

**CHIEF GENERAL MANAGER
MARKET REGULATION DEPARTMENT**

**SEBI/MRD/Dep/Cir- 3/2008
February 28, 2008**

The Managing Director & CEO,
National Securities Depository Ltd.,
Trade World, 4th Floor,
Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai – 400013

The Managing Director and CEO,
Central Depository Services (India) Ltd.,
Phiroze Jeejeebhoy Towers,
17th Floor, Dalal Street,
Mumbai – 400 023

Dear Sir(s),

Sub: Safeguards to address the concerns of the investors on transfer of securities in dematerialized mode

1. Please refer to SEBI Circular No. SEBI/MRD/Dep/Cir-03/2007 dated February 13, 2007, on the captioned subject.
2. Subsequent to the issuance of the said circular, SEBI received representations from various quarters expressing the hardship caused due to the restrictive provisions of the SEBI circular. Majority of these representations related to the restriction on issue of not more than 20 slips per DIS booklet and issuance of subsequent DIS booklet to a BO only after the BO has used not less than 75% of the slips contained in the previous DIS booklet.
3. Upon consideration of the said representations and difficulties expressed by investors' associations in the meeting held on February 25, 2008, it has been decided to do away with the limits mentioned under Para 2 (c) and (e) and thereby, the said provisions of the SEBI Circular No. SEBI/MRD/Dep/Cir-03/2007 dated February 13, 2007, stand withdrawn.
4. The depositories are accordingly advised to:
 - a. Make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision immediately, as may be necessary/applicable.
 - b. bring the provisions of this circular to the notice of the DPs of the Depository and to disseminate the same on their website as well as monitor compliance by DPs.
 - c. communicate to SEBI the status of implementation of the provisions of this circular in the Monthly Development Report.
5. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, and Section 19 of the Depositories Act, 1996 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

S V MURALI DHAR RAO