

# A GUIDANCE NOTE ON “HOW TO DEMATERIALIZE YOUR SECURITIES”

## STEPS TO BE UNDERTAKEN:

The Client (Registered Owner) will submit a request to the Depository Participant (DP) in the Dematerialization Request Form (DRF) for dematerialization, along with the certificates of securities to be dematerialized. Before submission, the client has to deface the certificates by writing "SURRENDERED FOR DEMATERIALISATION".

The Depository Participant will verify that the Dematerialization Request Form is duly filled in and the number of certificates, number of securities and the security type (equity, debenture etc.) are as given in the Dematerialization Request Form. If the Dematerialization Request Form and security count are in order, the Depository Participant will issue an acknowledgement slip duly signed and stamped, to the client.

The Depository Participant will scrutinize the Dematerialization Request Form and the certificates. The scrutiny involves the following:

- Verification of the Client's signature on the Dematerialization Request Form with the specimen signature (the signature on the account opening form). If the signature differs, the Depository Participant should ensure the identity of the client.
- Compare the names on Dematerialization Request Form and Certificates with the Client Account.
- Paid-Up Status.
- ISIN (International Securities Identification Number).
- Locked-in status.
- Distinctive numbers.

In case the securities are not in order, they are returned to the client and acknowledgement is obtained. The Depository Participant will reject the request and return the Dematerialization Request Form and certificates in case:

- The Certificates is mutilated or they are defaced in such a way that the material information is not readable. It may advise the Client to send the Certificate to the Issuer / R&T Agent and get new Certificate issued in lieu thereof.
- A single Dematerialization Request Form is used to dematerialize securities of more than one Company.
- Part of the Certificates pertaining to a single Dematerialization Request Form is partly paid -up, the Depository Participant will reject the request and return the Dematerialization Request Form along with the Certificates. The Depository Participant may advise the Client to send separate request for fully paid-up and partly paid-up securities.
- Part of the Certificates pertaining to a single Dematerialization Request Form is locked-in, the Depository Participant will reject the request and return the Dematerialization Request Form along with the Certificates to the Client. The Depository Participant may advise the Client to send a separate request for the locked-in certificates. Also, certificates locked-in for different reasons should not be submitted together with a single Dematerialization Request Form

In case the securities are in order, the details of the request as mentioned in the Dematerialization Request Form are to be entered in the DPM (software provided by NSDL to the Depository Participant) and a Dematerialization Request Number (DRN) will be generated by the system.

The DRN so generated is to be entered in the space provided for the purpose in the Dematerialization Request Form.

A person other than the person who entered the data is expected to verify the details recorded for the DRN. The request will be then released by the Depository Participant which will be forwarded electronically to DM (DM- Depository Module, NSDL's software system) by DPM

The DM will forward the request to the Issuer / R&T Agent electronically.

The Depository Participant will fill up the relevant portion viz., authorization portion of the Dematerialization Request Form.

The Depository Participant will punch the certificate on the Company Name so that no material information on the Certificate will be destroyed.

The Depository Participant will then dispatch the Certificates along with the Dematerialization Request Form and a covering letter to the Issuer / R&T Agent.

The Issuer / R&T Agent will confirm acceptance of the request for dematerialization in his system DPM (SHR) and the same will be forwarded to the DM, if the request will be found in order.

The DM will electronically authorize the creation of appropriate credit balance in the client's account.

The DPM will credit the client's account automatically.

The Depository Participant must inform the client about the changes in the client's account following the confirmation of the request

The Issuer / R&T Agent may reject the dematerialization request in some cases. The Issuer / R&T Agent will send an objection memo to the Depository Participant with or without DRF and security certificates depending upon the reason of rejection. The Depository Participant / Investor has to remove reasons for objection within 15 days, the Issuer / R&T Agent may reject the request and return the Dematerialization Request Form and accompanying Certificates to the Depository Participant. The Depository Participant, if the Client so requires, may generate a new dematerialization request and send the securities again to the Issuer / R&T Agent. No fresh request can be generated for the same securities until the Issuer / R&T Agent rejects the earlier request and informed NSDL and the Depository Participant about it