

FAQ

Depository participant (DP)

A Depository Participant (DP) is an agent appointed by the Depository i.e. —National Securities Depository Ltd (NSDL) and/or Central Depository Services Ltd (CDSL) and is authorized to offer depository services to all investors. An investor has to open his account through a DP only. Thus, the DP is basically the interface between the investor and the Depository. PNB is a DP of both Depositories (NSDL as well as CDSL).

Facilities being offered by PNB's DP

- Demat account opening
- Dematerialization i.e., converting physical certificates to electronic form;
- Re-materialization i.e., conversion of securities in demat form into physical certificates;
- Facilitating repurchase / redemption of units of mutual funds;
- Electronic settlement of trades;
- Pledging/hypothecation of dematerialized securities against loan;
- Receipt of non-cash corporate benefits such as bonus, in electronic form;
- Freezing of demat accounts, so that the debits from the account are not permitted

Why demat account with PNB?

- Highly competitive charges
- Large number of service centres
- Low interest rates on loans granted against pledge of dematerialized securities.
- Low margin on securities pledged with banks.
- Faster transfer and registration of securities in your account.
- Instant disbursement of non-cash benefits like bonus and rights into your account.

How to open an account with a DP?

For opening demat account, you can approach any of our authorised branches and fill up an account opening form, sign an agreement in NSDL prescribed standard format and schedule of charges. An investor has to submit following proof of identity and address along with the prescribed account opening form, Passport-size photograph and Copy of PAN Card:

- **Proof of Identity (POI) (copy of any one proof):**

<input type="checkbox"/> Passport, Driving license, Voter ID Card, PAN card with photograph	
<input type="checkbox"/> Identity card/document with applicant's Photo, issued by a) Central/State Government and its Departments, b) Statutory/Regulatory Authorities, c) Public Sector Undertakings, d) Scheduled Commercial Banks, e) Public Financial Institutions, f) Colleges affiliated to Universities (this can be treated as valid only till the time the applicant is a student), g) Professional Bodies such as ICAI, ICWAI, ICSI, Bar Council etc., to their Members; and h) Credit cards/Debit cards issued by Banks.	

- **Proof of Address (POA) (copy of any one proof):**

<input type="checkbox"/> Ration card, Voter ID Card, Passport, Driving license, Bank passbook, Verified copies of Electricity bills (not more than two months old)/ Residence Telephone bills (not more than two months old)/ Leave and License agreement / Agreement for sale, Self-declaration by High Court & Supreme Court judges, giving the new address in respect of their own accounts. Identity card/document with address, issued by a) Central/State Government and its Departments, b) Statutory/Regulatory Authorities, c) Public Sector Undertakings, d) Scheduled Commercial Banks, e) Public Financial Institutions, f) Colleges affiliated to universities (this can be treated as valid only till the time the applicant is a student); and g) Professional Bodies such as ICAI, ICWAI, Bar Council etc., to their Members.	
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Show original documents to the DP for verification. DP will carry-out “in-person verification” of account holder(s) at the time of opening your account.

Charges

DEPOSITORY CHARGES			
S. No	Activity	for investors having Demat account only	for investors trading through IDBI Capital/ SMC/NSBL
1	A/c Opening	NIL (only stamp charges)	NIL (only stamp charges)
2	A/c Closing	NIL	NIL
3	A/c Freezing / Defreezing	Rs. 20/- per instruction	NIL
4	Dematerialization	Rs. 2.25/- per certificate with minimum of Rs.25/- including postage	Rs. 1/- per certificate with minimum of Rs.25/- including postage
5	Rematerialization	A. a fee of Rs.10 for every hundred securities or part thereof; or b. a flat fee of Rs.10 per certificate, whichever is higher. No Rematerialization fee shall be charged for Government Securities.	a. a fee of Rs.10 for every hundred securities or part thereof ; or b. a flat fee of Rs.10 per certificate, whichever is higher. No Rematerialization fee shall be charged for Government Securities.
7	A/c Maintenance	Accounts under PNB Total Freedom Scheme and senior citizens: NIL Others: Rs. 250/- p.a. Staff: 115/- p.a.	For the clients maintaining trading account with IDBI Capital/ SMC/NSBL - Free for the first year. From 2nd year onwards: Rs. 250/- p.a. Others: Rs. 250/- p.a. For Accounts under PNB Total Freedom Scheme and senior citizens.: NIL
8	A/c Maintenance Charges for Corporate, MF, Trusts, Clubs, Brokers. Big Investors & Traders.	Rs. 350/- p.a.	Rs. 350/- p.a.
9	Transaction (Sell) Other than Debt Instruments / Govt. Securities	0.033 % of market value with minimum of Rs. 20/- p.i. and max. of Rs. 250/- per instruction	Rs. 13 /- per instruction
10	Transaction (Sell) in case of Debt Instruments / Govt. Securities	0.026 % of market value with minimum of Rs. 20/- p.i. and max. of Rs. 255/- per instruction	0.026 % of market value with minimum of Rs. 20/- p.i. and max. of Rs. 255/- per instruction
11	Creation of pledge	Rs. 60/- per instruction for pledge in favour of PNB, whereas in case Pledge favouring others 0.040 % of transaction value min Rs. 60/- per transaction	Rs. 60/- per instruction for pledge in favour of PNB, whereas in case Pledge favouring others 0.040 % of transaction value min Rs. 60/- per transaction
11-A	Close/ Invocation of Pledge	NIL	NIL
12	Custody Charges	NIL	NIL
13	Other Charges	Modification of Accounts details - Rs. 50/- per request. Initially one booklet (DIS) of 10 leaves will be provided free of cost. Extra DIS to be charged @ Rs.1/- per leave.	NIL

Other Terms & Conditions:

∅ Market value as on date of transaction as advised by NSDL.

∅ The above schedule of Charges is based on NSDL charges and is subject to revision at the discretion of the Bank.

- ∅ Any revision in the schedule of Charges will be notified by ordinary post with 30 days notice.
- ∅ This revision in charges supercedes all our earlier rate structures.
- ∅ The rates indicated in % terms will be applied on the value of transaction as computed by NSDL.
- ∅ Service Tax as applicable would be charged extra for any service not listed above.
- ∅ AMC charged shall not be refunded in case of closure of A/c.
- ∅ Cost of non – Judicial stamp paper to be borne by the client.
- ∅ Out of pocket expenses i.e. postage, telephone, fax, mail etc. on actual basis wherever applicable shall be charged extra.

Who is a Beneficiary Owner (BO)?

The person who holds a demat account is a beneficiary owner.

Can a person open more than one demat account?

There is no restriction on the number of accounts one can open.

Can a person open a single account for securities owned in different ownership patterns such as securities owned individually and securities owned along with spouse?

No. The demat account must be opened in the same ownership pattern in which the securities are held in the physical form e.g. if one share certificate is in individual's name and another certificate is jointly held in his /her with spouse's name, two different accounts would have to be opened

What is required to be done if one has physical certificates with the same combination of names, but the sequence of names is different i.e. some certificates with husband as first holder and wife as second holder and other set of certificates with wife as first holder and husband as the second holder?

In this case one can open only one account with husband and wife as the account holders and lodge the security certificates with different order of names for dematerialization in the same account. He will fill-up an additional form called "Transposition cum Demat" form. This would help him to effect change in the order of names as well as dematerialize the securities

Can someone else operate account on behalf of another on the basis of a Power of Attorney?

Yes. If a person authorizes another to operate his account by executing a Power of Attorney and submit it to DP, that person can operate the account on his behalf. The depository account can be operated both by the account holder(s) as well as by the Power of Attorney (POA) holder.

Why should one give his bank account details at the time of account opening?

The Bank account number will be mentioned on the interest or dividend warrant, one is entitled to, so that such warrant cannot be encashed by anyone else. Further, a DP cannot open the account if bank account number is not given.

Can one-change details of his bank account?

Yes. Since in the depository system monetary benefits on the security balances are paid as per the bank account details provided at the time of account opening, one must ensure that any subsequent change in bank account details is informed to the DP.

Can a customer operate a joint account on 'either or survivor' basis just like a bank account?

No. It must be operated jointly by all joint holders.

Can one add or delete account holders after opening the account

No. Names of the account holders for a depository account cannot be changed.

Who can nominate?

Nomination can be made only by individuals holding beneficiary accounts either singly or jointly. Non-individuals including society, trust, body corporate, partnership firm, karta of Hindu Undivided Family, holder of power of attorney cannot nominate.

Who can be a nominee?

Only an individual can be a nominee. A nominee shall not be a society, trust, body corporate, partnership firm, karta of Hindu Undivided Family or a power of attorney holder.

Can there be more than one nominee?

No, only one nomination can be made for one depository account.

Can a minor be a nominee?

Yes, a minor can be a nominee. In such a case, the guardian will sign on behalf of the nominee and in addition to the name and photograph of the nominee, the name, address and the photograph of the guardian must be submitted to the DP.

Can a minor nominate?

No, a minor cannot nominate either directly or through its guardian.

Can a NRI be a nominee?

Yes, NRI can be a nominee subject to the exchange control regulations in force from time to time.

Can separate nomination be made for each security held in a depository account?

No. Nomination can be made account wise and not security wise.

What is the procedure for nomination?

The nomination form duly filled-in should be submitted to the DP either at the time of account opening or later. The account holder, nominee and two witnesses must sign this form and the name, address and photograph of the nominee must be submitted. If nomination was not made at the time of account opening, it can be made subsequently by submitting the nomination form.

Can the nominee be changed?

Yes, the nomination can be changed anytime by the account holder/s by simply filling up the nomination form once again and submitting it to the DP.

How does one change his address with the DP?

One can change his address in the depository system by submitting a written request to the DP. Such a request should be signed by all the holders. Following documents should be submitted along with the application:

1. Latest transaction statement of the demat account received from the DP.
2. Proof of new address for verification by the DP.

One should visit the office of the DP in person to submit his application for change of address along with necessary documents and sign the application once again in the presence of the DP.

Can one close his demat account with one DP and transfer all securities to his account with another DP?

Yes. One can submit account closure request to his DP in prescribed form. The DP will transfer all the securities, as per the instruction, and close the demat account.

What would be the charges for account closure and securities transfer due to account closing?

The charges would be as per the schedule of charges of your DP, applicable at the time of account opening or any subsequent changes therein.

What is dematerialization?

Dematerialization is the process by which physical certificates of an investor are converted to an equivalent number of securities in electronic form and credited in the investor's account with its DP. In order to dematerialize certificates; an investor will have to first open an account with a DP and then request for the dematerialization of certificates by filling up a dematerialization request form [DRF], which is available with the DP/authorised branches and submitting the same along with the physical certificates. The investor has to ensure that before the certificates are handed over to the DP for demat, they are defaced by marking "Surrendered for Dematerialization" on the face of the certificates.

Can one dematerialize any share certificate?

One can dematerialize only those certificates that are already registered in one's name and are in the list of securities admitted for dematerialization at NSDL. You can get an updated list of these companies/ securities admitted from your DP or from NSDL's office or from NSDL website at www.nsdl.co.in.

How long does the dematerialization process take?

Dematerialization will normally take about 30 days.

What does transmission mean in relation to demat accounts?

Transmission is the process by which securities of a deceased account holder are transferred to the account of the surviving joint holder(s)/nominee/legal heirs of the deceased account holder. Process of transmission in case of dematerialized holdings is more convenient as the transmission formalities for all securities held in a demat account can be completed by submitting documents to the DP whereas in case of physical securities the surviving joint holder(s)/nominee/ legal heirs has to correspond independently with each company in which shares are held.

What is the procedure for transmission of securities to the nominee in case of the death of the sole account holder?

In case of the death of the sole holder, for the purpose of transmission of securities, the nominee has to submit a duly filled-in transmission form, notarized copy of death certificate and an affidavit in the prescribed format to the DP. After verifying these documents and if found in order, the DP will transmit the securities to the account of the nominee.

What would happen if no nomination is made for the account?

In case nomination is not made by the sole account holder, the securities would be transmitted to the account of legal heir(s), as may be determined by an order of the competent court. However in cases where the value of securities to be transmitted is less than Rs. 1,00,000/- the DP may process the request based on submission of necessary letter of indemnity , surety , affidavits and NOC documents.

What is the procedure for transmission in case of Joint Accounts?

In the event of death of one of the joint holders, the securities will be transmitted to the surviving holder(s) on submission of Transmission Form and notarized copy of the death certificate of the deceased joint holder to the DP. For transmission of securities, the account of the surviving holder(s) must be in the same sequence in which the names appear in the joint account to be closed.

Can anyone dematerialize his debt instruments, mutual fund units and government securities also in his demat account?

Yes. One can dematerialize and hold all such investments in a single demat account.

What is 'Market Trades' and off Market Trades'?

Any trade settled through a clearing corporation is termed as a 'Market Trade'. These trades are done through stock brokers on a stock exchange. 'Off Market Trade' is one which is settled directly between two parties without the involvement of clearing corporation. The same delivery instruction slip can be used either for market trade or off-market trade by ticking one of the two options.

What is the procedure for selling dematerialized securities?

- Customer sells securities in any of the stock exchanges linked to NSDL through a broker;
- Instructions are given to DP to debit his account and credit the broker's (clearing member) account before the deadline time specified by the DP;
- Before the pay-in day, the broker gives instruction to DP for delivery to clearing corporation;
- The broker receives payment from the stock exchange (clearing corporation);
- Customer receives payment from the broker for the sale of securities.

How one can purchase dematerialized securities?

- One purchases securities through a broker;
- Payment is made to the broker who arranges payment to clearing corporation on the pay-in day;
- Broker receives credit of securities in his clearing member account on the pay-out day.
- The broker gives instructions to his DP to debit his clearing member account and credit customer's account;
- The customer receives shares into his account.

When one buys shares, in what time he will receive the securities from the broker?

The broker is expected to transfer the securities to customer's account within two working days or four calendar days, whichever is later, after securities are received in its clearing member account, provided customer has made the requisite payment to the broker.

Rematerialization

'Rematerialization' is the term used for converting electronic holdings back into Certificates.

Can electronic holdings be converted back into Certificates?

Yes. If one wishes to get back his securities in physical form, he has to request his DP for Rematerialization of the same.

How would one get the dividend / interest or other cash entitlements?

The concerned company obtains the details of beneficiary holders and their holdings from NSDL. The payment to the investors will be made by the company through the ECS (Electronic Clearing Service) facility or by issuing warrants on which your bank account details are printed. The bank account details will be those which you would have mentioned in your account opening form or changed thereafter.

How would one get his bonus shares or other non-cash entitlements?

The concerned company obtains the details of beneficiary holders and their holdings from NSDL. Your entitlement will be credited by the company directly in depository account.

How will the investor confirm that bonus/rights entitlement is credited into the account?

An allotment advice will be sent by the Issuer/ its R&T agent for bonus/ rights entitlement. The Transaction Statement given by the DP, will also show the bonus/ rights credit into the account. The quantity shown in the advice and statement of transaction should match.

What should I do if I want to pledge electronic securities?

The procedure is as follows:

- Both you (Pledgor) as well as the lender (pledgee) must have depository accounts;
- You have to initiate the pledge by submitting to your DP the details of the securities to be pledged in a standard format ;
- The pledgee has to confirm the request through its DP. It is suggested that after creation of the pledge request, you may inform the pledgee and request him to confirm the request;
- Once this is done, your securities are pledged all financial transactions between the Pledgor and the pledgee are handled as per usual practice outside the depository system.

How can I close the pledge after repayment of my loan?

After you have repaid your loan, you can request for a closure of pledge by instructing your DP in a prescribed format. The pledgee on receiving the repayment will instruct its DP accordingly for the closure of the pledge.

If one is having depository account with NSDL, can he receive securities from an account holder having account with CDSL?

Yes. Inter depository transfers are possible.