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**NATIONAL COMMODITY CLEARING LIMITED**

Circular to all Members of the Clearing Corporation

Circular No. : NCCL/MEMBERSHIP-002/2020

Date : September 07, 2020

Subject : Submission of undertaking pursuant to SOP in the cases of Trading Member / Clearing Member leading to default

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The Securities and Exchange Board of India (SEBI) has issued a circular on Standard Operating Procedure (SOP) in the cases of Trading Member / Clearing Member leading to default with an objective to harmonize the action amongst all Stock Exchanges / Clearing Corporations / Depositories in a time bound manner to achieve uniformity in implementation of actions for such members.

Accordingly, the Clearing Corporation has issued circular no. NCCL/COMPLIANCE-013/2020 dated July 02, 2020 enclosing a copy of SEBI circular no. SEBI/HO/MIRSD/DPIEA/CIR/P/2020/115 dated July 01, 2020.

Among all other actions, SEBI has directed all the members in the above mentioned circular (refer point no.9) to:

1. Provide a list of all its bank accounts to the SEs /CCs
2. Submit an undertaking enabling the Exchange/CC to instruct the bank(s) of the members to freeze the bank account(s) for debits

Accordingly, the members are advised to submit the said undertaking on or before the due date i.e. September 30, 2020. The submission shall be made as under:

Member Type	Undertaking to be addressed to	Undertaking to be submitted to	Mode of submission
TCM/STCM	NCDEX & NCCL	NCDEX (not required to be submitted separately to NCCL)	Physical Copy of Undertaking at Exchange address Scan copy of Undertaking along with the bank details in excel format to be emailed at: <a href="mailto:membership@ncdex.com">membership@ncdex.com</a>
PCM	NCCL	NCCL	Physical Copy of Undertaking at Clearing Corporation address Scan copy of Undertaking along with the bank details in excel format to be emailed at: <a href="mailto:membership@nccl.co.in">membership@nccl.co.in</a>

The format of undertaking is attached as Annexure I.

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Further, if and when a new bank account is opened, as required the Member submit an additional undertaking for the new bank account details within 7 days of opening such account.

In case of non-compliance with any of the above requirements, Clearing Corporation may take further action as deemed fit.

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. Customer Service Group by e-mail to : [contactus@nccl.co.in](mailto:contactus@nccl.co.in)

To be on Stamp / Franked Paper of appropriate value and notarized

**AFFIDAVIT OF UNDERTAKING CUM INDEMNITY BOND TO BE SUBMITTED BY PROFESSIONAL CLEARING MEMBERS**

**TO ..... [NAME OF CLEARING CORPORATION]**

This Undertaking cum Indemnity Bond is signed at Mumbai on this \_\_\_\_\_ day of \_\_\_\_\_, 20.

By

I/We, \_\_\_\_\_ **Member of** .....**[Name of Clearing Corporation]** (bearing Clearing Member Id \_\_\_\_\_), having office at ....., (hereinafter referred to as "**Member**", which expression, unless repugnant to the context or meaning thereof, shall be deemed to include its successors and assigns).

In favour of:

.....**Ltd., [Name of the Clearing Corporation]** a company incorporated under the Companies Act, 1956 having its registered office at ..... (hereinafter referred to as ".....", which expression shall, unless repugnant to the context or meaning thereof, be deemed to include its successors and assigns).

I/We hereby solemnly declare and undertake that:

Whereas the Securities and Exchange Board of India (hereinafter referred to as "**SEBI**") has issued circular dated July 01, 2020 (*date of circular to be inserted*) on Standard Operating Procedure to be followed in the case of trading member/clearing member leading to default (hereinafter referred to as the "said circular").

Whereas in terms of the said circular, the ..... [Name of Clearing Corporation] are empowered to issue instructions to the concerned bank/s to freeze the bank account/s maintained by the Member, for all debits / withdrawal by the Member in the event of a potential default by the Member in meeting its obligations to Stock Exchange / Clearing Corporation and / or repayment of funds / securities to his / its clients and / or affiliated Trading Members.

**Now, in consideration of the above, I / We do hereby agree and confirm unconditionally to undertake that:**

1) ..... [Name of Clearing Corporation] are empowered to instruct the concerned banks to freeze my / our bank accounts for all debits / withdrawals from such accounts. The details of bank accounts held by me/ us are as per Annexure A.

2) Any debits to such bank account, post freezing by the banks, shall be done only on the express instructions to the said banks by ..... [Name of Clearing Corporation].

3) The above named Clearing Corporation shall not be liable in any way to me/us for any losses, claims, penalties, proceedings / actions, damages, consequential or otherwise, arising there from or occasioned thereby.

4) No proceeding/suit/action/claims would be adopted by me/us against the above named Clearing Corporation for any act done with respect to issuance of instruction to the bank/s mentioned above for freezing of my/our account/s held with the bank/s.

5) I / We agree to indemnify and keep ..... Name of Clearing Corporation] and/or its successors/assigns indemnified from time to time, and at all times hereafter, against all claims, demands, damages, liabilities, proceedings, losses, actions, charges and expenses made or suffered or incurred or caused or likely to suffer / incur directly or indirectly, to ..... [Name of Clearing Corporation] and/or its successors/assigns on account of freezing of my/our account/s held with bank/s.

6) I / We shall keep the Bank appropriately notified of the obligations undertaken by me / us herein and authorizing them to honour the instructions from ..... [Name of Clearing Corporation].

7) I / We undertake that a revised Undertaking cum Indemnity Bond shall be submitted by me / us to ..... the above named Clearing Corporation within seven working days of opening of any new bank account or change in details of any existing bank account,

8) This Undertaking cum Indemnity Bond shall be binding on my / our successors, legal representatives and assigns.

9) I / We warrant that representations made by the undersigned / on behalf of the Member are true and correct.

IN WITNESS WHEREOF, I/We hereby execute this Undertaking cum Indemnity Bond on the day, month and year above written.

Solemnly declared at  
this \_\_\_ day of \_\_\_\_\_, 20

)  
) BEFORE ME

(Name of Designated Director)  
(Name of Trading Member)  
(with rubber stamp & SEBI Registration No.)  
In the presence of:

- 1.
- 2.

Note: Board Resolution for execution of the said undertaking cum indemnity and authorization for signing the same should be enclosed alongwith the document

Annexure A

Sr. No.	Bank Name	Bank account no	IFSC Code