

Spread the love

Oracle IAS, the best coaching institute for RBI grade B/NABARD/SEBI in Dehradun (Uttarakhand), brings to you [views on important issues](#).

What is Demat account?

- Demat account is the account that should be started by an investor to buy or sell shares in the stock market. The investor should start the demat account with a depository participant who is recognized by SEBI. Now, to understand demat account, we have to understand dematerialization, depository and depository participant.
- The investor – a buyer or seller of shares, to do his business, should start an account with a depository. This account is known as demat account. The depository may be a stock broker or a bank etc as we mentioned earlier. The demat account is thus opened by the investor while registering with an investment broker (or sub-broker). The demat account number is quoted for all transactions to enable electronic settlements of trades to take place. So a demat account is a must for trading and investing.
- To start an account in demat mode, the investor need to indicate the name of the depository and also of the depository participant with whom the investor has depository account in the application. NSDL and CDSL give the list of registered DPs.
- A broker is separate from a DP. Similarly, he is a member of the stock exchange, who buys and sells shares on his behalf and on behalf of his clients. A DP will just give the investor an account to hold those shares.

Materials required for opening a Demat account

- Following are the materials required to start a demat account.

1. Passport size photographs
2. Proof of residence (POR) - Any one of Photo Ration Card with DOB / Photo Driving License with DOB / Passport copy / Electricity bill / Telephone bill
3. Proof of identity (POI) - Any one of Passport copy / Photo Driving License with DOB / Voters ID Card / PAN Card / Photo Ration Card with DOB
4. PAN card

- Actually, the above-mentioned procedure is the one we require to start investing in shares. Or in other words, the demat account is the gate way for an investor into the stock market.
-

- [Contact](#) us for:-RBI GradeB/NABARD/SEBI coaching in Dehradun (Uttarakhand), [Current Affairs](#) classes in Dehradun (Uttarakhand), For best guidance and [study material](#) call 7088873675, 9997453844