



Demat Services

For Customer Service Executives (CSE's)
At ICDBI Bank Branches

KM On Demat

This is a sample PowerPoint presentation for a Knowledge Management article.
Visit www.anilkaramchandani.com for details

Dated - XX XX XXXX

1. This Presentation is updated every 3 Months.
2. Please ensure you have the latest Presentation – as Forms, Checklist - attached in the Presentation could change.
3. Please contact – DematOperations@icdbibank.com for the updated presentation.

Slides Overview



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The Slides are as under. **You can switch to display mode [View > Reading View]**
You can then click on the icons to go to the relevant slide. That slide will have an option 'Back' which will bring you back to this slide.

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Dematerialisation

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Exceptions / Waiver

Demat - Certification

Thank You

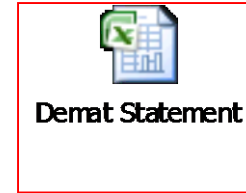
Demat Basics - I



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- A Demat Account is an account where - Shares, Bonds , Debentures & Mutual Fund Units - are held in Electronic Form.

- A sample Demat Account Statement is as under :



- The benefits of a Demat Account are as under :



Benefits of Demat

- A Demat Account is held with a Depository .
In India there are 2 Depositories – NSDL (www.nsdl.co.in) & CDSL (www.cdslindia.com)
- The Client does not have to approach a Depository – to open a Demat Account .
He instead, has to approach its Agent (a Depository Participant) for the same.
- ICDBI Bank is a Depository Participant of NSDL (National Securities Depository Limited).
Our NSDL DP ID is - IN300786.
- ‘NSDL System’ is accessible at Demat Ops (Hyderabad) only.
- The Branches instead have access to Demat back-office system – ‘DP Smart’.

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Demat Basics - II



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Important NSDL Regulations – from Branch perspective :



NSDL Certificate

1. Our DP Certificate is to be displayed in each Branch (Service Centre).
As such, please print & frame the appended on your desk / wall .
2. Each Branch has to have an NISM certified staff.
Non Availability of certified staff will result in penalty of Rs.1000, per month, on that Branch. Please check [Slide # 20](#) on how to get NISM Certification.
3. The Bank is required to create a specific Email ID to look into Demat related complaints.
Accordingly we have created Email id demat.service@icdbibank.com'. The Emails received on this Email ID are replied to by Demat Ops.
4. The Branch – Demat Desk – will be subjected to Demat Audits (Internal / NSDL Regulatory) from time to time .
5. NSDL Penalty Provisions are as under:



NSDL Penalty

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Demat Ops - I

- The Demat Ops is centralised at -

Demat Operations

ICDBI Bank Ltd

1st Floor, ICDBI Bank House, ICDBI Street,

Hyderabad – 500001.

Phone # 040 123456789 . Fax 040 987654321 .

- You can access us -
Weekdays 8.30 AM – 7.00 PM
Saturday 10.00 AM – 2.00 PM

The Contact Persons are – Rajesh Sharma / Suresh Patil / Nandita Das

- Demat Ops has a group Email ID - DematOperations@icdbibank.com . Branch needs to mark all Demat related Emails to this Email ID.

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Demat Ops - II



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- All Stationery – Account Opening Forms, Dematerialisation Request Forms, Delivery Instruction Booklets , Pledge Forms, etc – are to be indented from Demat Ops.
- Any letter - Query / Complaint – received from a Demat Client – can be replied to by Branch. In case of difficulty, the letter can be sent to Demat Ops for reply.
- Statement / Bills – Monthly / Quarterly / Yearly – as applicable – are sent directly by Demat Operations to Client.

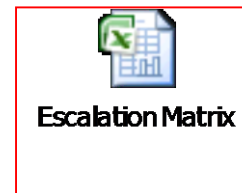
- The Organization Chart of Demat Ops is -



- The TAT for Demat Activities is -



- The Escalation Matrix for Demat Ops is –



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Branch – Demat Activities - Overview

At the Branch – you will undertake the following Demat Activities -

- | | |
|--|------------------------------------|
| 1. Account Opening | Scrutiny, Collection |
| 2. Dematerialisation / Rematerialisation | Scrutiny, Collection |
| 3. Delivery Instructions | Scrutiny, Processing in 'DP Smart' |
| 4. Pledge | Scrutiny, Collection |
| 5. Requests - Address Change, etc | Scrutiny , Collection |
| 6. Account Closure | Scrutiny, Collection |
| 7. Billing / Statements | Resolve Client Queries |

Note :

1. All Demat documents – received at Branch - need to be forwarded on Daily basis, through courier to Demat Ops .
2. An Email also needs to be sent daily to DematOperations@icdbibank.com listing what all has been forwarded to Demat Ops. Demat Ops will confirm receipt of the same.
3. Demat Ops facilitates Audit – and as such all records are maintained at its end.

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Account Opening - I

- A Demat Account can be opened in the name of – Individuals (including minors) / NRI's / Corporate (including Foreign Corporates) / Trust.
- The Demat Account Opening Form is of 2 types – Individual / Corporate. Please ensure the Client fills the correct form .

PAN Card

Pan Card is mandatory for opening a Demat Account - with few exceptions .

Some Clarification

In case of HUF – the Demat Account is opened in the name of Karta (Individual name, not HUF name).

In case of Sole Proprietor – the Demat Account is opened in the name of the Proprietor (Individual name, not in the Firm's name)

In case of Partnership Firm – the Demat Account is opened in the name of the Partners (as Individuals, and not in the name of Partnership Firm)

In case of Unregistered Trust – the Demat Account is opened in the name of the Trustees

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Account Opening - II

- Please find checklist (worksheet wise) for different type of Demat Accounts.



Demat Ac -
Checklist

- Common Rejection Reason - in Account Opening are -



Common Rejection
Reason

- The Account Opening Kit will be despatched directly by Demat Ops to the Client.
In case of Return – the same will be informed to Branch.

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Dematerialisation

- Dematerialisation is the process by which one can convert - Physical Share Certificates into Electronic (demat) form.
- The Client needs to submit the physical Shares Certificates along with a duly filled Dematerialisation Request Form (DRF).
- **A sample duly filled DRF Form is as under :**
- Only those shares - which are available for Dematerialisation - should be accepted. You can check in 'DP Smart ' to find the same (Reports > List of Shares Available for Dematerialisation). In case of any doubt – give a call to Demat Ops.
- Please find Checklist – to be attached and ticked for each DRF – will help reduce chance of it being rejected at Demat Ops / Company -



Delivery Instruction

- A Delivery Instruction Slip enables the Client to – transfer Shares , Bonds etc - from his Demat Account – to another Demat Account .
- A Delivery Instruction Slip – contained in a Delivery Instruction Booklet (which has 20 Slips) –has a unique Serial Number (like a Cheque) – and also mentions the Clients Demat Account Number.
- **A Sample filled Delivery Instruction Slip - Market / Off Market / Inter Depository - is as under :**



Demat Stamp

- When received from Client - the Branch has to stamp it – with Branch, Date & Time Stamp. Please use the following Stamp – you can request for 2 stamps from Demat Ops.



DP Ack Stamp

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Pledge



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- The Shares available in a Demat Account can be pledged – to avail of Loan – from our Bank – or from any other Bank / Firm.

- A Sample filled Pledge Form is as under :



- Like-wise, to have the Shares released (Unpledged) – the Client needs to submit a fresh Pledge Form – with the option – ‘Release Pledge’ duly ticked.
- Once the shares are pledged – the shares will reflect under status – ‘Pledged’ in the Client’s Demat Account.

- For better understanding - Please find NSDL FAQ on Pledge.



NSDL FAQ

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Account Maintenance



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- Like in a Bank Account – A Client will have number of Account Maintenance Requests –
 - Change of Address
 - Register a Nominee in Demat Account
 - Appoint a Power of Attorney (POA)
 - Update Signature in Demat Account
 - Request for Freeze / Unfreeze of Demat Account (to prevent unauthorised use)
 - Request for change in linked Bank Account – where Dividend is received
 - Request for Issuance of Delivery Instruction Booklet / Inter Depository Booklet
 - Request for Duplicate Statement / Statement of Demat Account for a Year , etc
- Checklist for each of the above Request types are as under :
- In case of any discrepancy, the same will be advised to the Branch for regularisation. In case of non-regularisation within 2 Days, the documents will be returned to the Branch

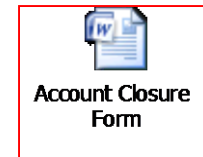


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Account Closure

- A Client can close his Demat Account by submitting an Account Closure form :

- Account Closure Checklist is as under :



Account Closure scenarios – arising out of Account Holder's demise

1. Account Closure – on death of a Joint Holder
2. Account Closure – on death of Sole Account Holder – where a Nomination is registered
3. Account Closure – on death of Sole Account Holder – where there is No Nomination – and value of securities in Demat Account is less than Rs. 5 Lakh
4. Account Closure – on death of Sole Account Holder – where there is No Nomination – and value of securities in Demat Account is more than Rs. 5 lakh

Please find Formats (Affidavits, NOC, Checklist) for each of the above scenario.

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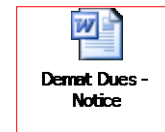
- The Client is billed – for the first time - in the Month in which the Account is opened.

- **Sample Bill as under :**



- Thereafter the Client is billed – in the month – in which he does transactions.
- The Bills – are debited from the Client’s Bank Account – registered at time of Account Opening. You can see the Bank Account that is registered for debit of Charges in ‘DP Smart’
- The Bill is debited to the Client’s Bank Account – by 20th of the following month.
- In case of non payment of dues – Notice is sent to Client - by Demat Ops. Account is suspended if dues remain unpaid.

- **Sample Notice letter as under :**



Statement



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- A Client is sent a Transaction Statement - for the month – in which there are transactions in his Demat A/c .
- In case there are no transactions, a Nil Statement is sent for the Year - at Year-end (31 March).

- A Sample Statement as under :



- The Bills & Statements are sent by the Demat Ops directly to the Client – thru Ordinary Post. It usually is despatched by 7th of the following Month.
- In case of Non Receipt / Query from Client – you can generate the same at Branch – basis a request signed by Any One of the Account Holders. As of now, there are no charges for these.

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Exceptions

- Preferential Tariff –

The standard Tariff applicable on Demat Accounts – is as under :



In case you want a Preferential Tariff for your Client, you can select from amongst the following three – duly approved by your Branch Manager – and then signed by Client.



- Waiver / Reversal of Demat Charges – For this, please forward the request – on Email - duly approved by your Branch Manager. Do mention - a) Amount to waive or reverse b) Demat Account Number c) The Tariff to be applied going forward in that Demat Account. The said amount will be debited to Branch Demat Income line.

DP System



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- 'NSDL System' is accessible at Demat Ops (Hyderabad) only.
The Branches instead have access to the Demat Back Office System – 'DP Smart' .
- Each Branch should have 3 Maker / 3 Checker / 2 Super Checker ID's.
(Super Checker ID's are required when you have to authorise any Instruction of value above Rs.5 lakhs)
- **To get a Login Id created, please fill in the attached form** - tick mark the relevant option (Maker / Checker / Super Checker) – get it signed by the Branch Manager - and give it to IT Support at your Branch.



- Please find attached a word file – which shows, with print-screen - how to access common queries in DP Smart (How to check Balance in Account, check Client bills outstanding, generate Statements, Bills, check Shares available for Dematerialisation, etc)



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Demat Certification

- NSDL Regulations require that each Branch – where Demat Services are offered – has a ‘NISM – Series – VI : Depository Operations Certification Examination’ – certified staff.
- The adherence to the same is checked - by way of branch-wise list of Certified Staff – sought from Branches at Monthly Intervals.
- NSDL Penalty for Non Compliance is Rs. _____ per month, on the Branch that fails to meet the requirement. Recurrence (in next Audit) will lead to penalty of Rs. _____ per month, on that Branch – till it gets complied with.
- Details of NISM Certification – How to get the same – is available at <https://certifications.nism.ac.in/nismaol/>



THANK YOU

Any suggestion / query on this Presentation needs to be marked to –

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