

# Central Depository Services (India) Limited

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## COMMUNIQUE TO DEPOSITORY PARTICIPANTS

CDSL/A,L&C/DP/1597

May 27, 2009

### AMENDMENTS TO CDSL BYE-LAWS

DPs are hereby advised that the following amendments have been carried out in **Annexure-C** to CDSL Bye Laws - 'Agreement between a Participant and a person seeking to open a Beneficial Owner's account':

| Existing Clauses  | Amended Clauses   |
|---|---|
| <p><b><u>Clause 3: Statement of Account:</u></b></p> <p>The Participant shall furnish to the Beneficial Owner a statement of his/its account at the end of every month if there has been even a single entry or transaction during that month, and in any event once at the end of each quarter. <b>Such statement shall be in the form specified in Operating Instructions.</b></p> <p>The Participant shall furnish such statements at such shorter periods as may be required by the Beneficial Owner on payment of such charges by the Beneficial Owner as may be specified by the Participant.</p> | <p><b><u>Clause 3: Statement of Account:</u></b></p> <p>3.1 The Participant shall furnish to the Beneficial Owner a statement of his/its account at the end of every month if there has been even a single entry or transaction during that month, and in any event once at the end of each quarter. <b><i>The statement of accounts to be provided to the Beneficial Owner under this Agreement shall be in the form specified in Operating Instructions or as communicated by CDSL from time to time.</i></b> The Participant shall furnish such statements at such shorter periods as may be required by the Beneficial Owner on payment of such charges by the Beneficial Owner as may be specified by the Participant.</p> |
| <p><b>New Clause</b></p>  | <p><b><i>3.2 It is agreed that if a Participant is providing the services of issuing the statement of accounts in an electronic mode and if the Beneficial Owner is desirous of availing such services from the Participant, then the Participant will furnish to the Beneficial Owner the statement of accounts under its digital signature, as governed under the Information Technology Act, 2000.</i></b></p>   |



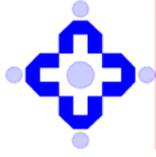
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| Existing Clauses   | Amended Clauses   |
|--|---|
|  | <i>Provided however that in the event of the Beneficial Owner requiring a physical copy of the statement of accounts, despite receiving the same in the electronic mode, then irrespective of having forwarded the same via electronic mode, the Participant shall be obliged to provide a physical copy thereof to the BO.</i>   |
| <b>New Clause</b>  | <b>3.3</b> <i>It is agreed and understood between the parties that if the Participant does not have the facility of providing the statement of account in the electronic mode, then the Participant shall be obliged to forward the statement of account only in physical form.</i>   |
| <u>Clause 5: <b>Participant</b> not liable for claims against Beneficial Owner</u><br><br>CDSL shall not be liable to the Beneficial Owner in any manner towards losses, liabilities and/ or expenses arising from the claims of third parties or for any fees, charges, taxes, duties, levies or penalties levied, imposed or demanded by any Central, State, statutory or revenue authority in respect of securities credited to the Beneficial Owner's account. | <u>Clause 5: <b>Depository</b> not liable for claims against Beneficial Owner</u><br><br>CDSL shall not be liable to the Beneficial Owner in any manner towards losses, liabilities and/ or expenses arising from the claims of third parties or for any fees, charges, taxes, duties, levies or penalties levied, imposed or demanded by any Central, State, statutory or revenue authority in respect of securities credited to the Beneficial Owner's account. |

DPs are aware that SEBI vide their circular no. MRD/DoP/Dep/Cir-27/2004 dated 16<sup>th</sup> August, 2004 have permitted the DPs to provide transaction statements and other documents to the BOs under Digital signature, as governed under the Information Technology Act, 2000, subject to the DP entering into a legally enforceable arrangement with the BO for the said purpose. Consequent to entering into the amended agreement, DP and BO need not enter into a separate stamped agreement for the purpose of sending/ receiving statements by an electronic mode.



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DPs are advised to note that:

- i. The agreement provides that the facility for receipt of statement of accounts electronically by the BO can be availed by the BO, if he is desirous of availing such service from the participant (and the participant is providing such a service). Any BO who wishes to avail such a service from the participant will be required to inform the concerned participant specifically in writing regarding his decision.
- ii. Further, if such a BO decides to withdraw his consent to receive such statements electronically, he may inform the DP accordingly in writing. After receipt of such communication from the BO, the DP shall be bound to forward the statement of accounts in physical mode to such a BO.
- iii. In case of existing BOs who have entered into an agreement with the DP prior to this amendment and are desirous of receiving the statements in electronic form (and the participant is providing such a service), they may submit a letter to their DPs in the format as provided in **Annexure-A** [attached].

Queries regarding this communiqué may be addressed to **CDSL-Legal** Mr. Satish Budhakar (022) 2272-2847, (022) 2272-3333 - (extn. 8432) or Ms. Sonali Sao (extn. 8442). Emails may be sent to: [satishb@cdslindia.com](mailto:satishb@cdslindia.com) or [sonalis@cdslindia.com](mailto:sonalis@cdslindia.com).

sd/-

**Nayana Ovalekar**  
**Vice President - Audit, Legal & Compliance**

Date: \_\_\_\_\_

To,  
[Name of the Depository Participant]  
[Address]

**Re: Beneficial Owner (BO) Account No.** \_\_\_\_\_

I/We \_\_\_\_\_  
[name(s) of the BO(s)] had entered into agreement dated \_\_\_\_\_ with you at the time of opening of the aforesaid BO account.

Pursuant to the amendment in Clause 3 of the agreement (Annexure C to the Bye Laws of CDSL), I/We confirm having opted to receive the statement of accounts pertaining to the above mentioned BO account in electronic mode in lieu of physical copy of the statement of account.

I/We confirm that the dispatch of statement of account to me/us at the following email address shall constitute full and absolute discharge of your obligation under the above agreement to provide me/us with statement of my/our BO account. But, I/we reserve my/our right to receive the physical copy of statement of accounts despite receiving the same in electronic mode, if such a demand is made in writing on you.

[Email address: \_\_\_\_\_ ]

I/We confirm that any change in the aforesaid email address or any other instructions with regard to dispatch/ service of my/our statement of account on me/us shall not be binding upon you unless you are intimated in writing by me/us by acknowledged delivery.

Yours faithfully,

Name/s of the Beneficial owner/s  
(all joint holders)

Signature/s