CDS/OPS/DP/20 11th October, 1999

COMMUNIQUÉ TO DEPOSITORY PARTICIPANTS

Portfolio value for Stock Brokers who are Depository Participants

SEBI, vide its notification dated the 21st September, 1999 has notified that in respect of stock brokers who are Depository Participants, the aggregate value of portfolio of securities of the beneficial owners held by them in a depository shall not exceed **100 times** of the net worth of the stock broker. This limit stands increased from the erstwhile ceilings mentioned hereunder:

Net Worth of the Depository Participant	Aggregate value of portfolio
Rs. 50 lakhs to Rs. 750 lakhs	35 times of the net worth
Rs. 750 lakhs to Rs. 5000 lakhs	50 times of the net worth

A copy of the relevant SEBI notification is enclosed.

Standing Instruction for Purchase Waiver in case of Inter-depository transfers

Depository Participants are informed that for Beneficial Owner accounts having Purchase Waiver Instructions, in case of off-market Inter-depository transfers there will now be **no need** to enter purchase instructions for each transaction.

Audited financial statements

Depository Participants are requested to refer to communiqué no. CDS/OPS/DP/18 dated September 21, 1999 requesting them to furnish CDS every year, with a copy of their audited financial statements and auditor’s report not later than six months after the end of the DP’s financial year.

Depository Participant’s who have not complied with the above request and whose financial year has ended on the 31st March, 1999 are therefore called upon to submit their audited financial statements including Profit and Loss Account and Balance Sheet along with the auditor’s report, on or before the 15th October, 1999.

Net worth Certificate

Stock broker Depository Participants are requested to refer to communiqué no. CDS/OPS/DP/18 dated September 21, 1999 requesting them to furnish CDS with a Net worth certificate, based on the audited books of account and **calculated and itemised in the manner specified in Annexure 'A' of that communiqué**. The certificate must be duly certified by a Chartered Accountant. Concerned Depository Participants are required to submit the Net worth certificate based on the audited financial statements mentioned above, on or before the 30th November, 1999.

Year 2000 Compliance

Depository Participants are requested to refer to communiqué no. CDS/OPS/DP/15 dated September 1, 1999 on the captioned subject, requiring them to carry out a comprehensive Y2K compliance study of all equipment (including the machines used in their back-office) used for CDS and BO servicing operations.

Depository Participants were also informed that CDS's insurance company requires a declaration from all CDS's DPs of their Y2K readiness in line with the terms of the insurance policy covering CDS and its DPs. A Year 2000 Compliance Questionnaire received from the Insurance Agency and which was required to be completed by DPs was enclosed with the above communiqué.

All DPs who have not returned the completed Questionnaire to CDS, are requested to do so immediately. DPs are once again cautioned that failure to submit the Questionnaire will result in non-acceptance of claims for losses which could be attributed to Y2K related problems.

Umesh P. Maskeri

Vice-President (Operations) & C. S.