

## **Procedure for Dematerialisation of shares**

The shareholder need to have demat account with a Depository Participant (DP) connected with any one of the depositories namely National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL).

More than 100 DPs are registered with both NSDL and CDSL. Most of the banks like HDFC Bank, ICICI Bank, SBI, Punjab National bank, IOB, Indian Bank, etc. are acting as DP. Apart from banks, Stockholding Corporation of India and private players like Geojit Financial Services Limited, Alankit Assignments Limited, Aditya Birla Money Limited, etc are also acting DPs. Shareholder who has no demat account is requested to contact a DP of their choice for opening a demat account.

The procedure for dematerialisation of shares is as follows:

Please submit the original share certificate along with demat request form (DRF) with your DP for demat. Your DP will cancel the share certificate and affix seal "Surrendered for dematerialisation" and forward the documents to Registrar and Transfer Agents (RTA/STA) after generating an electronic request in the depository system (DRN).

The DP has to forward the documents to RTA/STA within 15 days from the date of receipt of the documents.

The RTA/STA after due verification of the documents confirm the DRN in the depository system for credit of shares to the demat account of the shareholder.

Sometimes, the RTA may reject a DRN due to signature mismatch, lodgement of old and invalid share certificates, difference in the name of the shareholder, etc. In such case, the RTA will return the original documents to the DP along with a covering letter furnishing the reasons for rejection and also furnish the procedure for rectification with a copy marked to the shareholder. The shareholder(s) has/have to rectify the errors and re-submit the documents through their DP for demat.

The depositories offer facility to demat of shares in the case of transposition of names. For example, if the shares are registered in the names of A & B in physical form, whereas in the demat account, the names are in the order of B & A, the shareholders can lodge the shares along with DRF and one more form called Transposition application form (Annexure OA). Upon receipt of the documents, the RTA will effect transposition of names in physical form and confirm the request, if the documents are in order.

Similarly, in the case of joint holding, if a shareholder is deceased, the surviving shareholder(s) may submit the share certificate for demat by enclosing one more form called Transmission form (Annexure OB) and notarised copy of death certificate of the shareholder.

There are a lot of benefits associated with a demat account like safe and convenient to hold the shares, elimination of loss or theft or damage of certificate, no stamp duty in electronic mode, etc.

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