

Nomination FAQ

1. What is Nomination facility for Demat Accounts?

Ans. As you are aware life is fragile and in case of unfortunate event of death of an account holder, transfer of assets to the legal heir involves tedious legal process. To save these hassles for your beloved ones, depository provides you the facility of nominating a person for the account who will receive the securities lying in your Demat account in case of your death. It is advised that all clients irrespective of their age should appoint a nominee. In case of senior citizens, it is strongly recommended.

2. Is nomination compulsory for a Demat account?

Ans. Though nomination is not mandatory, but it proves to be very important tool in disposing the shares lying in the account of the original account holder in case of his death. If the account holder does not want to nominate then he is required to select the option of no nomination and sign accordingly.

3. How is Nomination helpful?

Ans. Nomination is helpful as there will be no conflict among the family members in event of the death of the sole holder.

4. What is the procedure for nomination?

Ans. 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 by following the aforesaid process.

5. Can the nominee be changed?

Ans. 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.

6. What are the issues faced by the legal beneficiaries in case of no nominations?

Ans. The securities would be transferred to the account of the legal beneficiary on submission of necessary documents as prescribed by NSDL, which is a time consuming process.

7. Who can nominate?

Ans. 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.

8. Can joint holders nominate?

Ans. Yes. Nomination is permitted for accounts with joint holders. But, in case of death of any of the joint holder(s), the securities will be transmitted to the surviving holder(s). Only in the event of death of all the joint holders, the securities will be transmitted to the nominee.

9. Can a minor nominate?

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

10. Who can be a nominee?

Ans. 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.

11. Can there be more than one nominee?

Ans. Yes, multiple nomination can be made for one depository account.

12. Can a minor be a nominee?

Ans. 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, age proof of the minor and the photograph of the guardian must be submitted to the DP.

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

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

14. Can a NRI be a nominee?

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

15. Who cannot nominate?

Ans. Non-individuals such as societies, trusts, body corporate, Kartas of Hindu Undivided Family etc. and holders of power of attorney cannot make a nomination.