Charges**

### **What will be the charges for account opening and other depository related transactions?**

NSDL charges the DPs and not the investors. NSDL's charges to its DPs are fixed and are based on the usage of NSDL system. Complete details of NSDL charges as are payable by the DPs are available on NSDL website ([www.nsdl.co.in](http://www.nsdl.co.in)). The DP charges its client for the services offered. The charges that the DP will be charging you for various services are mentioned in the Schedule of Charges which forms a part of the account opening agreement. You may keep a copy of this for your future reference. You can get the details of the charges from the DPs. You can also get a comparative list of DP charges from NSDL's office or from the NSDL website. Your DP may revise charges by giving you 30 days notice in advance.

## **Inter Depository Transfers**

**If my depository account is with NSDL, can I receive my securities from an account holder having account with some other depository in India?**

Yes. Inter depository transfers are possible.

## **Safety Features**

### **How will I know that my DP has updated my account after each transaction?**

Your DP will give you a Transaction Statement periodically, which will detail your current balances and the various transactions you have done through the depository account. If you so desire, your DP may provide Transaction Statement at intervals shorter than the stipulated ones, probably at a cost.

### **At what frequency will I receive my Transaction Statement from my DP?**

You will receive a Transaction Statement from your DP once in a quarter. If you have done any transaction during the quarter, you will receive the statement within fifteen days of the transaction.

### **What is to be done if there are any discrepancies in my transaction statement?**

In case of any discrepancy in the transaction statement, you can contact your DP. If the discrepancy cannot be resolved at the DP level, you should approach NSDL. NSDL also sends out a statement of holdings to a few clients of DPs, picked at random. In case the balance in your account as indicated by your DP does not tally with the balance as indicated by NSDL, you can contact your DP/ NSDL for clarification.

### **What happens if I lose my Transaction Statement?**

You should inform your DP and obtain a duplicate Transaction Statement.

### **What security do I have if the only proof of my holdings in the depository is merely a piece of paper indicating my account balance?**

No transaction can be effected in your account without your written authorization. Further, if you are away for a long time, you have the facility of freezing your account wherein only credits into your account will be allowed and no debit will be possible.

### **What will happen if my DP goes bankrupt or stops operation?**

In a rare event of your DP going bankrupt or closing the operations, the interests of the investors will be fully protected. In such a situation, the investors will be given an option of either transferring the securities to a new DP or they may rematerialise the securities.

### **What precautions does NSDL take to protect the data in its depository system?**

The data carries a high importance in the NSDL depository system. NSDL has taken necessary steps to protect the transmission and storage of data. The data is protected from unauthorized access, manipulation and destruction. The following back up practices are adopted to protect the data:

- Local Back up
- Remote Back up
- Disaster Recovery Site

In addition to this, every DP is required to take daily back up, at the end of each day of operation.

### **Can I freeze my account?**

NSDL system provides the facility to freeze the depository accounts for any debits or for both, debits and credits. In an account which is "frozen for debits", no debits will be permitted from the account, till the time it is unfrozen.

**What should I do if my DP is unable to resolve my problem?**

In case of failure of a DP to resolve your grievance, you can write to the investor grievance cell of NSDL at the following

Address:

**The Officer in Charge**  
**Investor Grievance Cell**  
**National Securities Depository Limited**  
4th Floor, Trade World  
Kamala Mills Compound  
Senapati Bapat Marg  
Lower Parel, Mumbai - 400 013  
Email: [relations@nsdl.co.in](mailto:relations@nsdl.co.in)

## **NRI**

### **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 resident outside India'?**

Under the Foreign Exchange Management Act, 1999 [FEMA], a person who is NOT a 'person resident in India', as defined under Section 2 (v) of the Act is considered as a 'person resident outside India'. The most important change in definition [since FERA 1973] is that the citizenship of a person no longer has a bearing in determination of residential status.

### **Who is a 'person of Indian origin'?**

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.

### **What is an 'Overseas Corporate Body' [OCB]?**

Overseas Corporate Body' means a company, partnership firm, society and other corporate body owned directly or indirectly to the extent of at least sixty percent by Non-Resident Indians and includes overseas trust in which not less than sixty percent beneficial interest is held by Non-Resident Indians directly or indirectly but irrevocably.

OCBs were debarred from Portfolio Investment Scheme w.e.f November 29, 2001. OCBs have been banned as a class of investor w.e.f September 16, 2003. However, they have been permitted to continue to hold the securities acquired by them prior to these dates. Accordingly OCBs may open a demat account, however it can be only for the purpose of dematerializing the existing holdings.

### **Where can an NRI/PIO open a demat account?**

NRI/PIO can open a demat account with any Depository Participant [DP] of NSDL. 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 authorised 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 dematerialiation/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 dematerialised in the corresponding Depository 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 person who is resident in India becomes a non-resident, will he/she be required to change the status of his/her holding from Resident to Non-Resident?**

As per section 6(5) of FEMA, NRI can continue to hold the securities which he/she had purchased as a resident Indian, even after he/she has become a non resident Indian, on a non-repatriable basis.

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

Yes. It is the responsibility of the NRI to inform the change of status to the designated authorised 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.

**Can NRIs invest in shares, debentures and units of mutual funds in India?**

NRIs are permitted to make direct investments in shares/ debentures of Indian companies/ units of mutual fund. They are also permitted to make portfolio investments i.e. purchase of share / debentures of Indian Companies through stock exchange. These facilities are granted both on repatriation and non-repatriation basis.

**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.

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

No.

**What is Portfolio Investment Scheme?**

Under this scheme, NRIs are permitted to acquire shares/debentures of Indian companies or units of domestic Mutual Funds through the stock exchange(s) in India.

Investment can be made both on repatriation or non-repatriation basis. For making investment on repatriation basis, it will be necessary to make payments by way of inward remittance or by debit to the NRE / FCNR account of the NRI / PIO. Investment on non-repatriation basis can also be made by way of inward remittance or by debit to the NRE / FCNR / NRO accounts.

The sale proceeds of the repatriable investments can be credited to the NRE / NRO accounts of the NRI / PIO at the option of the investor, whereas the sale proceeds of non-repatriable investment can be credited only to NRO accounts.

The sale of shares will be subject to payment of applicable taxes.

**What is the procedure for making applications for Portfolio Investment Scheme?**

The application is to be submitted to a designated branch of an authorised dealer in India in the prescribed form. No permission is required from RBI.

### **What is a designated branch?**

Reserve Bank has authorised a few branches of each authorised dealer to conduct the business under Portfolio Investment Scheme on behalf of NRIs. These branches are the main branches of major commercial banks. NRIs will have to route their applications through any of the designated authorised dealer branches who have authorizations from Reserve Bank.

### **Whether NRI can apply through more than one authorised dealer?**

No. NRI can select only one authorised dealer for the purpose of investment under Portfolio Investment Scheme and route the transactions through the branch designated by the authorised dealer.

### **Can an NRI purchase or sell shares or convertible debentures on a stock exchange in India on repatriation or non-repatriation basis under portfolio investment scheme?**

NRIs / PIOs can purchase / sell shares / convertible debentures of Indian companies on Stock Exchanges under the Portfolio Investment Scheme. The rules relating to this scheme are as given below:

- Shares purchased under PIS on Stock Exchange shall be sold on stock exchanges only. Prior approval of RBI is required if such shares are proposed to be transferred either by way of gift or under private arrangement to a non-resident/ resident.
- These trades can be done only through a registered broker on a recognized stock exchange
- NRI shall designate a branch of an authorised dealer and route all his/her transactions through this branch of the authorised dealer.
- NRI takes delivery of the shares purchased and gives delivery of shares sold.
- NRI shall abide by the directions given by RBI/SEBI or such authority if the transaction results in the breach of ceilings stipulated for NRI holding in the company/scheme.

The sale of shares will be subject to payment of applicable taxes.

An NRI or a PIO can purchase shares up to 5% of the paid up capital of an Indian company. All NRIs / PIOs (also the OCBs who had purchased shares under the earlier scheme) taken together cannot purchase more than 10% of the paid up value of the company. (This limit can be increased by an Indian company to 24% by passing a General Body resolution).

### **What are the permissions required for the transfer of securities by NRI/ PIO through off-market trade (transfers outside the purview of Portfolio Investment Scheme of RBI)?**

The table given below summarizes the permissions required for the off-market transfer:

<b>From</b>	<b>To</b>	<b>Transaction</b>	<b>Permissions Required</b>
NRI	NRI	Sale or Gift	General permission, no specific permission to be taken*
NRI	Resident Indian	Gift	Prior approval of RBI required.
NRI	Resident Indian	Sale under private arrangement	General permission already available.
Resident Indian	NRI	Gift	Prior approval of RBI/FIPB should be obtained.
Resident Indian	NRI	Sale under private arrangement	General permission is already available provided the shares being transferred are not of the companies engaged in financial service sectors, such transfer does not attract SEBI takeover code and the activity of the company should be eligible for FDI.

\* provided that the person to whom the shares are being transferred has obtained prior permission of Central Government to acquire the shares, if he has previous venture or tie up in India through investment in shares or debentures or a technical collaboration or a trade mark agreement or investment by whatever name called in the same field or allied field in which the Indian company whose shares are being transferred is engaged.

**Can a DP ask for RBI permission for executing instructions for purchase or sale?**

An individual NRI cannot purchase under PIS shares exceeding 5% of the paid up capital of a company. The onus of monitoring this limit is that of the designated authorised dealer. Shares purchased under PIS scheme can be sold only through a stock exchange. See the rules explained under Q.No. 19. No permission is required from RBI to purchase or sell under Portfolio Investment Scheme.

**Can an NRI nominate or be nominated in depository account? Whether such nominee can be person resident in India?**

Yes.

**What type of bank account details is to be given at the time of account opening and subsequently [by way of change of details]?**

The following bank accounts may be given:

For non-repatriable	NRO [dividend/interest is repatriable]
For repatriable	NRE

The above details recorded by the DP in the demat account may be used by the Issuer to directly credit dividend or interest. (Dividend/interest received on Investments made on repatriation and non – repatriation basis under Portfolio Investment Scheme is not an eligible credit to NRE (PIS) Account and NRO (PIS) Account respectively).

## **SPEED-e**

### **What is SPEED-e?**

**SPEED-e** is a common Internet Infrastructure that enables the Depository Participants (DPs) to provide depository services to their clients. Demat account holders (including Clearing Members) subscribing to this facility can submit delivery instructions to their DPs through **SPEED-e** website <https://speed-e.nsd.com>, instead of submitting delivery instruction slips (in paper form) to their DPs. The users of **SPEED-e** can also check latest balances and transactions in their demat accounts through a facility called **Internet-based Demat Account Statement (IDEAS)** and monitor the status of execution of instructions.

### **Who can avail of SPEED-e?**

**SPEED-e** can be availed of by any demat account holder provided it's DP has registered with NSDL for this purpose.

### **How do I know whether my DP is registered with NSDL for SPEED-e?**

You can find out from your DP whether it has registered with NSDL for **SPEED-e**. Alternatively, you can log on to <https://speede.nsd.com> and click on 'sign up now' to find out the list of DPs who are offering **SPEED-e** services.

### **If I want to avail of SPEED-e services, how do I enroll / register for it?**

If you wish to avail of this facility, you have the option of password based or smart card based access to **SPEED-e**. For password based access, you should fill up an online registration form by choosing your own 'User-Id' and 'Password' and then submit the duly filled-in registration form in person to your DP and sign an agreement with the DP. The DP will authorise your request and thereafter you can start using **SPEED-e** with the User-Id and password. For smart card based access, you should fill up the '**SPEED-e Application form**' available on the **SPEED-e** website or can be obtained from your DP and then submit the duly filled-in form to your DP. After you sign an agreement with the DP, your DP will register you as a smart card user by assigning a User-Id and help you procure a Smart Card Kit, Digital Signature Certificate (DSC) and Personal Identification Number (PIN). Install the Smart Card Kit on to the computer and with the User-Id, DSC and PIN, you can start using **SPEED-e**.

### **What is the difference between Smart card based access and Password based access to SPEED-e?**

In password based operation, the access is given on the basis of "What you know (User-Id & Password)". The User-Id should be 'Alphanumeric' with minimum of three and maximum eight characters. The password also has to be 'Alphanumeric' with a minimum of eight and maximum of sixteen characters. In smart card based operation, the access is given on the basis of "What you have" (smart card) and "What you know" (the PIN). The smart card based operation affixes digital signature to the transactions which is non-repudiable and authenticates that only the person possessing the smart card and knowing the PIN has submitted the instruction.

### **What are the benefits of using a Smart Card?**

Apart from what is stated in [Answer to Q.5](#), the following are the additional benefits of using a smart card.

- Smart card users can transfer securities to any account unlike password users where transfer of securities is permitted only upto three Pre-notified Clearing Member (broker) accounts.
- Single smart card can be used to access all your demat accounts opened with the same DP.
- Facility of Multiple Authorizations.
- Freeze / unfreeze of account(s) / ISIN(s) and / or specific quantity of securities under an ISIN (for Smart Card Clients only).

### **What is meant by Pre-Notified Clearing Member accounts? Should this Pre-notified Clearing Member also be a user of SPEED-e?**

The password users using **SPEED-e** can deliver securities only in favour of Clearing Members (Brokers). At the time of registration, the user must notify the details of Clearing Members (upto a maximum of three) in whose favour the credit can be effected. These Clearing Member accounts are referred to as Pre-Notified Clearing Member accounts. It is not necessary that the Pre-Notified Clearing Member is also a user of **SPEED-e**.

### **How does SPEED-e work?**

**SPEED-e** is an Internet website that receives the delivery instructions from the registered users.

These instructions are downloaded by the DPs, in batches, from the **SPEED-e** website for execution in the DP's depository system. The status of execution of instructions is updated on **SPEED-e** website. The information regarding balances and transactions in demat accounts is available to the subscribers of **IDEAS**. Thus, you can check balances in your account, submit delivery instructions to your DP and verify the status of execution of those instructions.

### **What are the benefits of SPEED-e?**

The most important benefit of **SPEED-e** is the convenience of submitting delivery instructions. You can access the **SPEED-e** website from anywhere in the world at any point of time, check balances in your account, submit the instructions and track its status. **SPEED-e** eliminates the requirement of having to give the delivery instructions in paper form. Further, if you are a smart card user, you get an added benefit of freezing account(s) / ISIN(s) and / or specific quantity of securities under an ISIN through **SPEED-e**, which cannot be unfrozen even by your DP.

### **Can I also view my account on SPEED-e?**

Yes. Through **IDEAS**, Clients as well as brokers can view details of transactions and balances in their accounts. The Brokers can also download this information to update their back-offices.

### **Who can avail of IDEAS?**

**IDEAS** can be availed of by any demat account holder including Clearing Members (CMs) who have opened an account with any of the Participants under NSDL system. You can avail **IDEAS** as a Password or as a Smart Card user.

### **As a SPEED-e user, how do I register for IDEAS?**

Existing **SPEED-e** users (i.e. both Password and Smart Card users) can click on the "Change Service" link and choose **IDEAS**. DP will authorise your request and thereafter you will be able to access **IDEAS** with the same User-Id and password/PIN as the case may be.

### **If I am not a SPEED-e user, as a Client how do I register for IDEAS?**

To register as a password user, Client should fill-up an online registration request for **IDEAS** at **SPEED-e** website, choose its own User-Id & password and submit duly signed print-out of the form to the DP. Based on the online request and the form submitted by the Client, DP authorises the request and thereafter with the User-Id and password, a Client can start using **IDEAS**. In case you want to register as a smart card user, download the '[Application form for IDEAS](#)' for Smart Card Users from **SPEED-e** website or obtain it directly from your DP. Fill-up all particulars and submit the form to your DP who will assign a User-Id and help you procure a Smart Card Kit, DSC and PIN. Install the Smart Card Kit on to the computer and with the User-Id, DSC and PIN, you can start using **IDEAS**.

### **As a broker, how do I register for IDEAS?**

To register as a password user, you should fill-up the Application form and Terms & Conditions for Clearing Members for **IDEAS** available on **SPEED-e** website (<https://speed-e.nsdl.com>) and send it to NSDL after obtaining DP's attestation alongwith the **IDEAS** Annual Fee. NSDL will provide the User-Id and Password after which broker can start using this facility. In case you wish to register as a smart card user, you should fill up the application form for **IDEAS** and obtain DP's attestation. Contact NSDL for procuring smart card kit and submit the form alongwith the smart card to NSDL. NSDL will assign User-Id and issue DSC & PIN. After installing the smart card kit, with the User-Id, DSC and PIN, you can start using **IDEAS**.

### **What are the features available to Brokers?**

Brokers will be able to view the latest balances and transactions in their pool accounts in respect of settlements for the current pay-in date, previous four and next four pay-in days. The other salient features are:

#### **Holding Statement:**

A broker can view all its delivery instructions for a particular market type and settlement number which have been settled. These instructions can be viewed separately in the "Holding Statement".

#### **Overdue Statement:**

This feature enables the broker to view all its delivery instructions for a particular market type and settlement number, which are in 'Overdue' status. After the overdue instructions are settled, they can be viewed in the "Holding Statement".

#### **Transaction File Download:**

This feature allows brokers to download settlement related instructions (debit/credit) executed by their DPs across various market types and settlement numbers for a given transaction date. The data is for transactions relating to settlements for the current pay-in date, previous four and next four pay-in days. The date-wise download can be obtained in a 'plain text tab delimited format' and can be used for further processing in the back-office system.

#### **ISIN Master Download:**

This feature enables brokers to keep the back-office systems updated with the details of ISINs in NSDL system. ISIN master gives details of all ISINs along with ISIN code, ISIN description and their current status.

### **What are the features for Clients?**

- Clients can view latest balances along with the value based on the previous day closing price in their demat account.
- Client can view transactions that have taken place in their demat accounts during the last 30 days.
- Clients can download month-wise statement of transaction for the previous months (maximum 12 months) bearing NSDL's digital signature, which can be verified by using a Signature Verification Utility. The said signature verification utility and detailed procedure regarding installation of Signature Verification Utility is available for download at <https://speed-e.nsd.com> .
- Clients can access **IDEAS** by password or smart card.

### **Once I subscribe to IDEAS, does it mean that my DP will stop sending me the transaction statements?**

Yes. SEBI has permitted the DPs to discontinue providing physical transaction statements to their Clients provided the Client subscribes to **IDEAS**. However, your DP will send a consolidated transaction statement, in physical form, for the entire financial year and the same shall be sent to you before 15th of May every year.

### **How frequently IDEAS is updated to reflect the balances and transactions in demat accounts?**

The balances and transactions on **IDEAS** are updated on an online but not real time basis. However, due to some technical reasons, the information may have been updated till the last half an hour. Users must check the latest position with their DPs.

### **What is the minimum computer configuration required for accessing SPEED-e?**

If you are a password user, all you need is a computer with 32 MB RAM and Windows 95 / 98 / NT having either Microsoft Internet Explorer 5.5 or above or Netscape Navigator 4.7 with an Internet connection. If you are a smart card user, you need to procure a smart card reader and a smart card with help from your DP. The computer configuration must be 64 MB RAM and Windows 98/NT having Microsoft Internet Explorer 5.5 or above with 128 bit encryption, with an Internet connection.

### **Once I subscribe to SPEED-e, does it mean that my DP will stop accepting paper based instructions?**

No. You can submit paper instructions to your DP. However, if you have given instructions through **SPEED-e**, you are not required to submit paper instructions to your DP.

### **Can a Power of Attorney holder (POA) operate my demat account through SPEED-e?**

Yes. A POA can operate your demat account through **SPEED-e**. But, for subscribing to **SPEED-e**, the original account holder(s) must sign the agreement and the application form. In fact, you may not find the need for a POA to operate your account as you can now operate your account from anywhere in the world, provided you have access to Internet and the necessary infrastructure mentioned in the [Answer to Q 19](#).

### **If I have several Demat Accounts, can I operate all these accounts through SPEED-e?**

Yes. You can operate all your demat accounts through **SPEED-e** provided your DP has joined **SPEED-e** and you have registered each of your account separately with distinct User-Ids (applicable for both password and smart card based users). In case you are a smart card user, you can use the same smart card to operate all your demat accounts.

### **Can I convert from password based access to smart-card based access?**

Yes. First you will have to discontinue the password based access by following the steps mentioned in [Answer to Q.50](#). and then apply for smart card based access as mentioned in [Answer to Q.4](#).

### **How does one give instructions from a jointly held demat account through SPEED-e?**

For password based operation, only one user can operate the account. Joint Holders will have to give a [POA](#) to one among themselves. For smart card based operation, besides what is stated above, all the joint holders can operate the account independently or jointly using [Multiple Authorisation facility](#).

### **What are the steps involved in submitting an instruction using a smart card?**

The following are the steps involved in submitting an instruction using a smart card.

- Login to **SPEED-e** website using the User-Id.
- Select the certificate from the Browser.
- Input the PIN on the smart card reader.
- Submit the Delivery Instruction.
- Confirm the Instruction and repeat steps (b) and (c) again, to digitally authorise the instruction.

### **What should I do if I forget my User-Id?**

If you are a Client using **SPEED-e/IDEAS** as a password user and forget your User-Id, you cannot access **SPEED-e/IDEAS**. Approach your DP for revocation of your present User-Id by quoting your Client Id. After revoking your User-Id, you will be required to re-register on **SPEED-e/IDEAS**. If you are a Client/Clearing Member using **SPEED-e** as a smart card user, please contact your DP which will provide you the User-Id. If you are a Clearing Member using **IDEAS** as a password or smart card user, please contact NSDL which will provide you the User-Id.

### **What should I do if I forget my Password?**

If you are Client using **SPEED-e/IDEAS**, log-on to **SPEED-e** website, submit your User-Id, click on '[Forgot Password](#)' and fill-up an \* **Disclaimer** : While care has been exercised by NSDL compiling price file. NSDL does not warrant completeness or accuracy of information and disclaims all liabilities, losses and damages arising out of use of this information. For any specific/latest information, you may contact the respective stock exchange. online 'Password Reset Request' form by supplying the new Password, Client Id & other personal details. A print-out of this form has to be given to your DP which will then authorise the Password Reset Request. If you are a Clearing Member using **IDEAS**, log-on to **SPEED-e** website, submit your User-Id, click on '[Forgot Password](#)' and fill-up an online 'Password Reset Request' form by supplying the new Password & CM BP Id. A print-out of this form has to be given to NSDL which will then authorise the Password Reset Request.

### **Should I change my password at regular intervals?**

Yes. For your own safety, you should change your password as frequently as possible by selecting the option 'Change Password'. However, if the password is not changed for a period of sixty days, then the system prompts for the same and a new password has to be entered.

### **What is Multiple Authorisation?**

Multiple Authorisations is a facility that allows multiple users of an account to digitally authorise delivery instructions while submitting the instructions through **SPEED-e**. This facility is available only to Smart Card Users. To avail of this facility, the users must state the Number of Persons who would authorise an instruction (minimum of two and a maximum of three). Once you enable your account for multiple authorizations, instructions from that account will always require two or three users as the case may be, to digitally "authorise" the instruction using the smart card.

The Users can login separately at their convenience, and "capture" or "authorise" a delivery instruction based on the functional rights assigned to them. e.g.

- In case of a depository account with 3 joint holders where all the three have been registered as **SPEED-e** users and the Number of Authorizations (NOA) can be specified as three, then all the 3 joint holders must "authorise" the instruction, to be successfully submitted through **SPEED-e**.
- In case of a corporate account having 5 authorised signatories and all are registered as **SPEED-e** users and the number of authorisations has been specified as three, then any three out of the 5 signatories can "authorise" the instruction, to be successfully submitted through **SPEED-e**.

### **How will the smart card based user intimate its DP about the Number of Authorisations and functional rights?**

At the time of registration for smart card based access, you will have to intimate to your DP, the Number of Authorisations (NOAs) that are required to execute an instruction along with the functional rights of 'Capture' or 'Authorise', to be assigned to each user. ('Capture' right allows the user to only 'Capture' an instruction while 'Authorise' right allows the user to both 'Capture' and 'Authorise' an instruction). While intimating the functional rights to the DP, you must ensure that there are as many users with 'Authorise' rights as the NOAs. e.g. if there are 5 authorised signatories who are registered as users and the NOA has been specified as 2, then it must be ensured that there are at least 2 users with "Authorise" rights. The other users may have either "Capture" or "Authorise" rights.

### **If there are three authorised signatories, how does the system of 'Capture' and 'Authorise' work?**

If there are three authorised signatories and the NOA has been specified as two, then there should be at least two users with "Authorise" rights and the other user may either have "Capture" or "Authorise" rights. If the NOA has been specified as three, then all three users should have "Authorise" rights, so as to successfully execute the instructions through **SPEED-e**.

### **Can the Number of Authorisations and functional rights be modified?**

Yes. The user should intimate to its DP regarding the change in the NOAs and the modifications in the functional rights of the users from 'Capture' to 'Authorise' or vice versa.

### **Is Multiple Authorisation facility available to Individual Investors also?**

Yes. All users having a smart card based access to **SPEED-e**, can avail of this facility.

### **Is it mandatory for corporate accounts to opt for Multiple Authorisation?**

No. It is not mandatory for corporate accounts to opt for this facility. They can still have one authorised signatory who would be able to both 'Capture' as well as 'Authorise' Instructions.

### **Can the authorised signatory who has the right to 'Authorise', modify the instruction captured by the authorised signatory having the right to 'Capture'?**

No. An instruction once captured cannot be modified. If the person having the right to authorise finds any errors / discrepancies in the instructions already captured, he should not authorise such instructions and instructions which are

not authorised will not have any effect. In such cases, the correct instruction will have to be captured and duly authorised.

**How soon an instruction is required to be authorised after it is captured?**

The instruction should be authorised before expiry of the execution date or 15 days from the date of capture whichever is earlier. Instructions should be authorised in a timely manner so that the instructions are received by **SPEED-e** atleast one clear working day prior to the execution date. (e.g. if the execution date is on a Friday , the instructions must be received by **SPEED-e** latest by Wednesday). If the instructions are authorised late, the DP may execute the same on a best effort basis, at the risk of the concerned account holder.

**Can the authorised signatory who has the right to 'Authorise' find out the number of instructions which are pending for authorisation?**

Yes. As soon as the authorised signatory who has the right to authorise, logs on to **SPEED-e** using his User-Id, he would be alerted regarding the number of instructions pending for authorisation from the 'Pending Authorisation Summary ' in the opening screen.

**Can the facility of Multiple Authorisation be disabled?**

Yes. It can be disabled by intimating to the DP to put the NOA as one. All the Authorised Signatories / joint holders will have to sign the form intimating the change.

**What is freeze/unfreeze?**

Freeze is a facility available in the NSDL system, which allows the demat account holder (Beneficiary) to freeze account(s) / ISIN(s) and / or specific quantity of securities under an ISIN by giving suitable paper based instructions. Unfreeze facility is for removal of the freeze applied.

**Can I execute freeze/unfreeze instruction through SPEED-e?**

Yes. NSDL has introduced this feature on **SPEED-e**, whereby smart card Clients can directly freeze/unfreeze their account(s) / ISIN(s) and / or specific quantity of securities under an ISIN by giving instructions through **SPEED-e**. You can freeze your account by 'Suspending for debit' or 'Suspending for debit and credit'. Freeze request executed by you through **SPEED-e** cannot be unfrozen by your DP.

**After becoming a SPEED-e user, can I still freeze/unfreeze my demat account through my DP?**

Yes. You can freeze/unfreeze your demat account through your DP by giving necessary paper based instructions.

**Can I unfreeze my demat account frozen through SPEED-e, through my DP?**

No. You can unfreeze your demat account frozen through **SPEED-e**, only through **SPEED-e**. To unfreeze an account frozen through **SPEED-e**, you must give necessary instructions through **SPEED-e**. Similarly, an account frozen through your DP cannot be unfrozen through **SPEED-e**.

**If I have lost my smart card what should I do?**

If you are **SPEED-e/IDEAS** Client, then you have to apply to your DP for revocation of DSC (unique digital certificate embedded in the original smart card) issued to you for **SPEED-e/IDEAS** operation. You will also have to apply for issue of a new smart card, DSC and PIN to operate **SPEED-e/IDEAS** by following the steps mentioned in [Answer to Q.4](#). You may also consider requesting your DP to suspend your **SPEED-e/IDEAS** in the interim period, as an added precaution. If you are a Clearing Member who has subscribed to **IDEAS**, then you have to apply to NSDL for revocation of DSC (unique digital certificate embedded in the original smart card) issued to you for **IDEAS** operation. You will also have to apply for issue of a new smart card, DSC and PIN to operate **IDEAS** by following the steps mentioned in [Answer to Q.14](#).

**If I have forgotten my PIN what should I do?**

If you are **SPEED-e/IDEAS** Client, then you have to apply to your DP for revocation of DSC issued to you for **SPEED-e/IDEAS** operation. You will also have to handover your smart card to your DP and apply afresh for a new DSC. You will be able to use **SPEEDE/ IDEAS** only after a new certificate is issued to you. You should initialize your

smart card using PIN entry '1234' before handing it over to the DP. If you are a Clearing Member who has subscribed to **IDEAS**, then you have to apply to NSDL for revocation of DSC issued to you for **IDEAS**. You will also have to handover your smart card to NSDL and apply afresh for a new DSC. You will be able to use **IDEAS** only after a new certificate is issued to you. You should initialize your smart card using PIN entry '1234' before handing it over to NSDL.

#### **What are the charges for availing of SPEED-e/IDEAS services?**

NSDL charges the DPs. DPs have their own charge structure for their Clients. You can contact your DP for charges. However, for freezing your account through **SPEED-e**, NSDL has advised the DPs not to charge more than Rs. 125/- per instruction. Clearing Members have to pay an Annual subscription fee (inclusive of service tax) every financial year to avail **IDEAS**. Please contact NSDL for charges.

#### **How safe and secure is it to execute transactions using SPEED-e?**

All transactions executed through **SPEED-e** are in a safe and secure environment as **SPEED-e** uses 128 bit SSL (Secure Socket Layer) technology. This ensures that the User communicates with an authentic Internet website set up by NSDL and confidentiality is ensured as the data exchanged over the Internet is encrypted. In addition, internal controls and procedures, put in place by NSDL make the entire system robust and virtually tamper-proof. The website also features firewall security, intrusion detection system and hardware redundancy to maximize the availability of service. **SPEED-e** also displays the date and time of your last visit so that you can check whether there was any unauthorized log-in.

Following are the additional safety features:-

- For Password Users: Debit instructions only in favour of pre-notified broker accounts who will be required to submit a consent letter that in case of any unintended / erroneous transfer(s), the broker will deliver the securities back to the User. Also stringent password norms via; Alpha-numeric password, automatic expiry once in sixty days and disabling of login after three attempts due to wrong password entry, ensure additional safety.
- For Smart Card Users: Ultimate security lies in the hands of the User by safe keeping the Smart Card and secrecy of PIN. Smart Card-the hardware token and PIN-the remembered information, together provide "what you have & what you know" security. Digital Signature Certificate embedded on the Smart Card ensures User-Identification, authentication and non-repudiation of transactions executed on **SPEED-e**.

#### **What steps have been taken to prevent hacking?**

**SPEED-e** facility is protected by firewall .The facility uses authentication gateway for access authorisation. The system uses 128 bit SSL protocol for encrypted communication. The physical access to infrastructure is restricted to authorised personnel. Monitoring and logging systems are setup for access audit.

#### **Does usage of SPEED-e/IDEAS expose my computer to risks of computer viruses?**

The robust security systems architecture of **SPEED-e/IDEAS** does not allow computer viruses to permeate the system so easily. This can be complemented with good discipline at the client side computing viz.; preventing unauthorized use of computing resources and use of latest anti-virus Softwares.

#### **Can I access SPEED-e website from a public terminal / cybercafé?**

It is advisable to work from your own computer. However, **SPEED-e** can be accessed from a public terminal / cybercafé as long as the computer meets with the minimum configuration. The Users must take necessary precautions like closing the browser after use, ensuring that your key strokes are not captured by software which can be replayed after you leave the cybercafé and deleting the temporary Internet files. Smart Card Users will have to install the necessary software and smart card reader in the computer before using **SPEED-e**. After the use, you must remove the software and drivers that were installed for the smart card.

#### **How do I discontinue my registration to use SPEED-e / IDEAS service?**

If you are Password User, go to "Change Service" option in **SPEED-e** menu and click on the check box for disabling any/all of the services. This will disable you from the service(s) you have opted for. If you are a smart card user go to

"Change Service" option in **SPEED-e** menu and click on the check box for disabling any/all of the services. Based on your request, your DP will authorise the request for revocation.

**If I have subscribed to IDEAS, can I get SPEED-e automatically?**

You will be required to check whether your DP has subscribed to **SPEED-e**. If yes, you need to complete registration formalities with your DP and make an online request by clicking on the "Change Service" link and select **SPEED-e** option. Your DP will authorise your request after which you will be able to use **SPEED-e**.