

Process of converting physical shares into demat form.

Detail note:-

- Open a demat account. You need to open a beneficiary account (BO), with a depository participant, popularly called DP. A depository participant is an agent, who interacts with the depository. Your bank can be a depository participant. The depositories in India are the NSDL (National Securities Depository Limited) and CDSL (Central Depository Services Limited). What is this depository? It's just an organization, which holds your shares, debentures, bonds, mutual fund units and so on.
- You approach the depository participant. You then fill a demat account opening form. You have to sign an agreement with the depository participant. Submit proof of identity such as PAN card and an identity proof/address proof, such as Passport copy. (Your demat account, should be in the same name as the ownership in physical form).
- Once your demat account is opened, your shares can be demated, by filling a Dematerialisation Request Form (DRF). You then submit/surrender the certificates of the shares which you want dematerialized, along with the dematerialisation Request Form (DRF), to the depository participant.
- 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).
- The electronic system generates a Dematerialisation Request Number (DRN). This DRN number, is entered on the Dematerialisation Request Form (DRF) and is sent along with physical documents (identity and address proof / share certificates), to the Registrar and Transfer agent, along with a standard covering letter.
- Your share certificates are received by the Registrar and Transfer agent. These share certificates will be mutilated and the words "Surrendered for Dematerialisation", will be written on it.
- The Registrar and Transfer agent will verify the physical documents, along with the details in the covering letter and the Dematerialisation Request Form.
- 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.
- Once the Register of Members (RoM), of the Company where you have shares, has been amended, a confirmation is sent to the depository.
- Your demat account with the depository participant (DP), is credited with the dematerialized shares.

Brief note:-

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- Open an account with a depository participant also called as DP
- Surrender physical certificates to DP.
- DP intimates to the depository regarding the request.
- DP submits the certificates to the registrar of the issuer company.
- Registrar confirms the dematerialisation request from depository.
- After dematerialising the certificates, registrar updates accounts.
- Depository updates its accounts and informs the DP.
- DP updates the demat account of the investor.