

PROCEDURE TO OPEN DEMAT ACCOUNT

1. What is Demat Account?

Demat account is an Indian term for a dematerialized account that holds financial securities digitally and to trade shares in the share market. In India, demat accounts are maintained by two depositories 1. National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL).

2. What is the purpose of Demat account?

Having a Demat account allows easy transfer of shares—whether you are buying, selling or gifting them. Receiving dividends, bonus shares or rights entitlement (RE) shares are also easier as companies directly deposit them to your Account—reducing paperwork. A Demat Account also makes it easier for you to avail loans against securities you hold. Depositories, who handle Demat Accounts, also allow you to freeze your account, which may come in handy when you want to stop any unwanted transactions.

3. What are the features & benefits of opening a Demat Account?

There are several features and benefits of Demat Account. Firstly, it allows easy holding and tracking of all your investments. It also lowers the risk of loss, damage or theft otherwise associated with physical certificates. Apart from listed stocks, Demat Account can also hold shares of unlisted companies, bonds, units of mutual fund and Exchange Traded Funds (ETFs).

4. What details are required in the Demat Account opening form?

To open a Demat Account, you need to fill in the Know your Customer (KYC) form. It's a simple form that requires basic information such as your name, address, contact and banking details, you may also have to provide a Demat Debit and Pledge Instruction (DDPI) to your Stockbroker to transfer shares on your behalf; though, this is optional. Investors are also required to provide supporting documents such as proof of residence/identity along with a PAN card and all the required documents for onboarding the respective category.

5. What is the process to open Demat Account with Avendus Finance Private Limited -Depository Participant?

Avendus Finance Private Limited have an offline/Physical account opening process in place to open the demat account.

Avendus Finance Private Limited

Regd. Office: 901, Platina, 9th Floor, Plot No. C-59,
Bandra Kurla Complex, Bandra (E), Mumbai 400051

T: +91 22 6648 0050 F: +91 22 6648 0040

CIN: U65921MH1996PTC251407

Email id: avendus.secretarial@avendus.com

www.avendus.com

6. Which account can be opened Offline

The Following type of accounts are mainly opened offline with AFPL DP

- a) Resident Individual accounts
- b) Corporate Account
- c) Partnership Firm Account
- d) Limited Liability Partnership (LLP)
- e) Hindu Undivided Family (HUF)
- f) Registered/Unregistered Trust
- g) Association of Persons (AOP)
- h) NRI Non Repatriable/ Repatriable
- i) Registered Society

7. How to open a Residents Individual Demat account?

The term “Residents Demat refers to an account opened in the name of an Individual.

The list of documents required to open Demat Account

- a) Demat Application and KYC Form
- b) Self-Attested copy of your PAN Card.
- c) Self Attested Copy of Proof of Identity & Address: Submit any one of the documents listed below.
 - Voter's ID
 - Driver's License
 - Passport
 - Aadhaar Card
- d) FATCA Declaration
- e) Bank account proof in the Account Holder Name with bank account number, MICR & IFSC code details
- f) In case of Minor -Copy of the School Leaving Certificate/ Passport of Minor/Birth Certificate and Guardian self -Attested PAN Card & Address.

8. How to open a Corporate Demat account?

The term “Corporate Demat refers to an account opened in the name of a company.

The list of documents required to open Demat Accounts are:

- a) Demat Application and KYC Form
- b) Related Person Individual KYC Form

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- c) Self-attested Company PAN Card
- d) Self -attested Company Address Proof
- e) Self-attested Individual Director/Authorized Signatories -PAN& Address proof
- f) The Memorandum & Article of Association of the company
- g) The Certificate of Incorporation/Commencement
- h) Latest two financial year balance sheets
- i) If company is newly formed/incorporated, then a net-worth certificate from the CA/Declaration
- j) Bank account proof of the company with bank account number, MICR & IFSC code
- k) FATCA Declaration
- l) Board resolution on the company letter head for opening Demat account & authorizing their representatives with mode of operations to operate the said account.
- m) List of Authorized Signatories & Directors on letter head
- n) Latest shareholding pattern
- o) Ultimate Beneficial Owner (UBO)

9. How to open Partnership Firm Demat account?

Persons who have entered partnership with one another are called individually "partners" and collectively a "firm". Partnership Demat Account is opened in Individual partner's name.

The list of documents required to open Demat Account are:

- a) Demat and KYC Application Form
- b) Related Person Individual KYC Form
- c) Self- attested Partnership Firm PAN Card
- d) Self- attested Partnership Firm Address Proof
- e) Self-attested Individual Partner/Authorized Signatories PAN
- f) Self-attested Individual Partner/Authorized Signatories Address proof g) The Partnership Deed
- h) Latest two financial year balance sheets
- i) If partnership firm is newly formed, then a net-worth certificate from CA/Declaration
- j) A bank account proof of the company with bank account number, MICR & IFSC code
- k) FATCA Declaration
- m) Letter of Authority on the firm letter head for opening Demat account authorizing them representatives with mode of operations to operate the said account
- n) List of Authorized Signatories & partners on letter head.
- o) Latest profit/loss sharing pattern

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10. How to open Limited Liability Partnership Firm (LLP) Demat Account?

An LLP is a limited liability partnership where each partner has limited personal liability for debts or claims of the partnership. Partners of an LLP aren't held responsible for the acts of other partners.

The list of documents required to open Demat Account are:

- a) Demat and KYC Application Form
- b) Related Person Individual KYC Form
- c) Self-attested LLP PAN Card
- d) Self-attested LLP Address Proof of Address
- e) Self-attested Individual Partner/Authorized Signatories PAN
- f) Self-attested Individual Partner/Authorized Signatories Address proof
- g) The LLP Deed
- h) Latest two financial year balance sheets
- i) If LLP is newly formed, then a net-worth certificate from the CA/Declaration
- j) A bank account proof of the LLP with bank account number, MICR & IFSC code
- k) FATCA Declaration
- l) Board resolution on the LLP letter head for opening Demat account authorizing their representatives with mode of operations to operate the said account.
- m) List of Authorized Signatories & Partners on letter head

11. How to open Hindu Undivided Family (HUF) Demat Account?

HUF is a separate entity for the purpose of assessment under the Income Tax Act. Under Hindu Law, an HUF is a family which consists of all persons lineally descended from a common ancestor and includes their wives and unmarried daughters. An HUF cannot be created under a contract it is created automatic in a Hindu Family.

The list of documents required to open Demat Account are:

- a) Demat and KYC Application Form
- b) Related Person Individual KYC Form
- c) Self-attested HUF Declaration
- d) Self-attested HUF PAN Card
- e) Self-attested HUF Address Proof
- f) Self-attested Individual Karta PAN and Address proof
- g) The HUF Deed
- h) A bank account proof of the company with bank account number, MICR & IFSC code
- i) FATCA Declaration

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12. How to open a Registered Trust Demat account?

Trust registration is a process of legalizing the trust deed (a legal contract between the settlor and Trustee) from the registrar of the respective jurisdiction. Registered trusts are legal entities and enjoy certain benefits, including tax exemptions under certain conditions. Unregistered Trusts:

The list of documents required to open Demat Account are:

- a) Demat and KYC Application Form
- b) Related Person Individual KYC Form
- c) Self-attested Trust PAN Card
- d) Self-attested Trust Address Proof
- e) Self-attested Individual Trustees/Authorized Signatories PAN
- f) Self-attested Individual Trustees/Authorized Signatories Address proof
- g) The Registered Trust Deed
- h) Latest two financial year balance sheets
- i) If Trust is newly formed, then a net-worth certificate from the CA/Declaration
- j) A bank account proof of the company with bank account number, MICR & IFSC code
- k) FATCA Declaration
- l) Board resolution on the Trust letter head for opening Demat account authorizing their representatives with mode of operations to operate the said account
- m) Latest shareholding pattern
- n) Ultimate Beneficial Owner (UBO)

13. How to open an Un-Registered Trust Demat Account?

An unregistered trust is a trust that has been created by a trust deed but has not been registered with the relevant government authorities. Unlike registered trust the un-registered trust demat account will be opened in the name of authorized trustees

The list of documents required to open Demat Account are:

- a) Demat and KYC Application Form
- b) Related Person Individual KYC Form
- c) Self-attested Trust PAN Card
- d) Self-attested Trust Address Proof
- e) Self-attested Individual Trustees/Authorized Signatories PAN
- f) Self-attested Individual Trustees/Authorized Signatories Address proof
- g) Self-attested Trust Deed
- h) Latest two financial year balance sheets
- i) If Trust is newly formed, then a net-worth certificate from the CA/Declaration
- j) A bank account proof of the company with bank account number, MICR & IFSC code

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- k) FATCA Declaration
- l) Letter of Authority on the trust letter head for opening Demat account authorizing their representatives with mode of operations to operate the said account
- m) List of Authorized Signatories & trustees on letter head
- n) Latest share holding pattern
- o) Ultimate Beneficial Owner (UBO)

14. How to open NRI Repatriable & Non-repatriable Demat Account?

An NRI is an Indian-born citizen who has emigrated to some other country. They are all people of India who live in other nations. A repatriable Demat Account allows Non-Resident Indians (NRI) investors to transfer funds overseas. This requires a Non-Resident External (NRE) bank account, which is used to transfer foreign earnings to India, linked to it.

The list of documents required to open Repatriable Demat Account are:

- a) Demat Application/KYC Form
- b) Self-attested Individual PAN
- c) Self-attested copy of passport /PIO Card/OCI Card and overseas address proof is mandatory
- d) Self-attested Individual India Address proof if any
- e) NRE bank account Proof with bank account number, MICR & IFSC code
- f) FATCA/FEMA Declaration

A non-repatriable Demat Account can be used by NRIs who do not wish to transfer funds overseas. An Non-Resident Ordinary (NRO) bank account, which is used to manage the income earned in India, is required to be linked with a non-repatriable DEMAT account.

The list of documents required to open Demat Account are:

- a) Demat and KYC Application Form
- b) Self-attested Individual PAN
- c) Self-attested copy of passport /PIO Card/OCI Card and overseas address proof is mandatory
- d) Self-attested Individual India Address proof if any
- e) NRO bank account Proof with bank account number, MICR & IFSC code
- f) FATCA/FEMA Declaration

Note

A) Considering the infeasibility of carrying out 'in-person' verification, of NRI/ Foreign Nationals in such a situation photocopy of the KYC documents should be attested by any of the entities viz, Notary Public, any Court, Magistrate, Judge, Local Banker, Indian Embassy/ Consulate General of the country where NRI/FN is residing. [outside India] to the effect that it has been verified with the originals.

B) While opening an account for an NRI Client, the Participant should obtain copy of the RBI approval letter

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if any for acquiring securities

15. How to open an Association of Person Demat Account?

The account should be opened in the name(s) of the individual(s)/ person(s) forming unincorporated association.

or a body of individuals and operated by such individual(s)/ person(s).

The list of documents required to open AOP Demat Account are:

- a) Demat and KYC Application Form
- b) Related Person Individual KYC Form
- c) Self-attested AOP PAN Card
- d) Self-attested AOP Address Proof
- e) Proof of Existence/Constitution documents.
- f) Resolution of the managing body & power of Attorney granted to transact business on its behalf/Power of Managing committee.
- g) Object of association/Copy of the bye laws.
- h) Authorised signatories list with specimen signatures.
- i) FATCA Declaration Form

16. How to open Registered Society Demat Account?

The account should be opened in the name of a Registered Society.

The list of documents required to open Registered Society Demat Account are:

- a) Demat and KYC Application Form
- b) Related Person Individual KYC Form
- c) Self-attested Registered Society PAN Card
- d) Self-attested Registered Society Address Proof
- e) Copy of the Board Resolution for investment in securities market & manner of operation
- f) Certificate of registration under societies registration act
- g) Certified copy of Society Rules and Bye Laws certified by the Chairman/Secretary.
- h) List of Managing Committee members.
- i) Authorised signatories list with specimen signatures.
- j) Pan / Address Proof Authorised Signatory
- k) Bank Detail - Original Cancelled Cheque (bearing pre-printed name of the client, MICR & IFSC Code)
- l) Latest Financial statements (Last 2 financial years)
- m) FATCA Declaration Form