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**NATIONAL COMMODITY CLEARING LIMITED**

Circular to all Members of the Clearing Corporation  
Circular No. : NCCL/MEMBERSHIP-002/2018  
Date : September 26, 2018  
Subject : NCCL Membership - Submission of Undertaking

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Reference is drawn to National Commodity Clearing Limited (NCCL), circular no NCCL/CLEARING-001/2018 dated September 24, 2018, and no. NCCL/MEMBERSHIP-001/2018 dated September 26, 2018, 2018 informing Members of the commencement of clearing and settlement operations and membership respectively with effect from 27<sup>th</sup> September, 2018. Therefore, on and from 27<sup>th</sup> September, 2018, the Clearing and Settlement of all Deals effected on NCDEX trading platform shall be carried out through NCCL.

In terms of the aforesaid circulars, Clearing Members currently registered with NCDEX shall be deemed to be clearing members of NCCL and for the purpose, are hereby advised to submit an Undertaking in the format enclosed as annexure hereto, duly stamped and signed so as to reach NCCL not later than 30 days from the date of this circular.

The said undertaking shall be submitted to / at:

To,

Membership Department  
National Commodity Clearing Limited (NCCL)  
Akruti Corporate Park, 1st Floor, Near G.E. Garden,  
L.B.S. Road, Kanjurmarg (West), Mumbai-400078.

Clearing Members may please note that, in the event of non – submission of the said Undertaking, the NCCL shall be entitled to treat the same as a violation of its Rules and Bye Laws and initiate appropriate action including disablement of trading / clearing rights. Members are requested to take note of the above and ensure compliance.

For and on behalf of  
**National Commodity Clearing Limited**

Hemalatha S  
Chief Compliance Officer

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For further information / clarifications, please contact:

1. Customer Service Group on toll free number: 1800 266 6007
2. Membership Department by e-mail to : [membership@nccl.co.in](mailto:membership@nccl.co.in)

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**Clearing Member Undertaking - Futures & Options Segment**

(On Rs. 600 Stamp Paper, Duly Notarised)

I/We

\* \_\_\_\_\_ s/o / d/o / w/o \_\_\_\_\_ residing at  
\_\_\_\_\_ and having place of business/office at

\*M/s \_\_\_\_\_, a Partnership Firm/ Limited Liability Partnership firm (LLP) registered under the Indian Partnership Act, 1932/ Limited Liability Partnership Act, 2008 and having their registered office at

\* \_\_\_\_\_, a company incorporated under the Companies Act, 1956/Companies Act, 2013 and having its registered office at

(\*Strike off whichever is not applicable)

(hereinafter referred to as the 'Undersigned' which expression shall unless repugnant to the context include its successors, assigns and legal representatives) give this Undertaking IN FAVOUR of NATIONAL COMMODITY CLEARING LIMITED (NCCL), a company incorporated under the Companies Act, 1956 and having its registered office at 1st Floor, Akruti Corporate Park, Near G.E. Garden, LBS Road, Kanjurmarg (West), Mumbai 400 078 (hereinafter referred to as the 'NCCL' which expression shall unless repugnant to the context include its successors, assigns and legal representatives)

- A. AND WHEREAS SEBI vide its circular bearing no. CIR/CDMRD/DEA/03/2015 dated November 26, 2015 had directed all the Commodity Derivatives Exchanges to transfer the functions of clearing and settlement to a separate Clearing Corporation in view of the same
- B. NCCL is in the business of providing and managing the clearing, settlement, risk management and collateral management services to commodity exchanges.
- C. AND WHEREAS NCCL has applied to SEBI for obtaining recognition as a clearing corporation under Section 4 of SECC Regulations, 2012 and received an in-principle approval from SEBI. NCCL has since been recognized by SEBI as a Clearing Corporation vide notification no. SEBI/LAD-NRO/GN/2018/35 dated September 10, 2018.
- D. AND WHEREAS NCDEX has currently engaged NCCL for the purpose of carrying out clearing and settlement activities trades done on NCDEX platform.
- E. AND WHEREAS NCDEX has transferred the Clearing and Settlement functions to NCCL and shall continue to avail the services of clearing and settlement services from NCCL, whereby the Clearing Members of NCDEX are eligible to continue as the Clearing

Member of NCCL and continue to undertake the clearing and settlement of trades done on NCDEX platform.

- F. AND WHEREAS by virtue of the transfer of Clearing and Settlement functions to NCCL, the Bank Accounts opened for the purpose by Undersigned shall also be capable of being operated upon the instructions of NCCL.

NOW THEREFORE IN CONSIDERATION OF THE PREMISES AND IN CONSIDERATION OF NCCL HAVING AGREED TO GRANT THE UNDERSIGNED AT ITS REQUEST, CLEARING MEMBERSHIP ON THE FUTURES AND OPTIONS SEGMENT, THE UNDERSIGNED UNCONDITIONALLY AND IRREVOCABLY UNDERTAKE AND AGREE AS FOLLOWS

1. That the Undersigned shall abide by, comply with and be bound by the Rules, Bye-laws and Regulations of NCCL as in existence or in force from time to time and also with any circular, order, direction, notice, instruction issued and in force from time to time.
2. That the Undersigned shall execute, sign, subscribe, to such documents, papers, agreements, covenants, bonds and/or undertakings whether legal or otherwise as required by NCCL from time to time.
3. That the Undersigned shall follow and comply with such orders or instructions including any such order or instruction, whether being in the nature of a penalty or otherwise, as may be issued by NCCL or any committee of NCCL duly constituted for the purpose, in the event of the Undersigned committing any violation of any Rules, Bye laws, Regulations or practice or code of conduct prescribed by the NCCL with respect to the conduct of the business of NCCL;
4. That in the event of any difference/dispute that may arise as to the interpretation, meanings or effect of this undertaking or as to the rights and liabilities of the Undersigned or NCCL or as to any other matter relating to the NCCL's operations, the same shall be settled in accordance with the provisions as contained in the Rules, Bye-laws, and Regulations of NCCL. Further that in the event of such dispute being raised, the decision of the relevant authority shall be final, conclusive and binding on the Undersigned;
5. That the Undersigned shall furnish security deposits, pledge securities, hypothecate movables, create lien on bank accounts or furnish such other security as may be required by NCCL from time to time and to do all acts, deeds and things to enable NCCL to exercise all or part of the above mentioned securities to secure recovery of default in payment and other incidental charges relating to default and other dues of NCCL and NCDEX, if any;
6. That the Undersigned is aware that it would be admitted as a Clearing Member on paying the prescribed membership fee and security deposit. Further that the Undersigned do understand and unequivocally undertake that it shall not be entitled to make any claim for refund of the security deposit, except when the Undersigned surrenders its clearing membership with NCCL. The Undersigned agrees that in the event of surrender of membership or otherwise the refund of the security deposit shall be subject to appropriation of amounts due from the Undersigned towards its liabilities or obligations towards NCCL/NCDEX and any other dues recognized as payable by the Undersigned under the Rules, Bye-laws and Regulations of NCCL;

7. That without prejudice to the foregoing, NCCL shall be entitled to forfeit any property, funds, amounts, deposits or other sums due to the Undersigned or to the credit of the Undersigned in such events or contingencies as may be stipulated in the Rules, Bye-laws and Regulations of NCCL in force from time to time;
8. That the Undersigned shall maintain, preserve and submit such information, periodic reports, records, books and such other documents pertaining to the working of the Undersigned as a Clearing Member for such period as may be specified by NCCL from time to time; and shall comply with such audit requirements as may be framed by NCCL from time to time;
9. That the Undersigned shall permit NCCL or any other authority appointed by it for inspection, access to all premises, records, books, information, documents as may be required therefor;
10. That the Undersigned is fully aware and has full knowledge that NCCL is not responsible or liable for any failure of computer systems, telecommunication network and other equipment's installed at its offices and NCCL shall also not be held responsible for any misuse, mishandling, damage, loss, defect etc; and NCCL has the right to inspect and supervise all computer systems, software programme's, tele-communications equipment, etc, which are provided or whose connectivity is facilitated by NCCL at the Undersigned's office for which necessary assistance, cooperation and facility shall be provided and the Undersigned shall not make any alterations, modifications and changes without prior written consent of NCCL;
11. That the Undersigned undertake to subscribe to the mandatory insurance cover as required by NCCL for the Clearing Members in all or in any Clearing Segment and to pay the insurance premium and also to comply with all requirements of NCCL in respect thereof; The Undersigned understands and agrees that in the event of non-compliance of this requirement, the Undersigned apart from being liable for such disciplinary action under the Rules, Bye-laws and Regulations of NCCL, shall also be liable for payment of penalty and fees as may be prescribed by NCCL from time to time.
12. That the Undersigned shall not disclose, reveal, publish and advertise any material information relating to operations, membership, software, hardware, etc. of NCCL without prior written consent of NCCL except and to the extent as may be required in the normal course of its business;
13. That the Undersigned shall keep the password in strict confidence and secrecy and shall not disclose the same to any person and Undersigned shall be bound by all transactions and trades done on the NCCL by use of its password.
14. That the Undersigned shall ensure that the data communication link between NCCL's equipment and Clearing Member's Workstation shall be used on point-to-point basis only. The Undersigned shall further ensure the above link will not be connected to any other telecommunication network, except as permitted by NCCL;
15. That the NCCL will be entitled to review the Undersigned's continuation as a Clearing Member of the Clearing Segment of NCCL if in the opinion of NCCL any change in the composition of the Undersigned's Board of Directors has resulted or is likely to result due to any direct or indirect transfer of shares or securities in its share capital or in the share capital of any one or more companies or bodies corporate holding any part of its paid-up capital; and that any decision taken by NCCL in this regard shall be final, conclusive and binding upon the Undersigned.

16. That within three calendar days from the date of the meeting of the Undersigned's Board of Directors or other competent committee, the Undersigned shall notify NCCL of any approval or refusal to transfer the shares or securities forming part of its issued capital, if such transfer has or is likely to result in any change in the composition of its Board of Directors;
17. That the Undersigned undertakes to make such contributions to Settlement Guarantee Fund pertaining to NCCL as and when required by NCCL and also comply with all requirements of NCCL in respect thereof;
18. That the Undersigned shall not engage himself/herself either as a principal or employee in any business other than that of securities or commodity derivatives involving any personal financial liability except as permitted under the Securities and Contracts (Regulation) Rules, 1957 and the Rules, Bye-laws and Regulations of the NCCL.
19. That the Undersigned shall take prior approval from NCCL before forming any subsidiary or acquiring any other company.
20. The Undersigned is aware that the dominant promoter group shall consist of individuals who jointly and/or severally hold at least 51% of the paid up capital directly or indirectly with the support of corporate(s) /permitted relatives or such percentage of paid up capital in accordance with the norms prescribed by NCCL from time to time. The Undersigned further undertake that any change in its dominant promoter group or its shareholding interest shall be effected only after prior permission from NCCL and any change in DPG without the consent of NCCL shall be considered as non-compliance and the Undersigned apart from being liable for such disciplinary action under the Rules, Bye-laws and Regulations of NCCL, shall also be liable for payment of penalty and fees as may be prescribed by NCCL from time to time.
21. That the Undersigned shall forthwith inform NCCL in writing as and when any notice is received by the Undersigned in connection with any institution of winding up proceedings against it and that the Undersigned shall also inform NCCL in writing before the Undersigned initiate any winding up proceedings to be wound up. The Undersigned further undertake that it shall inform NCCL in writing on the onset of any circumstance which is likely to or may render it to be wound up or which is likely to or may render it liable to be subject to winding up proceedings.
22. That the fees, security deposits, other monies and any additional deposits paid, whether in the form of cash, Bank Guarantee, securities or otherwise, with NCCL, by the Undersigned from time to time, shall be subject to a first and paramount lien for any sum due to NCCL and all other claims and liabilities against the Undersigned for due fulfillment of engagements, obligations and liabilities of the Undersigned arising out of or incidental to any dealings made subject to the Byelaws, Rules and Regulations of NCCL. NCCL shall be entitled to adjust or appropriate such fees, deposits and other monies for such dues and claims, to the exclusion of the other claims against the Undersigned, without any reference to the Undersigned;
23. That the Undersigned agrees, understands and undertakes that any non-compliance by the Undersigned of any of the provisions of this Undertaking or the directions issued by NCCL, the Rules, Bye-laws and Regulations of NCCL or the circular or guidelines issued thereunder, the Undersigned shall be liable for such disciplinary action under the Rules, Bye-laws and Regulations of NCCL, besides being liable for payment of penalty and fees/charges as may be prescribed by NCCL from time to time.

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24. That without prejudice to the rights, remedies whether legal or otherwise available to NCCL upon the Undersigned's non-compliance with this Undertaking, the Undersigned shall indemnify and keep indemnified NCCL against any loss/damage suffered by it, or against any claims made against NCCL, whether legal or otherwise arising due to its non-compliance with the provisions of this Undertaking.
25. That the Undersigned shall conduct business at NCCL prudently and shall ensure that it will not be prejudicial or detrimental to public interest, and to NCCL;
26. That this Undertaking shall be binding upon the heirs, legal representatives, successors and assigns of the Undersigned.

Executed at \_\_\_\_\_ on the day, month and year above mentioned.

\*\*Signed, sealed and delivered on this the  
\_\_\_\_\_ day of \_\_\_\_\_ at  
\_\_\_\_\_ on behalf of the within named Clearing Member

In the presence of witnesses

- 1.
- 2.

Before Me

\*\* To be signed by

- a. Clearing Member in case of Individual/Sole Proprietorship.
- b. 2 Designated Partners in case of a Partnership firm/LLP firm
- c. 2 Designated Directors in the case of a Company. (authorized by Board Resolution for the purpose duly convened meeting held on \_\_\_\_\_ )