

Circular No.: NSDL/POLICY/2024/0099

July 05, 2024

Subject: SEBI Circular on 'Modification to Enhanced Supervision of Stock Brokers and Depository Participants'.

Attention of Participants is invited to SEBI's Circular No. SEBI/HO/MIRSD/MIRSD-PoD1/P/CIR/2024/95 dated July 04, 2024 regarding "Modification to Enhanced Supervision of Stock Brokers and Depository Participant" (copy enclosed).

Participants are requested to take note of the above circular and ensure compliance.

For and on behalf of
National Securities Depository Limited
ARO CKIARAJ Date: 2024.07.05
16:51:44 +05'30'

**Arockiaraj
Manager**

Enclosures: One

FORTHCOMING COMPLIANCE			
Particulars	Deadline	Manner of sending	Reference
Investor Grievance Report (Monthly)	By 10 th of the following month	Through e-PASS	Para 22 of 'Grievance Redressal' chapter and Para 28 of 'Internal Controls/Reporting to NSDL/SEBI' chapter of NSDL Master Circular for Participants.

**National Securities Depository Limited**

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CIRCULAR

SEBI/HO/MIRSD/MIRSD-PoD1/P/CIR/2024/95

July 04, 2024

To,
All recognized Stock Exchanges
All Depositories

Madam / Sir,

Sub: Modification to Enhanced Supervision of Stock Brokers and Depository Participants

1. SEBI, vide Circular no. SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016 (hereinafter mentioned as 'circular') and Master Circular for Stock Brokers dated May 22, 2024 (hereinafter mentioned as 'Master Circular'), *inter alia*, specified timelines for submission of annual audited accounts/net worth certificate by Stock Brokers/Depository Participants as part of monitoring criteria, the details of which are as follows:

Relevant clauses	Existing provision
Para 6.1.1.c (Monitoring criteria for Stock Brokers) of Annexure to Circular and Para 15.8.1.1.c of Master Circular	Failure to furnish Annual Audited Accounts by September 30 th of the relevant year
Para 6.1.2.a (Monitoring criteria for DPs) of Annexure to Circular and Para 15.8.1.2.a of Master Circular	Failure to furnish Net worth certificate to Depository for year ending March 31 st by September 30 th

2. As a step towards ease of doing business, it has been decided to revise the timeline to October 31st of the relevant year. Accordingly, the said paras shall be read as under:

Relevant clauses	Modified provision
Para 6.1.1.c (Monitoring criteria for Stock Brokers) of Annexure to Circular and Para 15.8.1.1.c of Master Circular	Failure to furnish Annual Audited Accounts by October 31 st of the relevant year
Para 6.1.2.a (Monitoring criteria for DPs) of Annexure to Circular and Para 15.8.1.2.a of Master Circular	Failure to furnish Net worth certificate to Depository for year ending March 31 st by October 31 st

3. The provisions of this circular shall come into force with immediate effect.
4. The Stock Exchanges/Depositories are directed to:
 - 4.1. bring the provisions of this circular to the notice of their members / participants and also disseminate the same on their websites;
 - 4.2. make necessary amendments to the relevant Bye-laws, Rules and Regulations for the implementation of the above decision;
 - 4.3. communicate to SEBI, the status of the implementation of the provisions of this circular in their Monthly Development Reports.
5. The circular is issued with the approval of competent authority.
6. This circular is issued in exercise of powers conferred under Section 11(1) of Chapter IV of the Securities and Exchange Board of India Act, 1992, and Section 19 of Chapter IV of the Depositories Act, 1996 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.
7. This circular is available on SEBI website at www.sebi.gov.in under the category: 'Legal → Circulars'.

Yours faithfully,

Aradhana Verma
General Manager
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aradhanad@sebi.gov.in