

**Agreement Between A Participant And A Person Seeking  
To Open A Beneficial Owner's Account**

This Agreement made and entered into at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, between \_\_\_\_\_, (description of the legal entity) having his/its office/registered office at \_\_\_\_\_, hereinafter called "the Participant" of the One Part; AND \_\_\_\_\_, (description of the legal entity) having his/ its office/ registered office/address at \_\_\_\_\_, hereinafter called "the Beneficial Owner" of the Other Part.

WHEREAS the Beneficial Owner is desirous of opening a beneficial owner's account with the Participant and the Participant has agreed to open an account in the name of the Beneficial Owner and render services to the Beneficial Owner as a participant, on the terms and conditions recorded hereinbelow:

NOW THIS AGREEMENT WITNESSETH AND IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

**General Clause**

1. The parties hereto agree to abide by the provisions of the Depositories Act, 1996, SEBI (Depositories and Participants) Regulations, 1996, Bye Laws and Operating Instructions issued by CDSL from time to time in the same manner and to the same extent as if the same were set out herein and formed part of this Agreement.

**Fees, Charges and deposits**

2. The Participant shall be entitled to change or revise the fees, charges or deposits from time to time provided however that no increase therein shall be effected by the Participant unless the Participant shall have given at least one month's notice in writing to the Beneficial Owner in that behalf. In case the Beneficial Owner committing a default in the payment of any such amount payable to the Participant on their respective due dates or within fifteen days of the same being demanded (where no such due date is specified), the Participant shall be entitled to charge interest on the amount remaining outstanding or unpaid not exceeding 18% per annum or part thereof. On such continued default, the Participant after giving two days notice to the Beneficial Owner shall have a right to stop processing of instructions of Beneficial Owners till such time he makes the payment along with interest if any.

**Statement of Account**

- 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.

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<sup>1</sup>[*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.*] 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.

<sup>2</sup>[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. 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.*

3.3 *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.]*

#### **Beneficial Owner shall intimate change of particulars**

4. The Participant shall not be liable or responsible for any loss that may be caused to the Beneficial Owner by reason of his/its failure to intimate change in the particulars furnished to the Participant from time to time, unless notified by the Beneficial Owner.

#### <sup>3</sup>**[Depository] not liable for claims against Beneficial Owner**

5. 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.

#### **Authorised Representative**

6. Where the Beneficial Owner is a body corporate or a legal entity, it shall, simultaneously with the execution of the Agreement furnish to the Participant, a list of officials authorized by it, who shall represent and interact on its behalf with

<sup>1</sup> Amended vide SEBI letter no. MRD/DoP/CDSL/VM/155631/09 dated 26.02.09.

<sup>2</sup> Amended vide SEBI letter no. MRD/DoP/CDSL/VM/155631/09 dated 26.02.09.

<sup>3</sup> Amended vide SEBI letter no. MRD/DoP/CDSL/VM/161499/09 dated 24.04.09.

the Participant. Any change in such list including additions, deletions or alterations thereto shall be forthwith communicated to the Participant.

<sup>4</sup>**[Termination**

\_\_\_\_\_ 7. *The parties may at any time terminate this agreement, provided that a notice of not less than thirty days is given in the manner and on the terms and conditions and procedure set out in the Bye Laws and the Operating Instructions. In the event of termination by either party, the Participant shall deal with the securities lying in the account of a Beneficial Owner in accordance with the instructions of such Beneficial Owner.]*

**Stamp Duty**

8. Any stamp duty (including interest or penalty levied thereon) payable on the Agreement and/or on any deed, document or writing executed in pursuance hereof between the parties hereto shall be borne and paid by the Beneficial Owner.

**Force Majeure**

9. Notwithstanding anything contained herein or in the Bye Laws, neither party hereto shall be liable to indemnify or compensate the other for any breach, non-performance or delay in performance of any obligations under the Agreement or for any harm, loss, damage or injury caused to the other due to causes reasonably beyond its control including but not limited to tide, storm, cyclone, flood, lightning, earthquake, fire, blast, explosion or any other act of God, war, rebellion, revolution, insurrection, embargo or sanction, blockade, riot, civil commotion, labour action or unrest including strike, lock-out or boycott, interruption or failure of any utility service, enemy action, criminal conspiracy, act of terrorism or vandalism, sabotage, or intrusion, or any other irresistible force or compulsion.

**Service of Notice**

10. Any notice or communication required to be given under this Agreement shall be in writing, and shall be legally effective only when it is delivered to the addressee at the last known address in the manner prescribed in the operating instructions.

<sup>4</sup> Amended vide SEBI letter no. MRD/DoP/ST/37242/11 dated 08.12.2011.

**Arbitration**

11. The parties hereto shall, in respect of all disputes and differences that may arise between them, abide by the provisions relating to arbitration and conciliation specified under the Bye Laws.

**Jurisdiction**

12. The parties hereto agree to submit to the exclusive jurisdiction of the courts in \_\_\_\_\_.

**Governing Law**

13. The Agreement shall be governed by and construed in accordance with the laws in force in India.

IN WITNESS WHEREOF the parties hereto have hereunto set and subscribed their respective hands/ seals to this Agreement in duplicate on the day, month, year and place first hereinabove mentioned.

SIGNED AND DELIVERED )  
by the withinnamed the )  
Participant )  
\_\_\_\_\_)  
by the hand of its authorised )  
representative Shri )  
in the presence of )

SIGNED AND DELIVERED )  
by the withinnamed the )  
Beneficial Owner )  
\_\_\_\_\_)  
in the presence of )