

DEMAT Account

How to open a demat account?

To convert physical certificates into demat mode, the name in the share certificate should match with the name of the demat account holder.



Process of Opening a Demat Account ,

Step 1 : To Open Demat Account ,at first you have to approach a depository participant (DP), an agent of depository, You need to open a beneficiary account (BO) by filling an account opening form. A depository participant is an agent, who interacts with the depository. Your bank can be a depository participant. The depositories in India are NSDL (National Securities Depository Limited) and CDSL (Central Depository Services Limited).

Step 2: You have to sign an agreement with the depository participant in the depository prescribed standard format. Submit proof of identity such as PAN card and address proof, such as Passport copy/ Aadhaar etc. Once your demat account is opened, you will be given Demat account number this is also called beneficial owner identification number (BO ID). All your purchases / investments in securities will be credited to this account. If you sell your securities, your demat account will be debited.

Step 3 : Your shares can be demated, by filling a Dematerialisation Request Form (DRF) along with it ,submit/surrender the certificates of the shares which you want to be dematerialized, to the depository participant. .

Step 4 : The depository participant then sends a request, through an electronic system, to the Registrar and Transfer agent(R&T agents maintain your /investor's records, for convenience).

Step 5: The electronic system generates a Dematerialization Request Number (DRN).This DRN number, is entered on the Dematerializations Request Form (DRF) and sent along with physical documents (identity and address proof / share certificates), to the Registrar and Transfer agent, along with a standard covering letter.

Step 6 : Your share certificates are received by the Registrar and Transfer Agent. These share certificates will be mutilated and the words "Surrendered for Dematerialization" will be written on it.

Step 7 : The Registrar and Transfer Agent will verify the physical documents, along with the details in the covering letter and the Dematerialization Request Form.

Step 8: The Company where you own shares, has your name in the Register of Members (ROM), of the Company. Your name is replaced by the depository's name in the Register of Members (ROM), of the Company, to the extent of shares, which have been dematerialized.

Step 9: Once the Register of Members (RoM), of the Company where you have shares, has been amended, a confirmation is sent to the depository.

Step 10: Your Demat account with the depository participant (DP), is credited with the dematerialized shares.