

# ICICI BANK CUSTOMER FIRST SERIES

A consumer education initiative

Demat Series I: Article 3 of 5

TIMES BUSINESS ASSOCIATE COMMUNICATION

## Demat those Papers Now

So you still hold some paper certificates stashed away in your cupboard? They remain there for a simple reason – you have some nagging doubts. Some certificates are in your maiden name; some are IPOs (initial public offers) allotted when you had no demat account; some are in the name of your deceased ancestors, not even transferred to you yet; some were gifts you got as a minor child; and some are in so many combinations of your family members that you worry about consolidating them. Let's address these common doubts.



### The Chicken or the Egg...

So you worried what came first – demat shares or the demat account? You need to open a demat account with a depository participant (DP) first, and then make a demat request for your paper. Shareholders have to become demat holders, before certificates can become electronic entries. The catch though is, if your shareholding is in various combinations involving your family members, you have to open demat accounts in all those combinations. The demat account does not make changes to the holding pattern: It only replicates the holding as electronic entries.

### We Swap Positions...

Anu and Bala hold shares alternating

as first and second holders, but Anu is the first holder of the demat account. All shares that she holds as first holder with Bala as second, can be dematerialized right way. Where Bala is first and Anu is second holder, they sign a transposition request to switch the holding pattern, making Anu the first and Bala the second holder. However for all shares held individually, i.e. as sole holders, they will have to open two separate demat accounts.

### But I Have Changed...

Your paper certificates were bought when you were a minor. Therefore the records have your guardian's signature. Write to the company or registrar and transfer agent (R&T)

requesting the change in status from minor to major, along with a bank-attested copy of your signature. Open a demat account and apply for dematerializing the shares after the R&T has confirmed the change in status from minor to major.

### I Got a New Name...

You hold paper in your maiden name. After your marriage your name has changed. Write to the company R&T, with a copy of your marriage certificate and your banker's attestation of your new signature. After the R&T has confirmed that your shareholding is now in your new name and holds your new signature, open a demat account and apply for getting the shares converted to demat into that account.

### The Paper is not Mine...

Your mother has gifted her shares to you and that sheet of paper is in her name. The records with the R&T hold your mother's name. Apply for a transfer to your name, first. This will need both your signature and your mother's and the completion of a transfer deed, asking for the change. After the certificates have come back from the R&T, with your name as the shareholder, apply for demat.

### I Forgot how I Signed...

The paper you hold was bought aeons ago, when you signed self-consciously on important documents. Your demat request will get rejected if the R&T agent is unable to match your current and historical signatures. You will need a bank-attestation of your current signature and an application to the R&T requesting them to record your new signature. Then submit your shares for conversion to electronic form in your demat account.

### They ask me for ISIN...

To demat you need to quote the share's international security identification number (ISIN), a code associated with each listed security. Some shares may have categories with different ISIN (different face value, partly paid-up shares for example). Ask your DP to help with the correct ISIN, or refer to the website of the depository.

You are now ready to demat the certificates you hold. Fill in a demat request form in triplicate, copying the details on the certificate carefully. Hand in the certificates after defacing them with the words surren-



Mom, why is Papa carrying that bunch of share certificates? Doesn't he know about demat accounts?

### GET SET KNOW CONTEST

**Question**  
ISIN stands for \_\_\_\_\_.

**Answer**  
A. International Stock Index Number  
B. International Security Identification Number  
C. International Security Information Number

To answer SMS DISHA A, B, or C to 53030 and win a 2N 3D Holiday\*.  
\* Terms and conditions apply.  
Visit [www.dishafc.org](http://www.dishafc.org) for details and winners.

dered for dematerialization' and wait for the credit advice from your DP.

Center for Investment Education and Learning

We welcome your questions, suggestions and feedback on this column. Please use the 'Email Us' link at [www.icicibank.com](http://www.icicibank.com) or send an SMS to 53030. Please include your full name, address and phone number. Your comments may be edited for clarity and space.

### DID YOU KNOW?

The law allows holding of share certificates in paper form. Demat is compulsory only if shares are sold on a stock exchange and have to be delivered to a clearing house for settlement.

### FAQs

Why is it important to update the records with the R&T agent before applying for demat of shares?

The records of the shareholders, with key information such as name, address, status and signature is held by the R&T agent. When you apply for demat, the paper shares will go to the R&T who will have to confirm that the demat request is coming from the registered shareholders. Demat requests will get rejected if key details do not match.

I was allotted some stock options by my employer, with a 3-year lock-in. I did not have a demat account then. Can I demat them into the account I opened subsequently, before the lock-in is over?

Yes you can. You need to specify that the certificates you are surrendering for demat have a lock-in, and give the lock-in release date. This information will also be available with the depository. The demat account will get credit for the shares, but classified as locked-in.

My father passed away leaving some share certificates for me in his will. How can I sell them? I don't have a demat account.

R&T agents have a process in place for transmission of shares after the death of a shareholder. The legal heirs have to submit copies of the will, death certificate and bank-attested signatures. The R&T will make the change in the holding of shares from your father to you, after which you can open a demat account and convert the shares to electronic holding in your name.

SMART BANKING

Protect your Demat Account



Log off and close your browser after using your Demat Account.

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