



# Central Depository Services (India) Limited

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## COMMUNIQUÉ TO DEPOSITORY PARTICIPANTS

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CDSL/OPS/DP/GENRL/2022/190

April 01, 2022

### DEMAT AND REMAT PROCESS FLOW

Bases on the representation received from Market Participants the process flow for Demat and Remat of securities are as follows: -

#### Demat Process flow for Depository Participant (DP)s

Beneficial Owner (BO)s, who are the registered holders of the securities will approach the DP for dematerialisation of securities held by them in physical form. The DP shall hand over a Demat Request Form (DRF) to the BO. The BO shall fill up the following details in the DRF: -

- BO Account Number
- Name(s) of the account holder(s)
- ISIN
- Name of the Company
- Nature of Security
- Type of Security
- Number of Certificates
- Total quantity to be dematerialised
- Certificate Details: Folio No., Distinctive Nos., Certificate Nos., Number of Securities, Face Value.
- Lock-in reason & Lock-in release date, if any.

Separate DRF should be filled up for free securities and lock-in securities. If certificates with different lock-in reason / lock-in release date exist, then a separate DRF should be filled for each lock-in reason / expiry date combination. The BO (s) shall sign the DRF as per the specimen signature(s) recorded with the DP and as per the specimen signature(s) recorded with the Issuer/RTA. The BO shall surrender the physical certificates to be dematerialised along with the duly filled DRF to the DP.

The DP shall verify the following before accepting the DRF :-

- Whether the securities intended for Dematerialisation have been admitted in CDSL. If the securities intended for dematerialisation are not admitted in CDSL, the DP shall inform the same to BO and return the documents to the BO.



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- Whether the certificate details mentioned on the DRF and on the certificates enclosed, tally.
- Whether the name(s) of the account holder(s) and the name(s) of the holder(s) appearing on the certificates tally exactly with those recorded under the BO account maintained with CDSL. (In case the names are matching, but order of the names is not the same, refer to Transposition-cum-Demat procedure mentioned in Operating Instruction).
- In case the BO's name on the DRF is not matching with that on the certificate (e.g. the holder of the securities may have opened the demat account in the name of Sushil Ramesh Shah but his name on the certificate may appear as Sushil R. Shah or S. R. Shah, etc.), the dematerialisation request could be accepted by the DP, if the BO's signature on the DRF matches with specimen signature available on record with the DP.
- Whether all the holders have signed the DRF and the signatures of the account holders tally with those recorded by the DP.
- If there is any discrepancy in any of the details, the DP shall get it rectified and duly authenticated by all the holders.
- The error-free DRF shall be taken up for further processing by the DP.
- The Participants shall check the Distinctive Numbers of certificates of securities submitted by its clients for dematerialisation with the records of Distinctive Numbers made available by the depository and ensure that the appropriate International Securities Identification Number [ISIN] is filled in DRF, as applicable.

If the DRF is complete in all respects, then the DP should give an acknowledgement to the BO. Date of receiving the DRF should be written on the DP's copy of the DRF and on the acknowledgement given to the BO. The authorised official of the DP should sign it. The DP shall capture the details from the DRF & Certificates in the CDSL system and shall generate the Demat Request Number (DRN). The DP shall write down the DRN on the DRF. The DP should ensure that the correct ISIN is selected where the Issuer has more than one ISIN.

In case the Securities are in "Lock-in", then the following details need to be specified i.e. Lock-in Release date(s) and Lock-in reason. Lock-in reason can be any one from the list provided in the CDSL system from time to time. The "System-generated acknowledgement" of the demat request should be given to the BO after the authorised official of the DP has signed and stamped the same. The DP shall deface the certificates by affixing a rubber stamp as shown below. The DP should take proper care that the stamp is affixed in such a manner that no material information such as Distinctive number, Folio number, Certificates number, etc., are smudged or



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become illegible. The DP shall mutilate the certificates, by punching two holes at the top of the certificate(s). The DRF shall be authorised by the DP by putting his seal & signature.

The certificates & the original DRF and Client Master Report [CML] of the BO shall be sent to the Issuer/Registrar & Transfer Agent (RTA) along with a system-generated covering letter. A copy of the DRF is to be maintained by the DP for its own reference and records. The DP shall capture the despatch details on the CDSL system, such as the despatch reference number, despatch date, name of courier, etc. The DP must despatch the physical documents to the Issuer / RTA within 7 days from the date of receiving physical documents from the BO.

If the Issuer/RTA rejects the demat request due to mismatch of physical documents with the electronic data than the RTA will send the DRF and certificates back to the DP under a Rejection Memo, specifying the reason for rejection. The DP shall arrange to return the certificates along with the rejection letter sent by the Issuer/RTA to the concerned BO within 7 days from receipt of rejected certificates.

If the demat request is not processed by the Issuer/RTA within 21 days after it has been set up on the system, then the DP should follow up with the Issuer/RTA. If the DP does not get the documents within 30 days from the date of rejection by Issuer/RTA, then the DP should follow up with the Issuer/RTA.

### **Remat Process flow for DPs**

BO who wishes to convert his CDSL dematerialised holdings of securities in rematerialized (physical form), will fill in the Rematerialization Request Form (RRF), in duplicate, and submit the same to his DP. All joint holders, if applicable, should sign the RRF. RRF can be signed by the Power Of Attorney (POA) holder also if any POA has been given. The POA must be registered with the Issuer/RTA.

DPs should ensure that sufficient free / Lock-in Balance should be present in the demat account. Separate remat request should be setup for free shares and lock-in shares. The ISIN should not be Inactive / Frozen for debits. The BO account should not be closed. In case of a remat request along with request for change of address, it should be ensured that it is from the BO only and not from any other person.

DP should verify the following details, as mentioned in the RRF, with the BO master maintained with CDSL. The details to be verified are as follows: -



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- Name(s) of the Beneficial Owner(s)
- BO ID
- Address
- ISIN
- Name of the Issuer
- Quantity of securities requested for Rematerialization.
- Whether the quantity to be rematerialised is a free balance and there is no pledge or any other encumbrances attached to it.
- Signature(s) of the Beneficial Owner(s) or POA holder, as recorded with the DP.

The DP shall capture the details from the RRF in the CDSL system and shall generate the Remat Request Number [RRN]. RRF, which has been set up, can be modified any time before the same is accessed by the Issuer/RTA (either on-line access or downloads by Issuer/RTA). Modification of RRN or deletion of RRN which has already been set up by the DP, but not yet accessed by the Issuer/RTA, should be authorised by the BO, if the change of RRN is as per the RRF submitted by the BO or the deletion of RRN is to rectify the mistake committed by the DP.

DPs should exercise caution when selecting the “Lot option” i.e. MARKET or JUMBO LOT, in the CDSL system, as the charges applicable would vary depending on lot opted for. The DP shall note the RRN on the RRF and shall authorize the RRF with his seal and signature. The DP must dispatch the RRF to the Issuer/RTA within 7 days from the date of receiving the remat request from the BO. The DP will retain a copy of the RRF for his records. The DP should follow up with the Issuer/RTA if the remat request is not honoured within the prescribed time limit i.e. within 30 days and keep on record the follow-up done.

If the Remat request is rejected by the Issuer/RTA, then they will electronically intimate the rejection of RRF and send the rejected RRF along with all the documents for necessary correction / rectification. The DP will carry out the necessary rectification in consultation with the BO, to set up a fresh remat request.

DPs can refer to Operating Instructions, its annexures, and communiques available on CDSL website for more updated details.



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Queries regarding this communiqué may be addressed to CDSL – Helpdesk: on telephone numbers (022) 2305-8624, 2305-8639, 2305-8642, 2305-8663, 2305-8640, 2300-2041 or 2300-2033. Emails may be sent to: [helpdesk@cdslindia.com](mailto:helpdesk@cdslindia.com).

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**Nilesh Shah**  
**Asst. Vice President – Operations**