



Central Depository Services (India) Limited

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COMMUNIQUÉ TO DEPOSITORY PARTICIPANTS

CDSL/L&CS/DP/POLCY/2023/87

February 9, 2023

AMENDMENT TO CDSL BYE LAWS

DPs are hereby informed that amendment has been carried out in CDSL Bye Laws and Annexure -B to CDSL Bye Laws (as applicable) in respect of:

- i. transmission of securities,
- ii. net worth requirement and monitoring of aggregate value of portfolio of securities of beneficial owners for Stock broker DPs / applicants.

The said amendment has been enclosed as Annexure A to this communique.

DPs are advised to note that the attached amendments will come into effect immediately.

Queries regarding this communiqué may be addressed to CDSL – (Legal) (022) 2305-8564. Emails may be sent to: legalteam@cdslindia.com

Sd/-
Nilay Shah
Group Company Secretary & Head Legal

Encl:A/a

ANNEXURE A

Clause	Existing provision	Amended provision
CDSL Bye Laws		
<p>5.2.</p>	<p>ADMISSION CRITERIA:</p> <p>⁶⁶[5.2.1.4.2 Where the applicant is a Stock Broker, the applicant has and undertakes to maintain a net worth of rupees 2 (two) crores.</p> <p>⁶⁷[Provided however that a limited Depository Participant may have a Net worth of not less than ` 1(one) crore].</p> <p>Explanation: For the purpose of determining whether the applicant ⁶⁸[mentioned under 5.2.1.4.1 and 5.2.1.4.2] has adequate net worth, the applicant shall submit to CDSL, a Net worth Certificate (including the computation thereof) based on the audited books of accounts, and calculated and itemized in the manner specified in ⁶⁹[the Operating Instructions issued by CDSL from time to time] and duly certified by a ⁷⁰[Statutory Auditors] ⁷¹[or Practicing Chartered Accountant].</p> <p>⁶⁶Amended vide SEBI's letter no. MRD/CDSL/VM/142939/08 dated 03.11.2008.</p> <p>⁶⁷Amended vide SEBI's letter no. MRD/DP/OW/2349/2013 dated 28.01.2013.</p> <p>⁶⁸Amended vide SEBI's letter no. MRD/CDSL/VM/142939/08 dated 03.11.2008.</p> <p>⁶⁹Amended vide SEBI's letter no. MRD/CDSL/VM/76600/06 dated 13.09.2006.</p> <p>⁷⁰Amended vide SEBI's letter no. MRD/CDSL/VM/142939 dated 03.11.2008.</p> <p>⁷¹Amended vide SEBI's letter no. MRD2DDAP/OW/2020/17216/1 dated 15.10.2020</p>	<p>ADMISSION CRITERIA:</p> <p>⁶⁶[5.2.1.4.2 Where the applicant is a Stock Broker, the applicant has and undertakes to maintain a net worth of rupees 2 (two) crores.⁶⁷[3 (three) crores by February 22, 2023, which shall be increased to rupees 5 (five) crores by February 22, 2024.]</p> <p>⁶⁸[Provided however that a limited Depository Participant may ⁶⁹[continue to] have a Net worth of not less than ` 1(one) crore] ⁷⁰[till February 22, 2023 only.]</p> <p>⁷¹[Provided further that a self-clearing member fulfilling the net worth requirements as provided under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 shall also be eligible to register itself as a depository participant.]</p> <p>Explanation: For the purpose of determining whether the applicant ⁷²[mentioned under 5.2.1.4.1 and 5.2.1.4.2] has adequate net worth, the applicant shall submit to CDSL, a Net worth Certificate (including the computation thereof) based on the audited books of accounts, and calculated and itemized in the manner specified in ⁷³[the Operating Instructions issued by CDSL from time to time] and duly certified by a ⁷⁴[Statutory Auditors] ⁷⁵[or Practicing Chartered Accountant].</p> <p>⁶⁶Amended vide SEBI's letter no. MRD/CDSL/VM/142939/08 dated 03.11.2008.</p> <p>⁶⁷ Amended vide SEBI's letter no. SEBI/HO/MRD/MRD-RAC-2/P/OW/2023/4545/1 dated 03.02.2023.</p> <p>⁶⁸Amended vide SEBI's letter no. MRD/DP/OW/2349/2013 dated 28.01.2013.</p> <p>⁶⁹Amended vide SEBI's letter no. SEBI/HO/MRD/MRD-RAC-2/P/OW/2023/4545/1 dated 03.02.2023.</p> <p>⁷⁰Amended vide SEBI's letter no. SEBI/HO/MRD/MRD-RAC-2/P/OW/2023/4545/1 dated 03.02.2023.</p> <p>⁷¹ Amended vide SEBI's letter no. SEBI/HO/MRD/MRD-RAC-2/P/OW/2023/4545/1 dated 03.02.2023.</p> <p>⁷²Amended vide SEBI's letter no. MRD/CDSL/VM/142939/08 dated 03.11.2008</p> <p>⁷³Amended vide SEBI's letter no. MRD/CDSL/VM/76600/06 dated 13.09.2006.</p> <p>⁷⁴Amended vide SEBI's letter no. MRD/CDSL/VM/142939 dated 03.11.2008.</p> <p>⁷⁵Amended vide SEBI's letter no. MRD2DDAP/OW/2020/17216/1 dated 15.10.2020</p>

Clause	Existing provision	Amended provision
5.3	<p>RIGHTS AND OBLIGATIONS OF PARTICIPANTS IN RELATION TO CDSL</p> <p>5.3.5.2. In the case of a participant being a Stock Broker, the participant shall ensure that the aggregate market value of portfolio of securities of all the Beneficial held in dematerialised form in CDSL through him ⁸⁹[shall be as specified by SEBI from time to time] and if it so exceeds on any given day, the participant shall forthwith inform CDSL about it. CDSL shall have a right to give such instructions as it deems fit in order to reduce the aggregate market value of portfolio of securities of all the Beneficial Owners held in dematerialised form in CDSL through such participant.</p> <p>⁸⁹Amended vide Amendment No. CDSL/BL/Amend/2003/18 vide SEBI's letter no. MRD/VSS/SU/18801 /2003 dated 30.09.2003 w.e.f 30.09.2003</p>	<p>RIGHTS AND OBLIGATIONS OF PARTICIPANTS IN RELATION TO CDSL</p> <p>5.3.5.2. ⁹³[-] In the case of a participant being a Stock Broker, the participant shall ensure that the aggregate market value of portfolio of securities of all the Beneficial held in dematerialised form in CDSL through him ⁸⁹[shall be as specified by SEBI from time to time] and if it so exceeds on any given day, the participant shall forthwith inform CDSL about it. CDSL shall have a right to give such instructions as it deems fit in order to reduce the aggregate market value of portfolio of securities of all the Beneficial Owners held in dematerialised form in CDSL through such participant.</p> <p>⁸⁹ Amended vide Amendment No. CDSL/BL/Amend/2003/18 vide SEBI's letter no. MRD/VSS/SU/18801 /2003 dated 30.09.2003 w.e.f 30.09.2003</p> <p>⁹³ Deleted vide SEBI's letter no. SEBI/HO/MRD/MRD-RAC-2/P/OW/2023/4543/1 dated 03.02.2023.</p>
13.9.4	<p>13.9.4. Where a Beneficial Owner Account stands in the name of a sole person, in the event of the death of the Beneficial Owner, the securities standing to the credit of such account shall vest in the ¹⁸⁵[nominee/s] and where no such nomination is made, succession to such securities shall be determined in accordance with law in favour of the heirs or legal representatives of the deceased against production of the necessary representation to the estate of the deceased by way of Probate, Letters of Administration or Succession Certificate, as may be applicable, provided however that where the aggregate market value of the securities as on the date of death of the Beneficial Owner held in such account does not exceed Rs.1,00,000/- or such other amount as may be specified by CDSL from time to time, the Board of Directors of CDSL may, in its sole discretion, even in the absence of a legal representation to the estate of the deceased having been obtained, permit the transmission of securities standing to the credit of such account in favour of the heirs or legal representatives or successors, as the case may be, on such terms and conditions as may be specified in the Operating Instructions.</p>	<p>13.9.4. Where a Beneficial Owner Account stands in the name of a sole person, in the event of the death of the Beneficial Owner, the securities standing to the credit of such account shall vest in the ¹⁸⁹[nominee/s] and where no such nomination is made, succession to such securities shall be determined in accordance with law in favour of the heirs or legal representatives of the deceased against production of the necessary representation to the estate of the deceased by way of Probate ¹⁹⁰[of Will or Will], Letters of Administration or Succession Certificate ¹⁹¹[or Decree of a Court as may be applicable in terms of Indian Succession Act, 1925 (30 of 1925) or Legal Heirship Certificate or its equivalent certificate issued by a competent Government Authority attested by the legal heir(s)/ claimant(s) subject to verification with the original or duly attested by a notary public or by a Gazetted Officer along with the documents as mentioned in CDSL Operating Instructions] provided however that where the aggregate market value of the securities ¹⁹²[as on the date of application of the heirs or legal representatives of the deceased for transmission of shares of the deceased Beneficial Owner held in such account does not exceed Rs. 15,00,000/- (Rupees Fifteen Lakhs Only) or such other</p>

Clause	Existing provision	Amended provision
	<p>¹⁸³ Amended vide SEBI's letter no. SEBI/MRD/DO/OW/P/2016/16934/1 dated 13.06.2016.</p>	<p>amount as may be specified by SEBI and/or CDSL from time to time,] as on the date of death of the Beneficial Owner held in such account does not exceed Rs.1,00,000/- or such other amount as may be specified by CDSL from time to time the Board of Directors of CDSL may, in its sole discretion, even in the absence of a legal representation to the estate of the deceased having been obtained, permit the transmission of securities standing to the credit of such account in favour of the heirs or legal representatives or successors, as the case may be, on such terms and conditions as may be specified in the Operating Instructions.</p> <p>¹⁸⁹ Amended vide SEBI's letter no. SEBI/MRD/DO/OW/P/2016/16934/1 dated 13.06.2016.</p> <p>¹⁹⁰ Amended vide SEBI's letter no. SEBI/HO/MRD/MRD-RAC-2/P/OW/2023/4162/1 dated 01.02.2023.</p> <p>¹⁹¹ Amended vide SEBI's letter no. SEBI/HO/MRD/MRD-RAC-2/P/OW/2023/4162/1 dated 01.02.2023.</p> <p>¹⁹² Amended vide SEBI's letter no. SEBI/HO/MRD/MRD-RAC-2/P/OW/2023/4162/1 dated 01.02.2023.</p>
ANNEXURE – B TO CDSL BYE LAWS		
12	<p>12. CEILING ON HOLDINGS</p> <p>12.1. If the Participant is a Stock Broker, the Participant shall ensure that the aggregate market value of the securities of all Beneficial Owners in their accounts with the Participant does not exceed the limits as specified by SEBI from time to time on any given day and if it so exceeds the said limits on any given day, the Participant shall forthwith inform CDSL about it and CDSL shall be entitled to issue such Operating Instructions as it may deem fit in order to rectify the position in that behalf.</p>	<p>12.¹⁵]CEILING ON HOLDINGS</p> <p>12.1. If the Participant is a Stock Broker, the Participant shall ensure that the aggregate market value of the securities of all Beneficial Owners in their accounts with the Participant does not exceed the limits as specified by SEBI from time to time on any given day and if it so exceeds the said limits on any given day, the Participant shall forthwith inform CDSL about it and CDSL shall be entitled to issue such Operating Instructions as it may deem fit in order to rectify the position in that behalf.</p> <p>¹⁵Deleted vide SEBI's letter no. SEBI/HO/MRD/MRD-RAC-2/P/OW/2023/4543/1 dated 03.02.2023</p>