

**NATIONAL COMMODITY CLEARING LIMITED**

Circular to all Members of the Clearing Corporation

Circular No. : NCCL/CLEARING-020/2025

Date : April 09, 2025

Subject : Master Circular - Collateral Formats

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1. NCCL vide its circular no. NCCL/CLEARING-017/2024 dated April 08, 2024 on Collaterals Formats, consolidated the processes relating to submission of Collaterals. In order to ensure availability of consolidated information contained in all the circulars pertaining to collaterals at one place, the circulars issued till April 3, 2025 have been consolidated in this Master Circular.
2. It is hereby clarified that in case of any inconsistency between the Master Circular and the original applicable circular, the content of the original circular shall prevail.
3. Notwithstanding in any revision in the processes or formats, if any
  - a) Anything done or any action taken or purported to have been done or taken under such revised/rescinded process including but not limited to any regulatory inspection/investigation or enquiry commenced or any disciplinary proceeding initiated or to be initiated under such rescinded/revised process or rescission, shall be deemed to have been done or taken under the corresponding provisions of this Master Circular;
  - b) The previous operation of the rescinded process or circular or anything duly done or suffered thereunder, any right, privilege, obligation or liability acquired, accrued or incurred thereunder, any penalty incurred in respect of any violation committed arising out of violation of such rescinded process or circulars, or any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty as aforesaid, shall remain unaffected as if the rescinded process or circulars have never been rescinded.

This Master Circular is issued in accordance with the provisions of Bye Law no. 6.4 of NCCL Bye laws read with the Regulations of NCCL as in force from time to time.

The rescinded Master Circular is available on the NCCL website at [https://www.nccl.co.in/public/api/getData/assets/circulars/circular-collateral-formats\\_08042024.pdf](https://www.nccl.co.in/public/api/getData/assets/circulars/circular-collateral-formats_08042024.pdf) under the category “Circulars”.

Members and their clients are requested to take note of the same.

For and on behalf of

**National Commodity Clearing Limited**

Hemant Singhvi  
Chief Operating 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)

**ANNEXURE 1**
**Summary of important circulars issued during the period from April 01, 2024 to April 03, 2025**

Sr. No.	Circular Date	Circular No	Subject	Reference
1.	29 May 2024	NCCL/CLEARING-029/2024	Revision in collateral allocation cutoff timings	<a href="#">Point No. 2.11.1</a>
2.	19 July 2024 & 25 Oct 2024 & 17 Mar 2025	NCCL/CLEARING-038/2024 & NCCL/CLEARING-059/2024 & NCCL/CLEARING-010/2025	Acceptance of Bank Guarantee in electronic form	<a href="#">Point No. 2.2.3</a>
3.	01 Aug 2024	NCCL/CLEARING-044/2024	Segregation and Monitoring of Collateral at client Level	<a href="#">Point No. 2.11.1</a>
4.	01 Aug 2024	NCCL/CLEARING-045/2024	Margin Obligations to be given by way of Pledge / Re-pledge of Approved Commodities represented by eNWRs in Repository	<a href="#">Point No. 2.9.2</a>
4.	19 Mar 2025	NCCL/CLEARING-011/2025*	Change in Collateral Formats	<a href="#">Format 1, Format 2, Format 3, Format 4, Format 5, Format 6</a>
5.	03 Apr 2025	NCCL/CLEARING-017/2025*	Change in Collateral Formats	<a href="#">Format 7, Format 8, Format 9, Format 10</a>

\* The changes as per circular is applicable from 15<sup>th</sup> April 2025

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## COLLATERAL REQUIREMENTS

### 1. Deposit Requirement

#### 1.1. Base Capital / Security Deposit (BC)

The Clearing Members are required to maintain Base Capital as prescribed by NCCL at the time of admission, which shall be used for giving exposure to the members subject to the member maintaining minimum liquid networth. The Base Capital comprises of Interest Free Cash Security Deposit and Collateral Security Deposit.

The Interest Free Cash Security Deposit is required to be deposited in form of Cash and Collateral Security Deposit can be deposited in form of Cash, FDRs / BGs. The Minimum Level of Security Deposit requirement for various categories of Clearing Members is as under:

Base Capital	Trading cum Clearing Member (TCM) (In Rs)	Strategic Trading cum Clearing Member (STCM) (In Rs)	Professional Clearing Member (PCM) (In Rs)
Interest Free Cash Security Deposit (in Cash)	25.00 Lakh	20.00 Lakh	25.00 Lakh
Collateral Security Deposit (in Cash, FDR or BG)	25.00 Lakh	50.00 Lakh	25.00 Lakh

All Strategic Trading Cum Clearing Members (STCMs) and Professional Clearing Members (PCMs) shall be required to maintain additional Cash Security Deposit of Rs.10 lakhs in cash for every Trading Member registered with them towards which exposure shall be given to the respective clearing Member. STCMs / PCMs are not required to place additional Cash Security Deposit with respect to Trading Cum Clearing Members (TCMs) registered with them.

#### 1.2. Additional Base Capital / Margin Deposit (ABC)

In case the members desire to increase their limit, additional capital may be submitted to the clearing corporation in the following forms:

- a. Cash
- b. Cash Equivalent:
  - i Bank Guarantee (BG)
  - ii Fixed Deposit Receipt (FDR)

- iii Approved Government Securities, Treasury Bills and Sovereign Gold Bonds in Demat form
  - iv Approved Units of liquid mutual funds or government securities mutual funds (by whatever name called which invest in government securities) in demat form
- c. Non Cash Equivalent
- i Approved Securities in Demat form
  - ii Approved Mutual Funds Units in demat form other than those listed under cash equivalent.
  - iii Approved Agricultural Commodities in electronic form

The minimum cash component (cash and cash equivalent) shall be 50%

### **1.3. Minimum Liquid Net worth**

All Clearing Members are required to maintain a Minimum Liquid Net-worth of at least Rs. 50 Lakhs at all points of time. Accordingly, an amount of Rs. 50 lakhs is blocked from existing deposits placed by the members towards Minimum Liquid Net-worth requirement and no exposure will be allowed on such blocked amount.

Clearing member's liquid assets after adjusting for applicable margins shall be referred to as 'Liquid Net-worth' of the Clearing Member. Initial margins, ELM, additional margins or any other margins as may be specified by SEBI from time to time shall be deducted from the liquid assets of a Clearing Member to arrive at 'Liquid Net-worth' of member.

## 2. Form of Collaterals

### 2.1. Cash

Clearing Members may submit deposit in the form of cash by making the required amount available in their respective Clearing and Settlement Account, sending an authorization to the respective Clearing Bank for debiting the said amount from their clearing account.

The benefit of such cash deposit requests shall be subject to receipt of bank confirmation from the respective Clearing Bank by the Clearing Corporation. A member who has authorised the Clearing Corporation to debit his clearing account as above shall ensure due performance of the commitment. Non-fulfilment of such obligation will be treated as a violation and/ or non-performance of obligations and shall attract consequences including penalty and/ or penal charges as applicable.

Member shall refer the List of approved Clearing Banks in [Annexure 1](#)

### 2.2. Bank Guarantee (BG)

- a. NCCL shall accept BGs from approved banks as listed in [Annexure 2](#)
- b. The BG should be on a non-judicial stamp paper of Rs.500 or the value prevailing in the State where executed, whichever is higher.
- c. The BG must be issued by the bank on behalf of the member himself. A third party BG instrument issued on behalf of any person other than the member himself shall not be acceptable.
- d. Additionally, at the time of deposit of the BG, the Clearing Member is required to ensure the following:
  - i The BG is strictly as per the formats prescribed by NCCL.
  - ii In case where the Bank has executed a Master Bank Guarantee Agreement with NCCL, Fresh Bank Guarantee shall be accepted as per the formats prescribed under the Master agreement. The list of Banks who have executed Master Bank Guarantee Agreements is enclosed hereto as [Annexure 3](#)
  - iii A BG for Base Capital (Security Deposit) should be issued for a minimum period of 12 months with a claim period of 15 days. BG towards Security deposit should be in the format prescribed in [Format 1](#) and Bank Guarantees issued by banks under Master Bank Guarantee Agreement have to be as per the format given in [Format 2](#)
  - iv A BG for Additional Base Capital (Margin deposit) should be issued for a minimum period of 3 months with a claim period of 15 days. BGs towards Margin Deposit should be in the format prescribed as [Format 3](#) and BGs issued by Banks under Master Bank Agreement have to be as per [Format 4](#) hereto.
  - v Members may submit the BG without any claim period. However, the benefit/exposure limits available against the BG where no claim period has been stipulated, will be withdrawn 15



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days prior to expiry of such Bank Guarantee unless valid renewal of such BG is submitted to NCCL. In cases where claim period has been specified in a BG, the limits against such BG will be valid till the expiry date of such BG.

- vi No BGs shall be created out of clients' funds by SBs/CMs.
- vii Members shall submit a declaration along with the Bank Guarantee as per [Format 16](#) confirming that the Bank Guarantees (BGs) submitted are not created out of clients funds.
- viii While filling the details in a BG, members shall ensure that:
  - No relevant portion is left blank.
  - All handwritten corrections and blanks are attested by the Bank by affixing the bank seal / stamp and duly signed by at least one authorised signatory.
  - All irrelevant portions struck off on the printed format should also be authenticated by the Bank by affixing the bank seal / stamp and duly signed by at least one authorised signatory.
  - Each page of the BG should bear the BG number, issue date and should be signed by at least two authorised signatories of the Bank or as specified by the Reserve Bank of India from time to time provided however, the number of Authorised Signatories issuing the BG shall not be less than 2 at all time.
  - The Clearing Member should also ensure that the BG is free from any discrepancy before the same is submitted to NCCL.
  - In case the Bank Guarantee does not strictly conform to the above-mentioned conditions, the same shall not be accepted by the Clearing Corporation and benefit for the same shall be made available only upon the BG being strictly in conformity with the prescribed requirements and formats.

In case the BG does not conform to the above-mentioned conditions, the same will not be accepted / treated as sufficient compliance for the purpose till the same is rectified, as required.

- e. NCCL shall not accept Bank Guarantees (BGs) as collateral, which are issued by the Clearing Member / Trading Member themselves or their group or associate entities. For this purpose, 'associate' shall have the same meaning as defined under Regulation 2 (b) of SECC Regulations 2018.

### **2.2.1 Renewal of Bank Guarantee**

In case of renewal of BGs, the Clearing Members shall furnish the renewed document strictly in the prescribed format before the date of expiry / maturity date of the BG. Renewal of BGs towards Security Deposit and Margin Deposit has to be as per [Format 5](#) hereto and in case of Renewal of BGs towards Security Deposits and Margin Deposit issued from approved banks under Master Bank Guarantee have to be as per [Format 6](#) hereto.

Members are advised to ensure that Bank Guarantees are renewed preferably at least 21 days prior to their expiry and submitted to NCCL well in time to avoid any corresponding reduction in the benefit/exposure limits against the Bank Guarantees.

Members are also advised to ensure the following details are provided correctly while renewing the Bank Guarantees:

- i. Issue date shall be execution date of original BG.
- ii. Bank Guarantee number of renewed BG shall be same as that of the old/expiring BG.
- iii. Maturity date of old BG shall be mentioned correctly at specified place.
- iv. Members shall submit a declaration along with the Bank Guarantee as per [Format 16](#) confirming that the Bank Guarantees (BGs) submitted are not created out of clients funds.

### 2.2.2 SFMS Messages for Bank Guarantee

As per Indian Bank's Association, banks are required to send a separate advice of the BG through Structured Financial Messaging System (SFMS). The SFMS messages are to be sent by the BG issuing Bank to the bank of the beneficiary of the BG for any new/modification of the BG.

Banks Approved for issuance of Bank Guarantees in favour of NCCL (Base Capital and Additional Base Capital) are required to send e-message id **IFN 760 COV** for any new Bank Guarantee and e-message id **IFN 767 COV** for any bank guarantee amendment (Renewal) through the SFMS Platform.

Members are advised to ensure that Banks issuing BG in favour of NCCL send e-messages through SFMS for all new issuance/renewals of the BG. Members shall ensure that SFMS message is sent by the issuing bank before the new/renewal BG is submitted to NCCL.

The beneficiary details of NCCL to be used for sending SFMS messages is as under:

Field No	Description	Value
7035	Beneficiary IFSC	ICIC0000004
7036	Beneficiary Branch Name and Address	ICICI Bank Limited F.P.House Nariman Point, Mumbai 215, Free Press House, Nariman Point, Mumbai
7037	Sender to Receiver Information	NCCL564607200

Members may note that exposure towards new issuance/renewals of the bank guarantees shall be provided only after receipt of the SFMS message by NCCL.

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### 2.2.3 Electronic Bank Guarantees<sup>1</sup>

National Commodity Clearing Ltd. (NCCL) in collaboration with National E-Governance Service Limited (NeSL) has started the facility for accepting Electronic Bank Guarantees(E-BG).

NeSL's Digital Document Execution (DDE) platform is a mode for paperless execution and storage of financial contracts. It enables e stamping and affix e-signing. It makes the contract execution process seamless, online, and in real-time provides multiple benefits to all stakeholders. The introduction E-BG shall reduce the time taken for the process of bank guarantee acceptance and will eliminate issues related to paper-based documents.

**The process of acceptance E-BG shall be as follows:**

#### **Issuance of New E-BG**

- Members can approach banks empaneled by NCCL for issuance of E-BG. (The list of Banks eligible for issuance of E-BG is provided in [Annexure 4](#))
- The bank guarantee shall be strictly in the format prescribed by NCCL. (Existing format for BG in physical form shall continue for E-BG)
- Members shall ensure that SFMS message is sent by the issuing bank before the new/renewal BG is submitted to NCCL.
- On successful acceptance of E-BG the same shall be added towards collaterals of clearing members and the amount of bank guarantee shall be available for allocation.
- Members shall submit undertaking prescribed in [Format 16](#) (Declaration to be given while submitting the Bank guarantees (BG's), towards base capital / additional base capital).

#### **Renewal of E-BG**

- Members can request the banks for renewal of E-BG.
- Members can also request the bank for renewal of existing BG in Physical form in EBG mechanism.
- The bank shall amend the original E-BG on NeSL platform and/or update the renewal BG in the format specified by NCCL.
- Members shall ensure that SFMS message is sent by the issuing bank before the renewal BG is submitted to NCCL.

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<sup>1</sup> [NCCL/CLEARING-038/2024 dated July 19, 2024](#)

### 2.3. Fixed Deposit Receipt (FDR)

Clearing members may furnish Deposits in the form of FDR, subject to inter-alia, the compliance of the following:

- a. NCCL shall accept Fixed Deposits Receipts from approved banks as listed in [Annexure 2](#)
- b. The FDR should be issued in favour of "National Commodity Clearing Limited A/c Clearing Member Name" or "NCCL A/c Clearing Member Name" (e.g. National Commodity Clearing Limited A/c ABC Ltd or NCCL A/c ABC Ltd) and should be deposited with the Clearing Corporation.
- c. Clearing Members are required to submit a letter as per format provided in [Format 7](#) to NCCL agreeing that the NCCL has an irrevocable authority to encash the FDR and to withdraw the FDR amount (including accrued interest) at any time, even prior to maturity of FDR without notice to the Clearing Members, for adjustment of the Clearing Corporation / Exchange dues.
  - i. All such FDRs shall be under lien of NCCL and the Bank must confirm that such lien has been recorded and that NCCL has first charge on such FDRs by issuing a lien letter as per format given in [Format 8](#) along with the fixed deposit receipt. Clearing Members are required to submit the Lien Letter from the Bank issuing the FDR, to NCCL.
  - ii. The minimum value of FDR that may be accepted shall be Rs.1 lakh. The FDR should be issued for a minimum period of 3 months in case of margin deposit and for a minimum period of 12 months in case of security deposit.
  - iii. The FDR issued in electronic form can have validity for a minimum period of 7 days in case of margin deposit and for a minimum period of 12 months in case of security deposit
  - iv. Endorsement by the member – On the reverse of FDR stamp affixed and signed
  - v. Endorsement by the Banks - Any correction / hand written instructions on the FDR.
  - vi. Member can additionally provide FDR"s in electronic formats. The Procedure is as below:
    - Member approaches and requests the Bank to create FDR (in electronic form) and mark lien in favour of the NCCL, the process is same as for physical FDR.
    - Member submits the required documents to the Bank for creation of FDR and marking the lien as per the same process as for physical FDR. The Member is required to provide additional information to the Bank as given below.
      - Trading Member Code and Clearing Member Code
      - FDR is towards Base Capital or Additional Base capital
    - Bank issues FDR in electronic form and marks lien in favour of the NCCL.
    - Bank will send and confirm the FDR information in electronic form to NCCL.

- NCCL will validate the details and if found correct shall pass on the benefit of the same to the member.
- Members will get a system-generated e-mail.
- The list of Approved Banks who shall provide this facility to members is given at [Annexure 4](#).

At the end of the business day of maturity day of FDR, the margin benefit shall stand withdrawn and the members limit will be reduced to the extent of matured FDR. Members can either opt for the renewal of the FDR or submit a request to NCCL for the release of the matured FDR and cancellation of lien marked in favour of NCCL.

NCCL shall not accept Fixed Deposit Receipts (FDRs) as collateral, which are issued by the Clearing Member / Trading Member themselves or their group or associate entities. For this purpose, 'associate' shall have the same meaning as defined under Regulation 2 (b) of SECC Regulations 2018.

### **2.3.1 Renewal of Fixed Deposit Receipt**

- a. In case of renewal of FDRs placed with NCCL, the Clearing Member shall furnish to NCCL the renewal letter from the respective Bank.
  - i. Format of letter to be provided by Bank for Auto renewal of FDR to NCCL - when there is no change in FDR number, is given in [Format 9](#)
  - ii. Format of letter to be provided by Bank for Auto renewal of FDR to NCCL - when there is change in FDR number is given in [Format 10](#)
- b. The procedure of renewal of E-FDR is as below:
  - i. Member approaches and requests the Bank to renew FDR including renewal of existing physical FDRs in electronic form.
  - ii. Member submits the required documents to the Bank for renewal of FDR, the process is same as for physical FDR. The member is required to provide additional information to the Bank as given below.
    - (a) Trading Member Code and Clearing Member Code
    - (b) FDR is towards Base Capital or Additional Base capital
  - iii. Bank renews the FDR.
  - iv. Bank will send and confirm the renewed FDR information in electronic form to NCCL.

NCCL will validate the details and if found correct shall pass on the benefit of the same to the member.

Members will get a system-generated e-mail.

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## **2.4. FDRs created out of clients' funds**

- a. FDRs created out of clients' funds shall also satisfy the following conditions:
- i. FDRs shall be created only from 'Up Streaming Client Nodal Bank Account (USCNBA)'
  - ii. Clearing Member shall ensure that for all FDRs lien marked to NCCL, NCCL shall have explicit precedence on the FDR funds over every other stakeholder, including over the bank providing the FDR.
  - iii. The tenor of such FDRs shall not be more than one year and one day; and the FDRs should be pre-terminable on demand.
  - iv. The principal amount of the FDR shall remain protected throughout the tenure, even after accounting for all possible pre-termination costs.
  - v. Clearing Member shall not avail any funded or non-funded banking facilities based on FDRs created out of clients' funds.
- b. Existing FDRs (created out of clients' funds and having tenor of more than one-year) created prior to June 30, 2023 shall be allowed to be grandfathered till maturity. Such FDRs at the time of renewal shall meet the conditions specified at clause 2.4.a. above.

## **2.5. Confirmation of Collaterals**

Confirmation of the BG and FDR's by the issuing Banks should be submitted within 21 days of receipt of the same as per the format given in [Format 11](#). In case the confirmation is not submitted by the issuing Bank, the BG and FDR's so submitted will be treated as invalid until confirmation is received and the Member's collateral shall be duly reduced.

## **2.6. Collection of released collaterals (FDRs & BGs) submitted to NCCL**

The representative of the Member coming to collect released FDR/ BG is required to carry an authorization letter from such Member. The released FDRs/ BGs can be collected on the next working day of the release from the Head office if the respective Member has provided a Hand Delivery request to the NCCL, else the released collateral will be delivered to Member's registered address and the release letter to the issuing Bank branch.

In case of Electronic FDR, release instructions will be sent to the respective Bank.

## **2.7. Reminder letters through extranet**

Reminder letters can be downloaded through the extranet in respect of the BGs and FDRs that are due for renewal. These files are uploaded 30 days, 15 days and 8 days prior to maturity of the respective BGs and the FDRs.

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This is being provided as an additional facility only and Members are advised to promptly submit the renewals of the BGs and FDRs within the stipulated period to avoid any action.

## **2.8. Online facility for submission of requests/queries related to collaterals**

An online facility has been provided in NCFE web portal to enable Members for submission of requests/queries related to collaterals. Members are advised to raise all their requests/queries through the module provided in the NCFE web portal.

A detailed help manual is available in NCFE under 'Downloads' menu.

## **2.9. Approved Securities and Commodities**

Clearing Members are permitted to deposit the following as Collateral in the manner and form as may be communicated from time to time: -

### **a. Approved Securities**

- i Shares of approved Companies
- ii Units of Mutual Funds
- iii Government Securities, Treasury Bills & Sovereign Gold Bonds
- iv Any other securities or instruments as may be permitted

### **b. Approved Commodities**

- i Agricultural Commodities
- ii Any other commodities as may be permitted

### **2.9.1 Margin Obligations to be given by way of Pledge/ Re-pledge - approved securities**

SEBI vide its circular SEBI/HO/MIRSD/DOP/CIR/P/2020/28 dated February 25, 2020 has provided a framework for margin obligations to be given by way of pledge / Re-pledge in Depository System.

- i NCCL has provided a Margin Pledge facility through which Clearing members shall be permitted to provide CM proprietary securities/trading member proprietary securities/client securities towards the non-cash component of margin deposit requirements.
- ii This facility is enabled through Margin Pledge facility provided by NSDL & CDSL.
- iii Clearing members availing this facility can re-pledge Own (CM proprietary) securities/client/trading member (TM) proprietary securities through Margin Pledge facility provided by NSDL & CDSL.
- iv The margin pledge facility is also be applicable for Custodial Participant (CP) clients of clearing members.
- v In case of a default by the clearing member, NCCL after encashing the available collateral of clearing member, may invoke the re-pledged securities of client / TM proprietary to meet the

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loss/shortfall which may arise due to closing out the open positions of that client/TM or clients of TM.

**a. Procedure for providing securities through Margin Pledge facility provided by NSDL& CDSL**

- i Clearing Member shall be required to open a separate demat account (“designated account”) with any Depository Participant of NSDL or CDSL.
- ii The designated account shall have a client sub type of CM – Client Securities Margin Pledge Account or TM/CM – Client Securities Margin Pledge Account in NSDL & CDSL
- iii Clearing Member shall ensure that designated account is solely used for the purpose of pledging/re-pledging securities in favour of NCCL. Any other use of designated account shall be treated as non-compliance and shall be dealt with accordingly.
- iv Clearing Member shall submit the following information to NCCL:
  - Covering letter as per format provided in [Format 14](#)
  - Client master of the designated account
  - Pledge deed as per the format specified in [Format 15](#)
  - Board Resolution with list of authorized signatories authorized to sign the pledge deed
- v Deed of Pledge is to be executed in the prescribed format as given in Format 15 annexed hereto on a non-judicial stamp paper of Rs.600/- or of such prescribed amount as may be applicable to an agreement if the deed of pledge is executed in the State of Maharashtra. In case the deed of pledge is executed outside the State of Maharashtra, the stamp duty payable in the State where it is executed shall be payable at the time of execution and such Deed of Pledge shall be stamped for the differential amount (if the stamp duty is higher in Maharashtra) within three months of its first receipt in the State of Maharashtra. The differential amount of stamp duty payable on such instrument shall be the amount of stamp duty in the State of Maharashtra, less the amount of stamp duty, if any, already paid under any law in force in India, when it was executed. Alternatively, the document may be stamped with stamp duty as applicable in State of Maharashtra or as applicable in the State where document is executed, whichever is higher.
- vi On submission of necessary documents as specified above NCCL shall enable the designated account for acceptance of pledge/re-pledge.
- vii Clearing Members shall refer to provisions provided by the Depository with respect to opening the account and creating margin pledge/re-pledge in favour of NCCL.
- viii Pledge instructions in respect of approved securities only shall be accepted.
- ix UCC Details, TM Code, CP Code and segment as received in the pledge/re-pledge instructions from depositories shall be considered for allocating such securities towards margin requirement.



- x In case of CP clients, clients/clearing member shall ensure that applicable CP code is populated in the pledge/re-pledge instructions as per the procedure prescribed by the depositories.
- xi Members are advised to be guided by the process issued by NSDL and CDSL from time to time.
- xii Details of Clearing Corporation (NCCL) accounts in whose favour the re-pledge have to be created are as under:

Depository	DP ID	Account Number
NSDL	IN001176	10000029
CDSL	11000021	00002645

**b. Procedure for release of client/TM proprietary securities/CM proprietary securities**

- i. Clearing member shall request for release of re-pledged securities from web-based facility of NCFE portal.
- ii. "Client Non Cash collateral" screen is provided in collateral module in NCFE which allows the CMs/TMs to view securities and place withdrawal request for the desired quantity of securities. The withdrawal will be processed successfully on availability of free collateral at the entity level.
- iii. If the re-pledged securities are eligible for release, NCCL shall send necessary intimation to Depositories to release the re-pledge created in favour of NCCL.
- iv. Upon release, securities will be available as free balance in the designated account of clearing member.

**c. Demat securities not approved for acceptance**

The following Demat Securities shall not be accepted for the purpose of security deposit:

- i Partly paid securities/units;
- ii Securities and units subject to any lock in period, buy back scheme, any charge or lien, encumbrance of any kind or whose title is questioned before a Court or any regulatory body or such other limitations.
- iii NCCL shall not accept equity shares as collateral, which are issued by Clearing Member / Trading Member themselves or their group or associate entities. For this purpose, 'associate' shall have the same meaning as defined under Regulation 2 (b) of SECC Regulations 2018.

**d. Valuation**

The valuation of the securities shall be in accordance with the norms prescribed by NCCL from time to time.

## **2.9.2 Margin Obligation to be given by way of Pledge / Re-pledge of Approved Commodities represented by eNWRs in Repository<sup>2</sup>**

Clearing Members can also pledge eNWRs of approved commodities in favour of NCCL as collateral through Pledge/ Re-pledge mechanism of *National E-Repository Limited (NERL)*.

### **a. Pledge Facility**

- i. NCCL has provided a Pledge facility through which Clearing members shall be permitted to provide clearing member proprietary eNWRs / trading member proprietary eNWRs / client eNWRs / CP eNWRs towards the non-cash component of margin deposit requirements.
- ii. This facility shall be enabled through Pledge facility provided by NERL.
- iii. Clearing members availing this facility can re-pledge eNWRs of client/CP/TM proprietary/CM proprietary through Margin Pledge facility provided by NERL.
- iv. In case of a default by the clearing member, NCCL after encashing the available collateral of clearing member, may invoke the pledged eNWRs of client /CP / TM proprietary/CM proprietary to meet the loss/shortfall which may arise due to closing out the open positions of that client/CP/TM proprietary/ CM proprietary. The CM proprietary/ TM proprietary eNWRs may be invoked to adjust the loss/shortfall of respective client/CP/TM proprietary. In the event of default, all costs, losses, taxes, levies, penalties and charges will be borne by the defaulting member. Liquidation of Commodities, if required, shall be done in a manner as may be specified by NCCL and NCCL may specify liquidation agents for the same.
- v. Clearing Members shall re-pledge OWN / TM Proprietary / client /CP commodities only through pledge facility provided by NERL
- vi. NCCL is not accepting pledge commodities through approved custodians from 1 November 2024.

### **b. Procedure for providing eNWRs of Approved commodities through Margin Pledge facility provided by NERL**

- i. Clearing Members / Trading Members shall refer the NERL circular /communications for enabling the pledge re-pledge facility for Clearing Members, Trading Members and clients.
- ii. Clearing Member shall submit the following information to NCCL:
  - Covering letter as per format provided in [Format 18](#).
  - Onboarding confirmation communication from NERL.
  - Pledge deed as per the format specified in [Format 17](#).
  - Board Resolution with list of authorized signatories authorized to sign the pledge deed

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<sup>2</sup> [NCCL/CLEARING-045/2024 dated August 01, 2024](#)

- iii. On submission of necessary documents as specified above, NCCL shall enable the member for acceptance of pledge/re-pledge.
- iv. Clearing Members shall refer to provisions provided by the Repository with respect to creation of Entity Id and creating margin pledge/re-pledge in favor of NCCL.
- v. Pledge instructions in respect of approved commodities only shall be accepted.
- vi. NCCL shall send letter of intimation to the member informing the mapping of the Entity id of the member and activation of margin pledge re-pledge facility with NERL.
- vii. UCC Details, TM Code, CP Code and CM code as received in the pledge/re-pledge instructions from repository shall be considered for allocating such eNWRs towards margin requirement.
- viii. In case of CP clients, clearing member shall ensure that applicable CP code is populated in the pledge/re-pledge instructions as per the procedure prescribed by the repository.
- ix. For the purpose of monitoring of at least 50% cash-equivalent collateral at the level of CM, the excess cash-equivalent collateral of a client shall not be considered for other client or for proprietary account of TM/CM. However, the excess cash-equivalent collateral of proprietary account of TM/CM can be considered for clients trading/clearing through them, for the purpose of monitoring minimum 50% cash-equivalent requirement.
- x. NCCL has provided a facility through web extranet portal to CMs for uploading Client level non-cash limit. The limit provided by the CM in this file shall be used to determine the amount and order in which Clients/Custodial Participant will receive the benefit of the excess cash equivalent collateral of proprietary account of TM/CM. For details, please refer circular no. NCCL/CLEARING-041/2021 dated November 16, 2021 on Format for Allocation of Collateral.
- xi. Members are advised to be guided by the process issued by NERL from time to time.

**c. Procedure for release of client / CP / TM proprietary / CM proprietary eNWRs**

- i. Clearing members shall enter the release request in the NCFE portal.
  - ii. If pledged/ re-pledged eNWRs are requested to be released, then such eNWRs will be released after considering the margin requirement of such client/CP/ TMPro and CM Pro.
  - iii. If the re-pledged eNWRs are eligible for release, NCCL shall send necessary intimation to Repositories to release the re-pledge created in favor of NCCL.
  - iv. Upon release by NCCL, eNWRs will be available for release / invoke to clearing member / trading member.
- d. These Approved Commodities shall be pledged in favour of National Commodity Clearing Limited to secure performance of all obligations of the Member under the Rules, Bye laws, Regulations and directions of NCCL from time to time.

- e. The Approved Commodities to be pledged should be of same quality specification which are deliverable under the contract specification of Approved Commodities being traded on the Exchange. The Approved Commodities shall be subject to a minimum margin (haircut) as may be decided by NCCL from time to time.
- f. No exposure shall be permitted on Approved Commodities from one month (30 days) prior to validity period of such Approved Commodity. The value of Additional Base Capital made available against the approved commodity already pledged shall be reduced accordingly, one month (30 days) prior to validity / EDD of any such pledged stock, whichever is earlier or as applicable.
- g. NCCL reserves the right to accept or reject commodity from any member or members in general or discontinue the facility of accepting commodity as collateral at any time. The decision of NCCL with regard to acceptability or continued acceptability of commodities as collateral shall be final.
- h. In case the Commodity is to be tendered for delivery, then the member shall ensure that before removal of pledge, there exists sufficient collateral to take care of all obligations.
- i. The Deed of Pledge and other documents may be executed for value of Commodity which the member proposes to pledge over a period of time but only the net value of Commodity will be considered as Additional Base Capital (ABC) at any particular point of time.

**j. Commodities not approved for acceptance**

Goods subject to any lock in period, buy back scheme, any charge or lien, encumbrance of any kind or whose title is questioned before a Court or any regulatory body or such other limitations shall not be accepted for the purpose of security deposit.

**k. Valuation**

The valuation of the commodities shall be in accordance with the norms prescribed by NCCL from time to time.

### **2.9.3 Services Charges**

The Clearing Members availing the margin pledge facility shall be required to pay NCCL, a monthly fee of Rs. 10,000/- (excluding GST) where count of TM and clients under respective clearing members using this facility is up to ten anytime during the month and Rs. 20,000 (excluding GST) per month where count is more than ten anytime during the month. The count of client / CP / TM proprietary / CM proprietary giving commodities and / or securities through pledge / re-pledge facility shall be considered for computing mentioned service charges. The TM / CM placing their own shares shall be considered as a separate count for the purpose of levying charges.

## 2.10. Releases of Liquid Assets

- i Members may from time to time withdraw or replace the collateral placed with the Clearing Corporation and are advised to submit their release requests to withdraw BGs and FDRs as per format prescribed in [Format 13](#) and their requests for release of cash deposit as prescribed in [Format 14](#).
- ii For collaterals provided towards Additional Base Capital (Margin Deposit) a web based facility of NCFE is provided for submission of release requests of valid collaterals. The members may select the desired available collaterals for release.
- iii The Clearing Corporation may consider such request provided such Member has no outstanding obligations / positions / dues towards the Exchange or towards the Clearing Corporation if any, and that there is no other liability under the Rules, Byelaws and Regulations and that if the Clearing Corporation is of the opinion that such release does not entail any risk.
- iv Clearing Member Cash release request cut-off time is 4.30 PM on all settlement days. NCCL shall endeavor to release the cash as soon as possible, but within two hours from the time requested subject to sufficient free collateral available in the unallocated collateral pool at the time of request of release.
- v For release requests received beyond this cut-off time i.e. 4.30 PM during the day, the payments shall be made on the next settlement day.
- vi The timeline for release of BG and FD shall be as under:

<b>Cut-off time for requesting release</b>	<b>Release processing time</b>
Up to 4.30 PM during the day	As and when request received subject to sufficient free collateral available in the unallocated collateral pool at the time of request.
After 4.30 PM	At end of day subject to sufficient free collateral available in the unallocated collateral pool.

NCCL shall endeavor to release the FDR and Bank Guarantee as soon as possible, but within two hours from the time requested subject to sufficient free collateral available in the unallocated collateral pool at the time of request of release.

- vii In case of a Saturday, a Sunday or a holiday at NCCL, clearing banks or any of the service providers, the release request will be processed next working day.
- viii With reference to SEBI circular no. SEBI/HO/MIRSD/DOP/P/CIR/2022/101 dated July 27,2022, regarding Settlement of Running Account of Client's Funds lying with Trading Member (TM), NCCL shall permit clearing members to request for Cash/FDR/BG to be released on an

immediate basis till 7:00 pm on the date of the one-day settlement. NCCL shall endeavor to release Cash/FDR/BG within one hour of the request received from the clearing member on an immediate basis on the date of the one-day settlement subject to collateral available for release post necessary margins checks.

- ix The request for release of approved securities/commodities placed with NCCL by the Client/TM proprietary/CM proprietary through the pledge / re-pledge mechanism (NSDL/CDSL/NERL) in the following batches:

Batch	Cut-off time for requesting release	Release processing Time
1	09:30 AM	By 11:30 AM
2	12:30 PM	By 02:30 PM
3	02.30 PM	By 4:30 PM
4	04:30 PM	By 06:30 PM
5	After 4:30 PM	After 08:00 AM on next settlement day

The release processing time mentioned are tentative and subject to best effort basis. In case of request for release of re-pledge securities towards pay-in requirement at other clearing corporations, Clearing Members should ensure that such request is made one-day prior to pay-in and not on the pay-in date.

- x With respect to withdrawal of Approved Securities and Commodities pledged through pledge re-pledge mechanism, on receipt of a request from a Member the clearing corporation may in accordance with the provisions detailed above, instruct the respective depository / repository to release such specific securities / commodities. The said depository / repository shall then cancel the pledge marked in favour of the NCCL and release such securities / commodities to the said Member.

#### 2.11. Segregation and Monitoring of collateral at Client Level

SEBI vide its circular no. SEBI/HO/MRD2\_DCAP/CIR/2021/0598 dated July 20, 2021 has put in place a framework for “Segregation and Monitoring of Collateral at Client Level”.

- i. SEBI circular inter-alia, stipulates that for forms of collateral (other than securities placed through margin pledge / re-pledge mechanism) placed with the Clearing Corporation (CC), the CCs shall provide a facility to Clearing Members (CMs) for upfront allocation of collateral to a Trading Member (TM) / Custodial Participant (CP) / client or TM / CM 's own account.
- ii. Accordingly, the Clearing Members while depositing collateral in form of Cash, Fixed Deposits (FDs) and Bank Guarantees (BGs) with NCCL shall allocate these collaterals using the web extranet portal / API based facility.

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### 2.11.1 Collateral Deposit and Allocation

- 1) The Cash, Bank Guarantees and Fixed Deposit Receipts deposited towards Base Capital and Additional Base Capital shall be accounted in the total Cash and Cash Equivalent collateral in the Clearing Members account.
- 2) The Clearing member shall be required to upload allocation file using the web extranet portal/ API facility to allocate the cash and cash equivalent collaterals into the proprietary account of CM, and/or proprietary account of any TM clearing through the CM, and/or account of any of the clients (including Custodial Participants (CPs)) clearing through the CM, and/or of any of the clients trading through the TM who in turn is clearing through the CM.
- 3) In case of such collateral received by the CM from any TM, the CM shall not accept the same without the TM specifying break-up of such collateral into proprietary account of the TM and / or uniquely identified client account. The CM shall ensure that the sum of break-up of such collateral provided by TM is equal to the total value of such collateral provided by TM, and that the allocation of such collateral to any entity as reported to NCCL does not exceed the allocation of collateral reported by the TM for that entity.
- 4) Similarly, NCCL shall not give benefit of such collateral without the CM specifying appropriate break-up of such collateral into proprietary account of CM / proprietary account of TM / client account. The benefit of the collateral will be available only to the extent of allocated amount. Collateral amount not allocated by CMs as aforesaid will remain unallocated. Such unallocated amount will not be considered for trading exposure. If any additional cash or cash equivalent collateral is provided, it shall form part of the unallocated cash equivalent and the member can allocate this additional collateral by uploading allocation file.
- 5) For the purpose of monitoring of at least 50% cash or cash equivalent collateral at the level of CM, the excess cash-equivalent collateral of a client shall not be considered for other client or for proprietary account of TM/CM. However, the excess cash-equivalent collateral of proprietary account of TM/CM can be considered for clients trading/clearing through them, for the purpose of monitoring minimum 50% cash-equivalent requirement.
- 6) The CM's will have to upload the non-cash limit file using the web extranet portal. The limit provided by the CM in this file shall be used to determine the amount and order in which Clients/Custodial Participant will receive the benefit of the excess cash-equivalent collateral of proprietary account of TM/CM. In case file is not uploaded, no benefit of excess non-cash collateral i.e. securities shall be extended to any client
- 7) The Clearing member shall allocate atleast Rs 50 lakhs (TCM & PCM) / Rs 70 lakhs (STCM) into the proprietary account towards Base capital requirement.
- 8) The Minimum Liquid Net worth (MLNW) requirement of Rs 50 lakhs shall be blocked from the amount allocated in the proprietary account of Clearing Member.

- 9) Blocking of deposits on account of repeated shortfall in margin / pay-in, and any other adhoc blocking shall be blocked from the allocated amount in the proprietary account of Clearing Member.
- 10) The cash adhoc margin, if levied shall be collected on T+1 day. It shall not be blocked from the allocated collateral in the proprietary account of Clearing Member.
- 11) In case of BGs, the TM/CM may consider the unfunded portion of the BG as proprietary collateral.
- 12) File Format for Allocation and Non-Cash Limit: The members can refer to NCCL circular NCCL/CLEARING-041/2021 dated November 16, 2021 on Format for Allocation of Collateral. Members are advised to refer the detailed notes in the specified circular. Members can access web extranet portal for Collateral Allocation and Non cash Limit using the following url - <https://webextranet.ncdex.com/Login.aspx>.

13) The cut-off time for upload of final Collateral Allocation file and Non Cash Limit file is as under<sup>3</sup>:

Particulars	Cut off Time
On all trading days	9:00 PM

- 14) Allocation of Collateral can be to the extent of total amount of cash collateral deposited with the CC. If additional cash or cash equivalent collateral is deposited, then the allocation will be required to the extent of revised total Cash collateral (including the additional collateral).
- 15) Allocated values for the entities shall continue to remain allocated till such time the reallocation file is uploaded.
- 16) NCCL shall also provide notification of such change of allocation of collateral to the concerned client, in respect of whom the allocation has been changed, pursuant to the change of allocation. The information regarding the collateral allocated by the CM for the Clients, Trading Member and Custodian shall be sent to their respective email ids by NCCL.
- 17) The members can refer to the path Collaterals > Member Cash Collateral Summary in NCFE portal for below details
- i Total Cash Equivalent: It would be aggregate of cash equivalent collateral deposits comprising of the cash deposits, bank guarantees and fixed deposit receipts deposited towards Base Capital and Additional Base Capital
  - ii Allocated Cash Equivalent: It would display the net amount of successful allocation by the Clearing Member into proprietary account of Trading member, proprietary account of Clearing member, clients and Custodial Participants from the Total Cash Equivalent.
  - iii Unallocated Cash Equivalent: It would display the balance in Cash equivalent collateral account of the member (Total Cash Equivalent – Allocated Cash Equivalent).

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<sup>3</sup> [NCCL/CLEARING-029/2024 dated May 29, 2024](#)



- 18) The collateral withdrawal request of cash & cash equivalent will, inter-alia, be processed against the unallocated cash equivalent collateral amount. In case the unallocated amount is not available, then the collateral withdrawal request will not be processed.
- 19) Accordingly, the Clearing Member desirous of withdrawing cash and cash equivalent collateral should ensure that an equivalent amount of unallocated collateral is available for withdrawal. In case sufficient unallocated cash equivalent collateral is not available, then the Clearing member should upload the allocation file for reducing CM/TM/CP/Client wise allocation amount before placing the collateral withdrawal request to avoid rejection of withdrawal request.
- 20) In case of collateral provided by Clearing members to NCCL in the form of Bank Guarantees and Fixed Deposit Receipts; as per the current process, on maturity of such instruments, the value of the matured bank guarantee/ fixed deposit receipt shall be reduced as per the following priority
- i From the value available in the un-allocated amount
  - ii From the free collateral of proprietary account of clearing member.
  - iii From the value allocated to clients / Trading member proprietary account / Custodial Participants in descending order of margin utilisation (i.e. client with least margin utilisation) to the extent of free collateral. In case there are multiple clients / Trading member proprietary account / Custodial Participants with the same utilisation, such value shall be reduced in a random manner.
  - iv From the value allocated to proprietary account clearing member.
- Due to this, the CMs and all TMs under such CMs may go into RRM mode/Square off because of reduction in the collateral limits.
- 21) Members are advised to renew the documents well in advance to avoid going into RRM / Square off mode due to maturity of collaterals.
- 22) The allocation thus provided by the CM to NCCL and by TM to CM shall be considered as final by the NCCL and CM respectively for the purpose of granting exposure and utilization during default.
- 23) CMs shall be permitted to change the allocation of collateral deposited with the NCCL, subject to the value allocated to any client not exceeding the value of actual collateral received from that client (excluding the securities collateral re-pledged to NCCL through margin pledge mechanism). However, such change of allocation shall be permitted subject to adequacy of available collateral with the NCCL after the change vis-à-vis the margin obligation of Trading Member Proprietary / Clearing Member Proprietary account.
- 24) NCCL has also provided API based facility for client level collateral allocation. The details of the API specifications are available in circular number NCCL/CLEARING-016/2023 dated Feb 28, 2023.

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- 25) The Members are advised to ensure that collateral allocation of only of those clients trading on NCDEX should be uploaded. NCCL does not consider data of non-registered clients.
- 26) To enable members to submit deallocation requests against reduction in client/CP collaterals, members can submit deallocation requests below real-time margin requirement of the respective client/CP. Accordingly, members are required to take note of the following while submitting deallocation requests:<sup>4</sup>
- i Deallocation request shall not exceed the value of allocation done for the client/CP.
  - ii Members shall take into consideration the impact of deallocation / release on the eligible value of non-cash collaterals pledged / re-pledged with NCCL and the resultant change in effective deposit of the client on account of the cash and cash equivalent to non-cash ratio.
  - iii Any margin shortfall pursuant to deallocation request or release of cash equivalent collaterals through pledge / re-pledge mechanism shall be blocked from TM Proprietary effective deposit of the TM of such client.
  - iv Similarly, in case of CP, the residual margin utilisation shall be blocked from CM Proprietary effective deposit of the CM of such CP.
  - v Clearing Member and Trading Member requests for collateral release shall continue to be validated against the real time margin utilization.

#### **2.12. Non-fulfilment of Base Capital (Security Deposit) and Minimum Liquid Network Requirements**

Any failure on the part of a Clearing Member to meet with the deposit requirements at any point of time, will be treated as a violation of the Rules, Bye-Laws and Regulations of the Clearing Corporation and Clearing Corporation may, within such time as it may deem fit, withdraw any or all of the membership rights of such Clearing Member including withdrawal of trading facilities of all trading members and/ or clearing facility of custodial participants clearing and settling through such Clearing Members, without any notice.

In addition, the outstanding positions of such Clearing Member and/ or Trading Members and/ or Constituents, clearing and settling through such Clearing Member, may be closed out forthwith or any time thereafter, at the discretion of the Clearing Corporation, to the extent possible, by placing at the Exchange, counter orders in respect of the outstanding position of such Clearing Member without any notice to the Clearing Member and/ or Trading Members and/ or Constituents, and such action shall be final and binding on the Clearing Member and/ or Trading Members and/ or Constituents. Clearing Corporation may also initiate such other risk containment measures as it deems fit with respect to the open positions of the Clearing Member and/ or Trading Members and / or Constituents.

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<sup>4</sup> [NCCL/CLEARING-044/2024 dated August 01, 2024](#)

### **2.13. Upstreaming of clients' funds by Stock Brokers (SBs) / Clearing Members (CMs) to Clearing Corporations (CCs)**

This is with reference to guidelines issued on Upstreaming of clients' funds by Stock Brokers (SBs) / Clearing Members (CMs) to Clearing Corporations (CC's). Members shall upstream all the clients' clear credit balances to NCCL on End of Day (EOD) basis. Such upstreaming shall be done only in the form of either cash, lien on Fixed Deposit Receipts (FDRs) created out of clients' funds, or pledge of units of Mutual Fund Overnight Schemes (MFOS) created out of clients' funds.

Clearing Members may make note of the following operational procedures:

#### **A. Upstreaming in the form of Cash**

Clearing Members shall upstream all the clients' clear credit balances to CCs on End of Day (EOD) basis. The cut-off times for upstreaming of clear credit balance of clients shall be 7:00 PM. Any clear credit balance that could not be upstreamed to NCCL due to receipt of funds from clients beyond cut-off time (7:00 PM) shall necessarily remain in UNSCBA until it is upstreamed to CC on the next day.

#### **B. Upstreaming via FDRs created out of clients' funds**

a. FDRs created out of clients' funds shall satisfy the following conditions:

- i The FDR shall be created only with the banks which satisfy the NCCL exposure norms as specified by NCCL/SEBI from time to time.
- ii FDRs Shall be created only from 'Upstreaming Client Nodal Bank Account' (USCNBA)
- iii Clearing Member shall ensure that for all FDRs lien marked to NCCL, NCCL shall have explicit precedence on the FDR funds over every other stakeholder, including over the bank providing the FDR.
- iv The tenor of such FDRs shall not be more than one year and one day, and the FDR should be pre-terminable on demand.
- v The principal amount of the FDR shall remain protected throughout the tenure, even after accounting for all possible pre-termination costs.
- vi SBs/CMs shall not avail any funded or non-funded banking facilities based on FDRs created out of clients' funds.

b. The existing FDRs (created out of clients' funds and having tenor of more than one-year) created prior to June 30, 2023 shall be allowed to be grandfathered till maturity. Such FDRs at the time of renewal shall meet the conditions specified as per above 2.13.A.

#### **C. Upstreaming via pledge of units of Mutual Fund Overnight Schemes (MFOS):**

- a. Units of Mutual Fund Overnight Schemes (MFOS) is a new avenue being made available to SBs/CMs to deploy client fund into. MFOS ensures minimal risk transformation of client funds (that are withdrawable on demand) available with SBs/CMs because of overnight tenure and exposure to only risk-free government securities.

- b. SBs/CMs shall ensure that client funds are invested only in such MFOS that deploy fund into risk-free government bond overnight repo markets and overnight Tri-party Repo Dealing and Settlement (TREPS). Such MFOS units should be in dematerialized (demat) form, and must necessarily be pledged with a CC at all times.
- c. SBs/CMs shall maintain a dedicated demat account (hereinafter referred to as “Client Nodal MFOS Account”) for subscription/ redemption of transactions only in the said account.
- d. From ‘Client Nodal MFOS Account’, SBs/CMs shall provide MFOS units as collateral to the NCCL. While providing the units as collateral, SBs/CMs shall identify the end clients. In order to implement the same, a pledge shall be created from the Client Nodal MFOS account to SB/CM margin pledge account of the SB/CM. The SB/CM shall further re-pledge the same to NCCL using the existing pledge re-pledge mechanism.
- e. The units of MFOS shall be re-pledged to NCCL only through depository margin pledge / re-pledge mechanism.
- f. Clearing Members shall re-pledge units of MFOS to NCCL from their existing mapped TMCM Margin pledge accounts.
- g. The list of MFOS eligible for re-pledge to NCCL shall be published from time to time.
- h. Existing norms for valuation, haircut and prudential limits shall be applicable for units of MFOS pledged to NCCL.

#### **D. Eligibility of bank instruments as collateral**

- a. The bank instruments provided by clients as collateral (i.e. client FDRs and BGs) cannot be upstreamed to CCs, and they shall be ineligible to be accepted as collateral in any segment of securities market.
- b. However, in the interest of encouraging and development of hedging in the commodity derivatives market, it has been decided to allow Bank guarantees provided only by non-individual clients, based on certain terms and conditions. Such clients shall provide a declaration and underwriting that they shall have no recourse to SEBI or exchanges in case of wrongful invocation of such BGs by SB/CM. These BGs shall bear a condition that on invocation, the moneys shall be credited only to the (USCNBA) account and thereafter upstreamed to the CC. The other terms and conditions are mentioned in the [Annexure 6](#). The CCs are at liberty to apply stricter conditions other than those specified based on their risk assessment.

#### **E. Release of Cash towards MTM pay-in**

The cash collateral release requests received beyond cut-off time i.e. 4.30 PM during the day shall be released on the next settlement day, subject to sufficient free collateral available in the unallocated collateral pool. These funds will be credited to the settlement account of the member in the pay-in run and can be used to meet the funds pay-in requirement.

The provisions of this framework shall not be applicable to bank-CMs (including Custodians that are banks), and for proprietary funds of SBs/CMs and SB’s proprietary funds deposited with CM in the capacity of a client.

### 3. List of Annexures

#### Annexure 1 - List of Clearing Banks and Branches

Clearing Bank	Address	Contact Person & Numbers
Axis Bank Limited	Axis Bank Limited Axis House, 8th Floor, Wadia International Center, Pandurang Budhkar Marg Worli, Mumbai- 400025	Mr. Ashok Joshi Senior Vice President Contact No.: 022-66525807 Mobile: 9711361299 Email Id: <a href="mailto:ashok.joshi@axisbank.com">ashok.joshi@axisbank.com</a>
Axis Bank Limited	Axis Bank Limited Capital Market Division, 4 <sup>th</sup> Floor. Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400 025	Mr. Neel Shah Vice President Contact Nos.: 9324272216 Email Id: <a href="mailto:neel.shah@axisbank.com">neel.shah@axisbank.com</a>
Axis Bank Limited	Axis Bank Limited Capital Market Division, 4 <sup>th</sup> Floor. Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400 025	Mr. Srinath S Nair Vice President Contact Nos.: 022-68723810 Mobile: 9082800674 Email Id: <a href="mailto:srinath.nair@axisbank.com">srinath.nair@axisbank.com</a>
Bank of India	Stock Exchange Building, Ground Floor, Dalal Street, Fort, Mumbai - 400 001	Mr. Amit Kumar Asst. General Manager Contact-022-22722400/22721785/ 9811627907 Mr. Sandeep Kumar Yadav Senior Manager Contact Nos.: 022-22721623/ 9389806970 Email Id: <a href="mailto:stockexchange.mumbaisouth@bankofindia.co.in">stockexchange.mumbaisouth@bankofindia.co.in</a>



Clearing Bank	Address	Contact Person & Numbers
Canara Bank	Stock & Commodity Exchange Branch Atlanta Building, 115, 11th Floor Nariman Point 400021	Mr. Abhishek Pagare, Senior Manager Contact No : 022-22023170 / 71 Mob: 9893738877 Email Id : <a href="mailto:cb2426@canarabank.com">cb2426@canarabank.com</a>  Office Land line Nos.: +91 22 2202 3166 / 22023167 / 2202 3171
HDFC Bank Limited	Zenith House, 2nd Floor, Opp. Mahalaxmi Race Course, K.K Road, Mumbai – 400034	Mr. Mukesh Kumar Shah Contact No.: 9323169961 Email <a href="mailto:mukeshkumar.shah@hdfcbank.com">mukeshkumar.shah@hdfcbank.com</a>  Mr. Chetan Anam Contact No.: - 9323292987 Email <a href="mailto:chetan.anam@hdfcbank.com">chetan.anam@hdfcbank.com</a>  Mr. Ankit Agarwal Contact No.: - 9820625505 Email: <a href="mailto:ankit.agarwal9@hdfcbank.com">ankit.agarwal9@hdfcbank.com</a>

Clearing Bank	Address	Contact Person & Numbers
ICICI Bank Limited	Capital Markets Division, ICICI Bank Ltd, 163, HT Parekh Marg, Near All India Radio, Backbay Reclamation, Churchgate, Mumbai, Maharashtra 400020	<p>Mr. Avinash Kansal            Head - Capital Markets &amp; Custody            Contact Nos. : +91 22 2653 6505            9836068214</p> <p>Mr. Vikas Migiani            Zonal Head, Capital Market Division            Mobile : +91 9870263275            Tel :022 41925302</p> <p>Mr. Bhushan Pandey            Chief Manager            Mobile: +91 9561086953            Tel: 022-26537441</p> <p>Ms. Jayashre K            Securities Market Services            Head – TSSG SMS            Contact Nos.: +91 22 6667 2005 /            74000 86991            Fax No.: +91 22 2261 1138</p> <p>Mr. Kiran Hejmadi            Chief Manager – TSSG SMS Contact            No.: +91 22 6667 2793/9930061446</p>



Clearing Bank	Address	Contact Person & Numbers
IndusInd Bank Limited	PNA House Office, 4th Floor, PNA House Plot No. 57 571 Street No.17 MIDC, Andheri East, Mumbai 400 093	<p>Mr. Ritesh Singh, Head – Financial Services Group Contact Nos.: 9833383936 Email Id: <a href="mailto:Ritesh.singh@indusind.com">Ritesh.singh@indusind.com</a></p> <p>Mr. Dharmendra Jakhodia, Vice President – Capital and Commodity Market Division Contact No.:022 – 6636 6579 / 9820189141 Email Id: <a href="mailto:dharmendra.jakhodia@indusind.com">dharmendra.jakhodia@indusind.com</a></p> <p>Mr. Hetal Divanji Head – Capital and Commodity Market Operations Contact – 022-61069363/9820062805 Email Id : <a href="mailto:hetal.divanji@indusind.com">hetal.divanji@indusind.com</a></p> <p>Mr. Kaushik Chatterjee, DVP – Capital and Market Operations Contact Nos.: +91 22 6106 9318 / 99202 09335 Email Id: <a href="mailto:chatterjee.kaushik@indusind.com">chatterjee.kaushik@indusind.com</a></p> <p>Office Land line Nos.: For Exchange operations - +91 22 6106 9316 /20 / 21 / 89 / 92, 6106 9412 /13 / 15</p>





# NCCL

NCDEX Group Company

Kotak Mahindra Bank Ltd.	27 BKC, 3rd Floor Plot No. C-27, G Block Bandra Kurla Complex Bandra (E), Mumbai Maharashtra – 400 051	Mr. Ankit Morakhia - Executive Vice President Contact No. : 022- 61660363 / 8879440009 Email Id : <a href="mailto:ankit.morakhia@kotak.com">ankit.morakhia@kotak.com</a>  Sachin Samant – President Contact Nos.: +91 9820347421 Email Id : <a href="mailto:sachin.samant@kotak.com">sachin.samant@kotak.com</a>
Punjab National Bank	Baba House, Plot No 237 Gr Flr., 27th Road, Off Linking Road, Bandra (w) Mumbai – 400050	Mr. Vijayan S Chief Manager Contact Nos.: 8754430722 Email Id: <a href="mailto:ID-bo0082@pnb.co.in">ID-bo0082@pnb.co.in</a>  Mr. Ramesh V.P Commodity Clearing Officer Contact No. : 7736598886/ 022-26415729/26426174 Email Id: <a href="mailto:bo0082@pnb.co.in">bo0082@pnb.co.in</a>  Mr. Santosh Jogdande Commodity Clearing Officer Contact No.: 9969435164 / 022-26415729/26426174 Email Id: <a href="mailto:bo0082@pnb.co.in">bo0082@pnb.co.in</a>



Clearing Bank	Address	Contact Person & Numbers
Union Bank of India	Capital Markets Cell, Mumbai Samachar Marg Branch, 66/80 Mumbai Samachar Marg, Fort, Mumbai 400 023.	G L Kundelwal (AGM) Contact No. : 022-22629302 / 9099931665 EMail Id: <a href="mailto:glkundalwal@unionbankofindia.com">glkundalwal@unionbankofindia.com</a>  Rajan Madye Senior Manager Contact No. : 022-22629332 / 9892617896 Email Id: <a href="mailto:rajan.madye@unionbankofindia.com">rajan.madye@unionbankofindia.com</a>  Surajit Senapati / Saurav Das / Shambhu Majhi Manager Contact No. : 022-22629333 EMail Id <a href="mailto:kashyapcmcmcm@unionbankofindia.com">: kashyapcmcmcm@unionbankofindia.com</a>  Office Landline Nos.: +91 22 2262 9332 / 9333 / 9320

**Annexure 2 - List of Banks approved for Issuing BGs and FDRs**

<b>Sr. No</b>	<b>Bank Name</b>
1	AU Small Finance Bank Limited
2	Axis Bank Limited
3	Bank of India
4	Bank of Maharashtra
5	Canara Bank
6	HDFC Bank Limited
7	ICICI Bank Limited
8	IDFC FIRST Bank Limited
9	IDBI Bank Limited
10	Indian Bank
11	IndusInd Bank Limited
12	Karur Vysya Bank Limited
13	Kotak Mahindra Bank Limited
14	Punjab National Bank
15	State Bank of India
16	Union Bank of India

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**Annexure 3 - List of approved Banks under Master Bank Guarantee Agreement**

<b>Sr. No</b>	<b>Bank Name</b>
1	HDFC Bank Ltd.
2	ICICI Bank Ltd
3	IndusInd Bank Limited
4	Axis Bank Limited
5	Kotak Mahindra Bank Limited
6	IDBI Bank Limited
7	Punjab National Bank
8	Bank of India
9	IDFC First Bank Limited
10	AU Small Finance Bank Limited

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**Annexure 4 - List of Approved Banks for issuance of FDRs and BGs in Electronic form**

<b>Sr. No</b>	<b>Bank Name</b>	<b>E-FDR / E-BG</b>
1	AU Small Finance Bank Limited	E-FDR
2	AXIS Bank Limited	E-FDR & E-BG
3	HDFC Bank Limited	E-FDR
4	ICICI Bank Limited	E-FDR & E-BG
5	IDFC FIRST Bank Limited	E-FDR & E-BG
6	INDUSIND Bank Limited	E-FDR
7	Kotak Mahindra Bank Limited	E-BG

## **Annexure 5 – Terms and Conditions for Non Individual Clients**

### **Eligible clients:**

1. Only non-individual clients shall be allowed to give BGs as margins, specifically for commodities segment.
2. Net worth of such clients should be at least Rs. 1000 crores. If the net worth of the client is less than Rs. 1000 crores and client is a part of a group company of a MNC group or large conglomerate in India and that MNC or large conglomerate has Ultimate Beneficial Ownership of more than 50% in the concerned client, then the net worth of the MNC group as a whole or the net worth of the large conglomerate can be considered which should be minimum Rs. 5000 crores.

### **Eligibility conditions for BGs**

1. Only Banks approved by CCs shall be considered for issuance of such BGs.
2. BG terms and conditions should clearly mention the Upstreaming Client Nodal Bank Account (USCNBA) bank account number where the funds shall be credited in case of invocation by SB/CM.
3. In the event of invocation of BG, the funds shall be credited only to USCNBA bank account of the SB/CM and the funds shall be up-streamed on the same day to NCCL.
4. SB/CM shall mandatorily inform the NCCL at the time of invocation of BG.
5. SB/CM cannot accept BGs as margins from the above mentioned clients in excess of 25% of its net worth.

### **Declaration and undertaking to be given by clients**

1. CFO / COO / CEO / MD of such clients should give an undertaking to the Member at the time of giving BG as margins:
  - a. We agree to issue the BG lien in favour of trading member \_\_\_\_\_ for trading in capital markets for client code \_\_\_\_\_ as per the contractual arrangement with the said trading member.
  - b. We declare that we clearly understand that in case trading member wrongly invokes the BG, we shall not have any recourse to Exchange or SEBI to the extent of BG amount and shall not be compensated in any manner from Investor Protection Fund.

### **Other conditions**

1. SB/CM shall put its own funds with NCCL to the extent of BG amount towards the margin requirements of these clients.
2. SB/CM cannot use borrowed funds for this purpose. Trading member shall give auditors certificate on half yearly basis to NCCL in this regard.

#### 4. List of Formats

##### **Format 1 - Format of Bank Guarantee for Base Capital (Security Deposit)**

##### **Enclosed Bank Guarantee should be stamped as under:**

Non-Judicial stamp paper(s) or on paper franked from Stamp Office for Rs.500/- or the value prevailing in the State where executed, whichever is higher.

##### **The following is required to be typed on the Stamp Paper as the First Page and duly signed:**

This Non-Judicial Stamp paper of Rs.\_\_\_\_\_Forms part and parcel of this Bank Guarantee number \_\_\_\_\_ Dated \_\_\_\_\_ Issued in favour of NCCL by us for M/s/Mr./Ms.\_\_\_\_\_.

FOR \_\_\_\_\_(BANK)

\_\_\_\_\_(BRANCH)

AUTHORIZED SIGNATORIES

SEAL OF THE BANK

- 1) The enclosed prescribed format is required to be used (prescribed formats are available at the website ([www.nccl.co.in](http://www.nccl.co.in)))
- 2) All the blanks in the format are required to be duly filled by the issuing bank along with their stamp and signature against each blank.
- 3) Each page of the bank guarantee should bear the bank guarantee number and issue date and should be signed by two authorized signatories of the bank.

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**GUARANTEE**

This guarantee is issued by \_\_\_\_\_(bank), a body corporate constituted under the \_\_\_\_\_Act 19\_\_, having its Head Office at \_\_\_\_\_(hereinafter referred to as the “Bank” which term shall wherever the context so permits, includes its successors and assigns) in favour of NATIONAL COMMODITY CLEARING LIMITED , a company established under the Companies Act, 1956 and having its registered office at 1st Floor, Akruti Corporate Park, Near G.E. Garden, LBS Road, Kanjurmarg (W), Mumbai 400 078 (hereinafter referred to as “NCCL” which expression shall include its successors and assigns),

**WHEREAS**

1. Mr./Ms. \_\_\_\_\_s/o/d/o /w/o, residing at \_\_\_\_\_and having his/her office at \_\_\_\_\_(Complete Address), (hereinafter referred to as the “Member”, which expression shall include his/her successors and assigns) /\* M/s \_\_\_\_\_, a firm registered under the provisions of the Companies Act, 2013/ Indian Partnership Act, 1932/ Limited Liability Partnership Act, 2008 and having their office at \_\_\_\_\_

(Complete Address), (hereinafter referred to as the “Member”, which expression shall include their successors and assigns) /\*

M/s \_\_\_\_\_ Limited, incorporated as a company under the Companies Act, 1956 and having its registered office at \_\_\_\_\_

(Complete Address), (hereinafter referred to as the “Member”, which expression shall include its successors and assigns) \* is/are a Member of NCCL.

2. One of the conditions of Membership of NCCL is that the Member maintains with NCCL security deposit in the form of Cash Deposits, Bank Guarantees, FDRs and Government of India Securities of a value not less than Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_only) after applying suitable margins as prescribed by NCCL.
3. At the request of the Member, NCCL has agreed to accept a bank guarantee in lieu of security deposit in the form of Cash Deposits, Bank Guarantees, FDRs and Government of India Securities in favour of NCCL from an approved commercial bank for an equivalent amount of Rs. (Rupees \_\_\_\_\_only).
4. The Member has requested the Bank to furnish to NCCL a guarantee for Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_only).



5. The Bank Agrees to ensure that the security created for issuing bank guarantee will not belong to the clients of the Clearing Members (The foregoing restriction will not be applicable for proprietary funds of Stock broker's /Clearing member and Stock broker's proprietary funds deposited with Clearing member in the capacity of a client.)

**NOW IN CONSIDERATION OF THE FOREGOING,**

1. We, the \_\_\_\_\_ (Name of Bank) having a branch at \_\_\_\_\_ (Complete Address of Branch) at the request and desire of the Member do hereby irrevocably and unconditionally guarantee to pay a sum of Rs. \_\_\_\_\_, (Rupees \_\_\_\_\_ only) to NCCL as a security for due performance and fulfillment by the Member of his/her/its engagements, commitments, operations, obligations or liabilities as a Member of NCCL including any sums due by the Member to NCCL or any other party as decided by NCCL arising out of or incidental to any contracts made, executed, undertaken, carried on or entered into or purported so to be, by the Member. The Bank agrees and confirms that the said guarantee shall be available as a security for meeting, satisfying, discharging or fulfilling all or any obligation or liability of the Member as directed and decided by NCCL, with no reference to the Member.
2. The Bank hereby agrees that if in the opinion of NCCL, the Member has been or may become unable to meet, satisfy, discharge or fulfill any obligations, liability or commitments or any part thereof to NCCL, or its Clearing and Settlement mechanism /arrangement or to any other party as decided by NCCL, then without prejudice to the rights of NCCL under its Rules, Bye-laws or Regulations or otherwise, NCCL may at any time thereafter and without giving any notice to the Member invoke this guarantee to meet the aforesaid obligations, liabilities or commitments of the Member.
3. The Bank undertakes that it shall, on first demand of NCCL, without any demur, protest or contestation and without any reference to the Member and notwithstanding any contestation by the Member, pay to NCCL such sums no exceeding Rs \_\_\_\_\_ (Rupees \_\_\_\_\_ only) as may be demanded by NCCL. The decision of NCCL as to the obligations or liabilities or commitments of the Member and the amount claimed shall be final and binding on the Bank, and any demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this guarantee.
4. The guarantee shall be a continuing guarantee and remain operative in respect of each of the obligations, liabilities or commitments of the Member severally and may be enforced as such in the discretion of NCCL, as if each of the obligations, liabilities or commitments had been separately guaranteed by the Bank. The guarantee shall not be considered as cancelled or in any way affected on any demand being raised by NCCL but shall continue and remain in operation in respect of all subsequent obligations, liabilities or commitments of the Member.



# NCCL

NCDEX Group Company

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However the maximum aggregate liability of the Bank during the validity of the guarantee shall be restricted to an aggregate sum of Rs. \_\_\_\_\_ (Rupees) \_\_\_\_\_ only).

- a. Notwithstanding the above, the Bank notes that the nature of operations of the Member is such that the obligations, liabilities or commitments of the Member are of a continuing nature and as such, Bank agrees that this guarantee can be invoked by NCCL even in respect of the obligations, liabilities or commitments of the Member towards NCCL which might have arisen prior to the execution of this guarantee.
5. This guarantee shall not be prejudiced by the failure of the Member to comply with the Rules or Bye Laws or Regulations of NCCL or any terms and conditions attendant to the Membership of NCCL. NCCL shall be at liberty to vary, amend, change or alter any terms or conditions or its Rules or Bye Laws or Regulations of Membership to NCCL in general or as applicable to the Member in particular from time to time, without thereby affecting its rights against the Member or the Bank or any other security belonging to Member now or hereafter held or taken by NCCL at any time. The discretion to make demands under this guarantee shall exclusively be that of NCCL and NCCL is entitled to demand hereunder notwithstanding being in possession of any deposits or other securities of the Member.
6. The validity of this guarantee shall not be affected in any manner whatsoever if NCCL takes any action against the Member including DECLARATION OF DEFAULT, SUSPENSION or EXPULSION of the Member from the membership of NCCL.
7. We, \_\_\_\_\_ (indicate the name of bank) further agree with NCCL that the NCCL shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of membership of the Member, Rules, Bye Laws and/or Regulations or to extend time of performance by the said Member from time to time or to postpone for any time or from time to time any of the powers exercisable by the NCCL against the said Member and to forbear or enforce any of the terms and conditions relating to the membership and we shall not be relieved from our liability by reason of any such variation, or extension being granted to the said Member or for any forbearance, act or omission on the part of the NCCL or any indulgence by the NCCL to the said Member or by any such matter or thing whatsoever which under the law relating to sureties would, but for this provision, have effect of so relieving us.
8. This guarantee shall not be affected by any change to the constitution of NCCL or the Member or the Bank and it shall remain in force notwithstanding any forbearance or indulgence that may be shown by NCCL to Member.
9. The Bank undertakes to pay to NCCL, the amount hereby guaranteed within 24 hours of being served with a written notice requiring the payment of the amount either by hand delivery or by Registered Post or by Speed Post.
10. This guarantee may be invoked by NCCL in part(s) without affecting its rights to invoke this guarantee for any liabilities that may devolve later.



**NCCL**

NCDEX Group Company

11. The Bank undertakes not to revoke this guarantee during its currency except with the previous consent of NCCL in writing and this guarantee shall be a continuous and irrevocable guarantee upto a sum of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only).
12. Notwithstanding anything mentioned herein above, the liability of the Bank under this guarantee shall not exceed Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only) and it shall be valid for a period of \_\_\_\_\_ months i.e. up to \_\_\_\_\_.
13. The bank is liable to pay the guaranteed amount only if NCCL serves upon the Bank a written claim or demand on or before \_\_\_\_\_.

Executed this \_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ (place).

FOR \_\_\_\_\_ (BANK)

\_\_\_\_\_ (BRANCH)

AUTHORIZED SIGNATORIES

SEAL OF THE BANK

**\* Delete whichever is not applicable**

**Format 2 - Format of Bank Guarantee for Base Capital (Security Deposit) under Master Bank Agreement**

**Enclosed Bank Guarantee should be stamped as under:**

Non-Judicial stamp paper(s) or on paper franked from Stamp Office for Rs.500/- or the value prevailing in the State where executed, whichever is higher.

**The following is required to be typed on the Stamp Paper as the First Page and duly signed:**

This Non-Judicial Stamp paper of Rs. \_\_\_\_\_ Forms part and parcel of this Bank Guarantee Number \_\_\_\_\_ Dated \_\_\_\_\_ Issued in favour of NCCL by us for

M/s/Mr. \_\_\_\_\_.

FOR \_\_\_\_\_ (BANK)

\_\_\_\_\_ (BRANCH)

AUTHORIZED SIGNATORIES

SEAL OF THE BANK

- 1) The enclosed prescribed format is required to be used (prescribed formats are available at the website ([www.nccl.co.in](http://www.nccl.co.in))).
- 2) All the blanks in the format are required to be duly filled by the issuing bank along with their stamp and signature against each blank.
- 3) Each page of the bank guarantee should bear the bank guarantee number and issue date and should be signed by two authorized signatories of the bank.

To:

**National Commodity Clearing Limited**

1st Floor, Akruti Corporate Park,  
Near G.E. Garden, LBS Road,  
Kanjurmarg (W),  
Mumbai 400 078

Dear Sirs,

This guarantee bearing No. \_\_\_\_\_ is issued by \_\_\_\_\_, a body corporate constituted under the Companies Act 1956, and licensed as a bank under the Banking Regulation Act 1949 and having its Registered Office at (hereinafter referred to as the "Bank" and inter-alia a branch office at \_\_\_\_\_ "branch address" which term shall wherever the context so permits includes its successors and assigns) in favor of National Commodity Clearing Ltd, a company incorporated under the Companies Act, 1956 and having its registered office at \_\_\_\_\_ (hereinafter referred to as "NCCL" which expression shall include its successors and assigns).

Whereas

a. Mr./Ms. \_\_\_\_\_ s/o / d/o / w/o \_\_\_\_\_, residing at \_\_\_\_\_ and having his/her office at \_\_\_\_\_ (Complete Address), (hereinafter referred to as the "Member", which expression shall include his/her successors and assigns) /\* is/are a Member of NCCL.

OR

M/s \_\_\_\_\_, a partnership firm registered under the Indian Partnership Act, 1932 / Limited Liability Partnership Act, 2008 and having their office at \_\_\_\_\_ (Complete Address), (hereinafter referred to as the "Member", which expression shall include their successors and assigns) /\* is/are a Member of NCCL.

OR

M/s \_\_\_\_\_, incorporated as a company under the Companies Act, 1956/ Companies Act, 2013 and having its registered office at \_\_\_\_\_ (Complete Address), (hereinafter referred to as the "Member", which expression shall include its successors and assigns) \* is/are a Member of NCCL.

b. One of the conditions of Membership of NCCL is that the Member maintains with NCCL security deposit in the form of Cash deposits, Bank Guarantees, FDRs and Government of India Securities of a value not less than Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only) after applying suitable margins as prescribed by NCCL

c. At the request of the Member, NCCL has agreed to accept a bank guarantee in lieu of security deposit in favor of NCCL from an approved commercial bank for an equivalent amount of Rs.

\_\_\_\_\_ (Rupees \_\_\_\_\_ Only)

- d. The Member has requested the Bank to furnish to NCCL a guarantee for Rs. \_\_\_\_\_  
(Rupees \_\_\_\_\_ only)

Therefore, these presents:

1. This guarantee shall be governed by the terms and conditions of the Master Agreement dated \_\_\_\_\_ executed between the Bank and NCCL and the same shall form a part and parcel of this guarantee as though the same have been incorporated in this guarantee.
2. The liability of the Bank under this guarantee shall not e x c e e d Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only)
3. This guarantee shall be valid for a period of \_\_\_\_\_ months i.e. upto \_\_\_\_\_ (date). However, the Bank is liable to pay the guaranteed amount only if NCCL serves upon Bank a written claim or demand on or before \_\_\_\_\_ at the branch address mentioned above.
4. The Bank Agrees to ensure that the security created for issuing bank guarantee will not belong to the clients of the Clearing Members (The foregoing restriction will not be applicable for proprietary funds of Stock broker's /Clearing member and Stock broker's proprietary funds deposited with Clearing member in the capacity of a client.)

Executed this \_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_.

For «BANK\_NAME» (Bank)

Authorized Signatories

Seal of the Bank

**\* Delete whichever is not applicable**

**Format 3 - Format of Bank Guarantee for Additional Base Capital (Margin Deposit)**

**Enclosed Bank Guarantee should be stamped as under**

Non-Judicial stamp paper(s) or on paper franked from Stamp Office for Rs.500/- or the value prevailing in the State where executed, whichever is higher.

**The following is required to be typed on the Stamp Paper as the First Page and duly signed:**

This Non-Judicial Stamp paper of Rs.\_\_\_\_\_ Forms part and parcel of this Bank Guarantee number \_\_\_\_\_ Dated \_\_\_\_\_ Issued in favour of NCCL by us for M/s/Mr.\_\_\_\_\_.

FOR \_\_\_\_\_(BANK)

\_\_\_\_\_(BRANCH)

AUTHORIZED SIGNATORIES

SEAL OF THE BANK

1. The enclosed prescribed format is required to be used (prescribed formats are available on the website ([www.nccl.co.in](http://www.nccl.co.in)))
2. All the blanks in the format are required to be duly filled by the issuing bank along with their stamp and signature against each blank.
3. Each page of the bank guarantee should bear the bank guarantee number and issue date and should be signed by two authorized signatories of the bank.



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## GUARANTEE

This guarantee is issued by \_\_\_\_\_(bank), a body corporate constituted under the \_\_\_\_\_Act 19\_\_, having its Head Office at \_\_\_\_\_(hereinafter referred to as the “Bank” which term shall wherever the context so permits, includes its successors and assigns) in favour of NATIONAL COMMODITY CLEARING LIMITED , a company established under the Companies Act, 1956 and having its registered office at 1st Floor, Akruiti Corporate Park, Near G.E. Garden, LBS Road, Kanjurmarg (W), Mumbai 400 078 (hereinafter referred to as “NCCL” which expression shall include its successors and assigns),

### WHEREAS

1. Mr./Ms. \_\_\_\_\_s/o / d/o / w/o residing at \_\_\_\_\_and having his/her office at \_\_\_\_\_(Complete Address), (hereinafter referred to as the “Member”, which expression shall include his/her successors and assigns) /\* M/s \_\_\_\_\_, a firm registered under the provisions of the Companies Act, 2013/ Indian Partnership Act, 1932/ Limited Liability Partnership Act, 2008 and having their office at \_\_\_\_\_

(Complete Address), (hereinafter referred to as the “Member”, which expression shall include their successors and assigns) /\* M/s \_\_\_\_\_Limited, incorporated as a company under the Companies Act, 1956 and having its registered office at \_\_\_\_\_

(Complete Address), (hereinafter referred to as the “Member”, which expression shall include its successors and assigns) \* is/are a Member of NCCL.

2. One of the conditions of Membership of NCCL is that the Member maintains with NCCL margin deposits in the form of cash deposits, Bank Guarantees, FDRs and Government of India Securities of such after applying suitable margins as prescribed by NCCL.
3. At the request of the Member, NCCL has agreed to accept a bank guarantee in lieu of margin deposit, in favour of NCCL, from an approved commercial bank for an equivalent amount of Rs. (Rupees \_\_\_\_\_only).
4. The Member has requested the Bank to furnish to NCCL a guarantee for Rs. \_\_\_\_\_(Rupees \_\_\_\_\_only).
5. The Bank Agrees to ensure that the security created for issuing bank guarantee will not belong to the clients of the Clearing Members (The foregoing restriction will not be applicable for proprietary funds of Stock broker’s /Clearing members and Stock broker’s proprietary funds deposited with Clearing member in the capacity of a client.)

**NOW IN CONSIDERATION OF THE FOREGOING,**

1. We, the \_\_\_\_\_ (Name of Bank) having a branch at \_\_\_\_\_ (Complete Address of Branch) at the request and desire of the Member do hereby irrevocably and unconditionally guarantee to pay a sum of Rs. \_\_\_\_\_, (Rupees \_\_\_\_\_ only) to NCCL as a security for due performance and fulfillment by the Member of his/her/its engagements, commitments, operations, obligations or liabilities as a Member of NCCL including any sums due by the Member to NCCL or any other party as decided by NCCL arising out of or incidental to any contracts made executed, undertaken, carried on or entered into or purported so to be, by the Member. The Bank agrees and confirms that the said guarantee shall be available as a security for meeting, satisfying, discharging or fulfilling all or any obligation or liability of the Member as directed and decided by NCCL, with no reference to the Member.
2. The Bank hereby agrees that if in the opinion of NCCL, the Member has been or may become unable to meet, satisfy, discharge or fulfill any obligations, liability or commitments or any part thereof to NCCL, or its Clearing and Settlement mechanism /arrangement or to any other party as decided by NCCL, then without prejudice to the rights of NCCL under its Rules, Bye-laws or Regulations or otherwise, NCCL may at any time thereafter and without giving any notice to the Member invoke this guarantee to meet the aforesaid obligations, liabilities or commitments of the Member.
3. The Bank undertakes that it shall, on first demand of NCCL, without any demur, protest or contestation and without any reference to the Member and notwithstanding any contestation by the Member, pay to NCCL such sums not exceeding Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only) as may be demanded by NCCL. The decision of NCCL as to the obligations or liabilities or commitments of the Member and the amount claimed shall be final and binding on the Bank, and any demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this guarantee.
4. The guarantee shall be a continuing guarantee and remain operative in respect of each of the obligations, liabilities or commitments of the Member severally and may be enforced as such in the discretion of NCCL, as if each of the obligations, liabilities or commitments had been separately guaranteed by the Bank. The guarantee shall not be considered as cancelled or in any way affected on any demand being raised by NCCL but shall continue and remain in operation in respect of all subsequent obligations, liabilities or commitments of the Member. However the maximum aggregate liability of the Bank during the validity of the guarantee shall be restricted to an aggregate sum of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only).

- a. Notwithstanding the above, the Bank notes that the nature of operations of the Member is such that the obligations, liabilities or commitments of the Member are of a continuing nature and as such, Bank agrees that this guarantee can be invoked by NCCL even in respect of the obligations, liabilities or commitments of the Member towards NCCL which might have arisen prior to the execution of this guarantee.
5. This guarantee shall not be prejudiced by the failure of the Member to comply with the Rules or Bye Laws or Regulations of NCCL or any terms and conditions attendant to the Membership of NCCL. NCCL shall be at liberty to vary, amend, change or alter any terms or conditions or its Rules or Bye Laws or Regulations of Membership to NCCL in general or as applicable to the Member in particular from time to time, without thereby affecting its rights against the Member or the Bank or any other security belonging to Member now or hereafter held or taken by NCCL at any time. The discretion to make demands under this guarantee shall exclusively be that of NCCL and NCCL is entitled to demand hereunder notwithstanding being in possession of any deposits or other securities of the Member.
6. The validity of this guarantee shall not be affected in any manner whatsoever if NCCL takes any action against the Member including DECLARATION OF DEFAULT, SUSPENSION or EXPULSION of the Member from the membership of NCCL.
7. We, \_\_\_\_\_ (indicate the name of bank) further agree with NCCL that the NCCL shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of membership of the Member, Rules, Bye Laws and/or Regulations or to extend time of performance by the said Member from time to time or to postpone for any time or from time to time any of the powers exercisable by NCCL against the said Member and to forbear or enforce any of the terms and conditions relating to the membership and we shall not be relieved from our liability by reason of any such variation, or extension being granted to the said Member or for any forbearance, act or omission on the part of NCCL or any indulgence by NCCL to the said Member or by any such matter or thing whatsoever which under the law relating to sureties would, but for this provision, have the effect of so relieving us.
8. This guarantee shall not be affected by any change to the constitution of NCCL or the Member or the Bank and it shall remain in force notwithstanding any forbearance or indulgence that may be shown by NCCL to Member.
9. The Bank undertakes to pay to NCCL, the amount hereby guaranteed within 24 hours of being served with a written notice requiring the payment of the amount either by hand delivery or by Registered Post or by Speed Post.
10. This guarantee may be invoked by NCCL in part(s) without affecting its rights to invoke this guarantee for any liabilities that may devolve later.



**NCCL**

NCDEX Group Company

11. The Bank undertakes not to revoke this guarantee during its currency except with the previous consent of NCCL in writing and this guarantee shall be a continuous and irrevocable guarantee upto a sum of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only).
12. Notwithstanding anything mentioned herein above, the liability of the Bank under this guarantee shall not exceed Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only) and it shall be valid for a period of 12 months i.e. up to \_\_\_\_\_.
13. The bank is liable to pay the guaranteed amount only if NCCL serves upon the Bank a written claim or demand on or before \_\_\_\_\_

Executed this \_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ (place).

FOR \_\_\_\_\_ (BANK)

\_\_\_\_\_ (BRANCH)

AUTHORIZED SIGNATORIES

SEAL OF THE BANK

**\*Delete whichever is not applicable**

**Format 4 - Format of Bank Guarantee for Additional Base Capital (Margin Deposit) under Master Bank Agreement**

**Enclosed Bank Guarantee should be stamped as under:**

Non-Judicial stamp paper(s) or on paper franked from Stamp Office for Rs.500/- or the value prevailing in the State where executed, whichever is higher.

**The following is required to be typed on the Stamp Paper as the First Page and duly signed:**

This Non-Judicial Stamp paper of Rs. \_\_\_\_\_ forms part and parcel of this Bank Guarantee number \_\_\_\_\_ dated \_\_\_\_\_ issued in favour of NCCL by us for

M/s/Mr. \_\_\_\_\_.

FOR \_\_\_\_\_(BANK)

\_\_\_\_\_(BRANCH)

AUTHORIZED SIGNATORIES

SEAL OF THE BANK

- 1. The enclosed prescribed format is required to be used (prescribed formats are available on the website ([www.nccl.co.in](http://www.nccl.co.in)))**
- 2. All the blanks in the format are required to be duly filled by the issuing bank along with their stamp and signature against each blank.**
- 3. Each page of the bank guarantee should bear the bank guarantee number and issue date and should be signed by two authorized signatories of the bank.**

To:

**National Commodity Clearing Limited**

1st Floor, Akruiti Corporate Park,  
Near G.E. Garden, LBS Road,  
Kanjurmarg (W),  
Mumbai 400 078

Dear Sirs,

This guarantee bearing No. \_\_\_\_\_ is issued by \_\_\_\_\_, a body corporate constituted under the Companies Act 1956, and licensed as a bank under the Banking Regulation Act 1949 and having its Registered Office at \_\_\_\_\_ (hereinafter referred to as the "Bank" and a interalia branch office at \_\_\_\_\_ "branch address" which term shall wherever the context so permits includes its successors and assigns) in favor of National Commodity Clearing Ltd, a company incorporated under the Companies Act, 1956 and having its registered office at \_\_\_\_\_ (hereinafter referred to as "NCDEXNCCL" which expression shall include its successors and assigns).

Whereas

a. Mr./Ms. \_\_\_\_\_ s/o / d/o / w/o \_\_\_\_\_, residing at \_\_\_\_\_ and having his/her office at \_\_\_\_\_ (Complete Address), (hereinafter referred to as the "Member", which expression shall include his/her successors and assigns) /\* is/are a Member of NCCL.

OR

M/s \_\_\_\_\_, a partnership firm registered under the Indian Partnership Act, 1932/ Limited Liability Partnership Act, 2008 and having their office at \_\_\_\_\_ (Complete Address), (hereinafter referred to as the "Member", which expression shall include their successors and assigns) /\* is/are a Member of NCCL.

OR

M/s \_\_\_\_\_ Incorporated as a company under the Companies Act, 1956/ Companies Act, 2013 and having its registered office at \_\_\_\_\_ (Complete Address), (hereinafter referred to as the "Member),

which expression shall include its successors and assigns) \* is/are a Member of NCCL.

- b. One of the conditions of Membership of NCCL is that the Member maintains with NCCL margin deposit in the form of Cash deposits, Bank Guarantees, FDRs and Government of India Securities of such value after applying suitable margins as prescribed by NCCL
- c. At the request of the Member, NCCL has agreed to accept a bank guarantee in lieu of margin deposit, in favor of NCCL, from an approved commercial bank for an equivalent amount of Rs. (Rupees Only)
- d. The Member has requested the Bank to furnish to NCCL a guarantee for Rs. \_\_\_\_\_ (Rupees

\_\_\_\_\_ Only)

Therefore these presents:

1. This guarantee shall be governed by the terms and conditions of the Master Agreement dated \_\_\_\_\_ executed between the Bank and NCCL and the same shall form a part and parcel of this guarantee as though the same have been incorporated in this guarantee.
2. The liability of the Bank under this guarantee shall not exceed Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ Only)
3. This guarantee shall be valid for a period of \_\_\_\_\_ months i.e. upto \_\_\_\_\_ (date). However, the Bank is liable to pay the guaranteed amount if NCCL serves upon Bank a written claim or demand on or before at the branch address mentioned above.
4. The Bank Agrees to ensure that the security created for issuing bank guarantee will not belong to the clients of the Clearing Members (The foregoing restriction will not be applicable for proprietary funds of Stock broker's /Clearing member and Stock broker's proprietary funds deposited with Clearing member in the capacity of a client.)

Executed this \_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_.

For «BANK\_NAME» (Bank)

Authorized Signatories

Seal of the Bank

**\* Delete whichever is not applicable**

**Format 5 - Format for Renewal of Bank Guarantee for Base Capital (Security Deposit) or Additional Base Capital (Margin Deposit)**

**Enclosed Bank Guarantee should be stamped as under:**

Non-Judicial stamp paper(s) or on paper franked from Stamp Office for Rs.500/- or the value prevailing in the State where executed, whichever is higher

**The following is required to be typed on the Stamp Paper as the First Page and duly signed**

This non-judicial stamp paper of Rs. \_\_\_\_\_/- forms part and parcel of this extension letter dated \_\_\_\_\_ for Bank guarantee bearing no \_\_\_\_\_ dated \_\_\_\_\_ issued in favour of NCCL by us for M/s/ Mr. / Ms \_\_\_\_\_.

FOR \_\_\_\_\_(BANK)

\_\_\_\_\_(BRANCH)

AUTHORIZED SIGNATORIES

SEAL OF THE BANK

- 1. The enclosed prescribed format is required to be used (prescribed formats are available at the website ([www.nccl.co.in](http://www.nccl.co.in)))**
- 2. All the blanks in the format are required to be duly filled by the issuing bank along with their stamp and signature against each blank.**
- 3. Each page of the bank guarantee should bear the bank guarantee number and issue date and should be signed by two authorized signatories of the bank.**



To,

**National Commodity Clearing Limited**

1st Floor, Akruiti Corporate Park,  
Near G.E. Garden, LBS Road,  
Kanjurmarg (W),  
Mumbai 400 078

We, \_\_\_\_\_ (Bank) having our registered office at \_\_\_\_\_ and our branch office at \_\_\_\_\_ refer to the Bank Guarantee number \_\_\_\_\_ executed by us on the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_ at \_\_\_\_\_ (hereinafter referred to as "said guarantee") on account of Mr./Ms./M/s. \_\_\_\_\_ having his/her/its/registered office at \_\_\_\_\_ (herein after referred to as a 'Member') for a sum of Rs \_\_\_\_\_ (Rupees \_\_\_\_\_ only) in your favour.

The validity of the said guarantee was upto \_\_\_\_\_.

With reference to the same we state as under:

At the request of the Member, we extend the period of the validity of the said guarantee up to \_\_\_\_\_.

The said guarantee may be invoked by NCCL in part(s) without affecting its rights to invoke the said guarantee for any liabilities that may devolve later.

Notwithstanding anything mentioned herein above,

- a. The liability of the Bank under this guarantee shall not exceed Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only)
- b. This guarantee shall be valid for a period of ..... months i.e. upto \_\_\_\_\_.
- c. The bank is liable to pay the guaranteed amount only if NCCL serves upon the Bank a written claim or demand on or before \_\_\_\_\_.
- d. The Bank Agrees to ensure that the security created for issuing bank guarantee will not belong to the clients of the Clearing Members (The foregoing restriction will not be applicable for proprietary funds of Stock broker's /Clearing member and Stock broker's proprietary funds deposited with Clearing member in the capacity of a client.)



**NCCL**

NCDEX Group Company

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We hereby affirm and confirm that save and except to the extent as provided for herein above, the said guarantee together with all other terms and conditions therein shall remain operational and in full force and effect.

Signed for and on behalf of \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_.

FOR \_\_\_\_\_ (BANK)

\_\_\_\_\_ (BRANCH)

AUTHORIZED SIGNATORIES

SEAL OF THE BANK

**Format 6 - Format for Renewal of Bank Guarantee for Base Capital (Security Deposit) or Additional Base Capital (Margin deposit) under Master Bank Agreement**

**Enclosed Bank Guarantee should be stamped as under:**

Non-Judicial stamp paper(s) or on paper franked from Stamp Office for Rs.500/- or the value prevailing in the State where executed, whichever is higher.

**The following is required to be typed on the Stamp Paper as the First Page and duly signed**

This non-judicial stamp paper of Rs. \_\_\_\_\_/- forms part and parcel of this extension letter dated \_\_\_\_\_ for Bank guarantee bearing no \_\_\_\_\_ dated

\_\_\_\_\_ issued in favour of National Commodity Clearing Limited (NCCL) by us for M/s/ Mr. / Ms \_\_\_\_\_.

FOR \_\_\_\_\_(BANK)

\_\_\_\_\_(BRANCH)

AUTHORIZED SIGNATORIES

SEAL OF THE BANK

- 1) The enclosed prescribed format is required to be used (prescribed formats are available at the website ([www.nccl.co.in](http://www.nccl.co.in)))**
- 2) All the blanks in the format are required to be duly filled by the issuing bank along with their stamp and signature against each blank.**
- 3) Each page of the bank guarantee should bear the bank guarantee number and issue date and should be signed by two authorized signatories of the bank and stamp of the bank).**

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

To,

**National Commodity Clearing Ltd.**

1st Floor, Akruti Corporate Park,  
Near G.E. Garden, LBS Road,  
Kanjurmarg (W),  
Mumbai 400 078

We,\_\_\_\_\_ (Bank) having our registered office at\_\_\_\_\_ and inter-alia a branch office at\_\_\_\_\_ refer to the Bank Guarantee number:\_\_\_\_\_ executed by us under master agreement dated\_\_\_\_\_ on the\_\_\_\_\_ day of (hereinafter referred to as "Said Guarantee") on account of Mr. / Ms./ M/s. \_\_\_\_\_ having his/her/ its/registered office at\_\_\_\_\_ (hereinafter referred to as a 'Member') for a sum of Rs \_\_\_\_\_ (Rupees \_\_\_\_\_ only) in your favor.

The validity of the Said Guarantee was upto\_\_\_\_\_.

With reference to the same we state as hereunder:

We now at the request of the Member further extend the period of validity of the Said Guarantee upto\_\_\_\_\_.

The Said Guarantee may be invoked by National Commodity Clearing Ltd (NCCL) in part(s) without affecting its rights to invoke the Said Guarantee for any liabilities that may devolve later.

Notwithstanding anything mentioned herein above,

- a. The liability of the Bank under this guarantee shall not exceed Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only).
- b. This guarantee shall be valid for a period of \_\_\_\_\_ months i.e. upto\_\_\_\_\_.
- c. The Bank is liable to pay the guaranteed amount only if NCCL serves upon the Bank a written claim or demand on or before\_\_\_\_\_ at the branch address mentioned above (i.e. within \_\_\_\_\_ months after the date of expiry of the bank guarantee as mentioned in clause b above).
- d. The Bank Agrees to ensure that the security created for issuing bank guarantee will not belong to the clients of the Clearing Members (The foregoing restriction will not be applicable for proprietary funds of Stock broker's /Clearing member and Stock broker's proprietary funds deposited with Clearing member in the capacity of a client.)

We hereby affirm and confirm that save and except to the extent as provided for herein above, the Said Guarantee together with all other terms and conditions therein shall remain operational and in full force and effect till\_\_\_\_\_.



**NCCL**

NCDEX Group Company

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Signed for and on behalf of «BANK\_NAME» on this «RENEWAL\_DAY» day of  
«RENEWAL\_MTH\_YEAR» at «RENEWAL\_PLACE».

FOR «BANK\_NAME» (BANK)

«BANK\_BRN\_OFF» (BRANCH)

AUTHORIZED SIGNATORIES

SEAL OF THE BANK

**Format 7 - Format for Member letter submission of Fixed Deposit Receipt towards Base Capital / Additional Base Capital (on the letter head)**

Date:

To:

**National Commodity Clearing Limited**

1st Floor, Akruti Corporate Park,  
Near G.E. Garden, LBS Road,  
Kanjurmarg (W),  
Mumbai 400 078

Dear Sir,

Ref: Cm Code - \_\_\_\_\_

TM Code - \_\_\_\_\_

As required by National Commodity Clearing Limited (NCCL) and in compliance of its NCCL Rules, Bye-laws, Regulations and/or circulars, notifications issued from time to time, we are required to furnish you (tick whichever is applicable)

Base Capital

Additional Base Capital

in the form prescribed.

Accordingly, we have furnished the same in the form of FDR placed with \_\_\_\_\_ Bank, issued as "NATIONAL COMMODITY CLEARING LIMITED" - A/c (Member Name) for Rs. \_\_\_\_\_.

The details of the FDR are as under:

FDR No.	Bank Name	Issue Date	Amount in Rs.	Maturity Date

I / We hereby agree and consent that you i.e., NCCL, shall have an irrevocable authority to encash or renew the said FDR and to withdraw the said FDR amount at any time, even prior to maturity without notice to me / us for recovery / adjustment of National Commodity Clearing Limited (NCCL) and/or National Commodity & Derivatives Exchange Limited (NCDEX) dues and/or any liability/obligation arising out of transactions/deals and/ or any non-compliance of any Rules , Bye-laws, Regulations of and/or circulars, notifications issued from time to time by NCCL/NCDEX subject to meeting the outstanding margin obligation of Clearing member and we have no objection whatsoever to the same.

I/We undertake and confirm that the FDR submitted by me/us is/are not funded by the Bank in any manner whatsoever.

I / We agree that you may renew the FDR for periods of \_\_\_\_\_ month / year each time till the FDR is released by you.



**NCCL**  
NCDEX Group Company

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I / We agree that on the encashment of FDR, you will be entitled to the interest accrued on the said FDR and you are hereby authorised to receive the accrued interest from the Bank along with the principal amount (FDR amount) payable.

Yours faithfully,

Authorized Signatory (*Seal and Signature*)

Name:

Designation:

**Format 8 - Format of Letter to be provided by the Bank Issuing the FDR to NCCL (In case of Base Capital and Additional Base Capital)**

Date:

To:

**National Commodity Clearing Limited**

1st Floor, Akruiti Corporate Park,  
 Near G.E. Garden, LBS Road,  
 Kanjurmarg (W),  
 Mumbai 400 078

Dear Sir,

We refer to the fixed deposit receipt (FDR) issued in the name of NATIONAL COMMODITY CLEARING LIMITED - A/c - \_\_\_\_\_ (Member Name) (hereinafter referred as "Member"). Details are as under:

FDR No.	Issue Date	Amount (in Rs.)	Maturity Date

We hereby agree and confirm that

1. The FDR is lien marked in favour of National Commodity Clearing Limited (NCCL) and NCCL shall have explicit precedence on the FDR funds over every other stakeholder, including over the bank providing the FDR.
2. There is no lock in period for encashment of the said FDR.
3. The amount under the said FDR would be paid to you on demand, at any time, upon maturity of the said FDR or before maturity of the said FDR without any reference to the above Member.
4. Encashment whether premature or otherwise would not require any reference/clearance from any other authority / person.
5. We agree that upon encashment of FDR by you, the interest accrued thereon will also be released to you.
6. The Principal amount of the FDR shall remain protected throughout the tenure, notwithstanding any possible pre-termination costs incurred by the Bank.
7. We agree that the FDR will be renewed for such periods as per the instructions of the Member or National Commodity Clearing Limited (NCCL).
8. The said FDR is not funded by us in any manner whatsoever.

Yours faithfully,

Authorised Signatory (*Seal and Signature*)

\_\_\_\_\_ Bank Ltd

(Branch Address)



**Format 9 - Format of letter to be provided by Bank for renewal of FDR to NCCL - when there is no change in FDR number.**

Date:

To:

**National Commodity Clearing Limited**

1st Floor, Akruvi Corporate Park,  
 Near G.E. Garden, LBS Road,  
 Kanjurmarg (W), Mumbai 400 078

Dear Sir,

We refer to the fixed deposit receipt (FDR) issued, in the name of National Commodity Clearing Limited - A/c \_\_\_\_\_ (member name) (hereinafter referred to as "Member"). Details are as under.

FDR No	Issue Date	Amount (in Rs.)	Maturity Date

The above FDR have been renewed for further period of \_\_\_\_\_ months on the request of the Member /NCCL. Details are as follows.

Renewal Date	Amount (in Rs.)	New Maturity Date

We hereby agree and confirm that

1. The FDR is lien marked in favour of National Commodity Clearing Limited (NCCL) and NCCL shall have explicit precedence on the FDR funds over every other stakeholder, including over the bank providing the FDR.
2. There is no lock in period for encashment of the said FDR.
3. The amount under the said FDR would be paid to you on demand, at any point of time upon maturity of the said FDR or before maturity of the said FDR without any reference to the above Member.
4. Encashment whether premature or otherwise would not require any reference/clearance from any other authority / person.
5. We agree that on encashment of FDR by you, the interest thereon accrued will also be released to you.
6. The Principal amount of the FDR shall remain protected throughout the tenure, notwithstanding any possible pre-termination costs incurred by the Bank.
7. We agree that the FDR will be renewed for such periods as per the instructions of the Member or National Commodity Clearing Limited (NCCL).

8. Old FDR with same FDR number will remain valid unless revoked and shall be deemed to be renewed as above.
9. The said FDR is not funded by us in any manner whatsoever.

Yours faithfully,

Authorized Signatory (*Seal and Signature*)

\_\_\_\_\_ Bank Ltd

(Branch Address)

**Format 10 - Format of letter to be provided by bank for renewal of FDR to NCCL - when there is change in FDR number.**

Date:

To:

**National Commodity Clearing Limited**

1st Floor, Akruiti Corporate Park,  
 Near G.E. Garden, LBS Road,  
 Kanjurmarg (W), Mumbai 400 078

Dear Sir,

We refer to the fixed deposit receipt (FDR) issued, in the name of National Commodity Clearing Limited - A/c \_\_\_\_\_ (member name) (hereinafter referred as "Member"). Details are as under.

FDR No	Issue Date	Amount (in Rs.)	Maturity Date

The above FDR have been renewed for further period of \_\_\_\_\_ months on the request of the Member /NCCL. Details are as follows.

New FDR No.	Renewal Date	New Maturity Date	Amount (in Rs.)

We hereby agree and confirm that

1. The FDR is lien marked in favour of National Commodity Clearing Limited (NCCL) and NCCL shall have explicit precedence on the FDR funds over every other stakeholder, including over the bank providing the FDR.
2. There is no lock in period for encashment of the said FDR.
3. The amount under the said FDR would be paid to you on demand, at any point of time upon maturity of the said FDR or before maturity of the said FDR without any reference to the above Member.
4. Encashment whether premature or otherwise would not require any reference/clearance from any other authority / person.
5. We agree that on encashment of FDR by you, the interest accrued thereon will also be released to you.
6. The Principal amount of the FDR shall remain protected throughout the tenure, notwithstanding any possible pre-termination costs incurred by the Bank.
7. We agree that the FDR will be renewed for such periods as per the instructions of the Member or National Commodity Clearing Limited (NCCL).
8. Old instrument will remain valid unless revoked. and new instrument with new FDR No. \_\_\_\_\_ is issued.



9. The said FDR is not funded by us in any manner whatsoever.

Yours faithfully,

Authorized Signatory (*Seal and Signature*)

\_\_\_\_\_ Bank Ltd

(Branch Address)

**Format 11 - Format of confirmation letter to be given by the bank issuing the Bank Guarantee / Fixed Deposit Receipts**

Date:

To:

**National Commodity Clearing Limited**

1st Floor, Ackruti Corporate Park,  
Near G.E. Garden, LBS Road,  
Kanjurmarg (W),  
Mumbai 400 078  
Dear Sir/Madam,

Sub: Confirmation of Bank Guarantee / Fixed Deposit Receipt issued by our bank

Following Bank Guarantee / Fixed Deposit Receipt is being issued by our bank in favour of National Commodity Clearing Limited on account of.....(Member Name).

Bank Name:

Branch Name:

BG No.:

Amt. (In Rs.):

Amt. (In Words):

Issue Date:

Maturity Date:

Claim Date:

We confirm the issuance of Bank Guarantee / Fixed Deposit Receipt including the particulars mentioned above.

Thanking you,

Yours faithfully,  
Authorised Signatory

**Format 12 - Format of Letter for release of BG / FDR placed towards Base Capital / Additional Base Capital**

Date:

To:

**National Commodity Clearing Limited**

1st Floor, Akruiti Corporate Park,  
Near G.E. Garden, LBS Road,  
Kanjurmarg (W),  
Mumbai 400 078

Dear Sir / Madam:

Sub: Release of Bank Guarantee / Fixed Deposit Receipt given towards Base Capital / Additional Base Capital

You are requested to release the following Bank Guarantee / Fixed Deposit Receipt submitted earlier towards Base Capital /Additional Base Capital:

<b>Sr. No.</b>	<b>BG / FDR No.</b>	<b>Issue Date</b>	<b>Maturity Date</b>	<b>Claim Date (In case of BG)</b>	<b>Amt. in Rs</b>

We hereby authorize Mr.\_\_\_\_\_having PAN Card No.\_\_\_\_\_to collect the above BG/FD (only in case of hand delivery)

Yours faithfully,

Authorized Signatory

Name:

Designation

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**Format 13 - Format of the Letter to be given by the Member for release of Cash Deposit towards Base Capital / Additional Base Capital**

Date:

To:

**National Commodity Clearing Limited**

1st Floor, Ackruti Corporate Park,  
Near G.E. Garden, LBS Road,  
Kanjurmarg (W),  
Mumbai 400 078

Dear Sir/ Madam:

Sub: Request for Cash Release Submitted towards Base Capital/Additional Base Capital

Member Name: \_\_\_\_\_

Member Code:

Account No:

Bank Name:

You are requested to release an amount of "Rs. \_\_\_\_\_ (\_\_\_\_\_ in words)" from the Base Capital / Additional Base Capital and credit to my Account as mentioned above.

Kindly note that the same is not being used towards margins.

Yours faithfully,

Authorized Signatory

Name:

Designation:

**Format 14 – Format of covering letter for Margin Pledge Account (On Clearing Member Letter Head)**

To

Date

**National Commodity Clearing Limited**

1st Floor, Akruti Corporate Park,  
Near G.E. Garden, LBS Road,  
Kanjurmarg (W),  
Mumbai 400 078

**Sub: Registration for placing securities using margin pledge facility**

Dear Sir,

Member Name - \_\_\_\_\_

Clearing Member Code - \_\_\_\_\_

1. We wish to avail the facility of placing client and/or trading member securities as collaterals using margin pledge facility of depositories from our below-mentioned depository account

DP ID	DP Name	Beneficiary account

2. We confirm that above mentioned account shall be solely used for the purpose of pledging/re-pledging securities in favour of National Commodity Clearing Limited (NCCL)
3. Following documents are enclosed herewith
  - a) Client master for above mentioned depository account
  - b) Pledge deed
  - c) Copy of Board Resolution with List of authorized signatories who are authorized to sign deed of pledge
4. We further hereby undertake to abide by such other or further guidelines / instructions as may be communicated / prescribed by NCCL from time to time.

Yours faithfully

Authorised Signatory

Encl – as above



**Format 15 – Format of deed of pledge for clearing member for deposit of securities as collaterals**

**To be executed on Non Judicial Stamp Paper of Rs 600/- or in accordance with the stamp duty rates applicable at the place of execution, whichever is higher.**

This Deed of Pledge (hereinafter referred to as “this Deed”) is executed at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 20 by \_\_\_\_\_, s/o / d/o / w/o \_\_\_\_\_ residing at \_\_\_\_\_ and having its office at \_\_\_\_\_  
\_\_\_\_\_ \*

M/s \_\_\_\_\_, a partnership firm registered under the Indian Partnership Act, 1932

\_\_\_\_\_, the Limited Liability Partnership, formed under the Limited Liability Partnership Act, 2008 and registered under the Companies Act, 2013 having its registered office at \_\_\_\_\_

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

(hereinafter referred to as “Member” which expression shall unless repugnant to the context thereof include its successors, administrators and assigns) in favour of National Commodity Clearing Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 1<sup>st</sup> Floor, Akruti Corporate Park, LBS Road, Kanjurmarg West, Mumbai – 400078 (hereinafter referred to as “NCCL which expression shall unless repugnant to the context thereof, include its successors and assigns).

**WHEREAS**

- a) The Member is admitted to the Membership of NCCL.
- b) One of the requirement of Membership is that the Member, if desirous of availing exposure, shall maintain with NCCL, Additional base capital/margin deposits (hereinafter referred to as “margin deposits” for the sake of brevity) in the form of cash, bank guarantees, Approved Securities or Commodities for the due performance and fulfillment by him/it of his/its engagements, commitments, operations, obligations or liabilities as Member including any sums due by such member to NCCL or any other party as decided by NCCL arising out of or incidental to any contracts/transaction made, executed, undertaken, carried out or entered into by such member.
- c) In terms of Securities and Exchange Board of India (SEBI) Circular No. SEBI/HO/MIRSD/DOP/CIR/P/2020/28 dated February 25, 2020 and NCCL Circular No. NCCL/COMPLIANCE-002/2020 dated February 26, 2020, With effect from June 01, 2020, TM / CM shall, inter alia, accept collateral from clients in the form of securities, only by way of ‘margin pledge’, created in the Depository system in accordance with Section 12 of the Depositories Act, 1996 read

with Regulation 79 of the SEBI (Depositories and Participants) Regulations, 2018 and the relevant Bye Laws of the Depositories.

- d) The Member is desirous of availing such exposure by placing with NCCL, margin deposits in the form of securities subject to such terms and conditions as may be stipulated by NCCL.
- e) Securities to be deposited by the Member for the purpose shall be in dematerialized form with such custodian/s acting as depository participants as may be determined by NCCL from time to time.

NOW THIS DEED WITNESSETH AS FOLLOWS:

1. In consideration of NCCL having agreed to accept Demat Securities as approved by it towards margin deposits to an extent of Rs.\_\_\_\_\_/ - (Rupees\_\_\_\_only), the Member hereby pledges such Demat Securities (hereinafter referred to as "Securities") and shall include all and any Securities and quantity of Securities as may be deposited from time to time in addition, substitution or replacement thereof favoring NCCL as security for due performance and fulfillment by the Member of all his/its engagements, commitments, operations, obligations or liabilities as a Member of NCCL including any sums due by the Member to NCCL or any other party as decided by NCCL, arising out of or incidental to any contracts/transaction made, executed, undertaken, carried out or entered into by the Member.
2. The Member shall place such Securities in the absolute disposition of NCCL or such Custodian/Depository Participant if any, as may be appointed by NCCL for the purpose, in such manner as required by NCCL and such disposition shall be indisputable notwithstanding the fact that the Member may be permitted to have access to the such Securities in the manner and subject to such terms and conditions as determined by NCCL from time to time. The Member confirms, affirms and covenants with NCCL that he/it shall do all such acts and things, sign such documents and pay and incur such costs, debts and expenses as may be necessary without prejudice to any other obligations, liabilities, duties which he/it owes as a Member.
3. For the purpose of the clauses (1) and (2), and for the purpose of this Deed, the term "Securities" shall mean all the securities lying in the Depository Account No.\_\_\_\_\_(hereinafter referred to as "Account") with the custodian/depository participant and shall include all securities given in addition, substitution or replacement of the securities in the said Account. All securities lying in the said Account shall be deemed to have been pledged at all times with NCCL by virtue of this Deed.
4. (a) The Member declares and assures that all the Securities being pledged is in existence, owned by him/it and free from any prior charge, lien or encumbrance and further undertakes to ensure that all the Securities added in the said Account after the date hereof shall be in existence and owned by him/it at the time of creation of such pledge and shall be unencumbered, absolute and exclusive disposable property of the Member.  
  
(b) The Clearing Member is permitted to pledge the securities owned by clients in accordance with the provisions of the SEBI Circular Ref: SEBI/HO/MIRSD/DOP/CIR/P/2020/28 dated February 25, 2020 and such other circulars issued by SEBI in this regard from time to time. Such pledged

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Securities belonging to clients shall be dealt with by NCCL in accordance with the provisions of the SEBI Circulars as may be applicable.

5. The Member agrees and undertakes that he/she/it shall not without the prior written permission of NCCL create any charge, lien or encumbrance of any kind upon or over the Securities hereby pledged or those which may hereafter be pledged except to NCCL, that the Member shall not suffer any such charge, lien or encumbrance that may in any way affect the Securities or any part thereof, and further undertakes that he/she/it shall not do or allow anything to be done that may prejudice the Securities pledged hereunder while he/she/it remains liable to NCCL in any manner.
6. The Member agrees, declares and undertakes that he/it shall be bound and shall abide by the terms and conditions as prescribed by NCCL for the pledge/deposit of securities in dematerialized form as security towards margin deposits as formulated and determined by NCCL in relation to margin deposits, or such other requirements either in their existing form or as may be modified/changed/alterd/amended from time to time pursuant to requirement/compliance of Membership.
7. The Member agrees and hereby authorizes that if in the opinion of NCCL, the Member has failed to perform and/or fails to fulfil his/its engagements, commitments, operations, obligations or liabilities as a Member of NCCL including payment of any sums due by him/it to NCCL or to any other party arising out of or incidental to any contracts/transaction made, executed, undertaken, carried out or entered into by him/it, then the Member agrees that NCCL may invoke the pledge created hereby and thereafter, upon giving one working day notice to the Member, shall be empowered/entitled to, sell, dispose of or otherwise effect any other transfer of the Securities in such manner and subject to such terms and conditions as it may deem fit and that the money if any realized from such sale/disposal/or other transfer shall be utilized towards dues/may be disbursed by NCCL in such manner as may be prescribed and subject to terms and conditions as it may deem fit and further the Member shall do all such things, deeds, acts and execute all such documents as are necessary to enable NCCL to effect such sale/disposal/or other transfer. The decision of NCCL as to the failure of Member to perform or fulfill his/its obligations or liabilities or commitments of the Member and the amount claimed shall be final and binding on the Member. The Member agrees that one working day notice mentioned above shall be deemed to be a reasonable notice subject to Regulatory guidelines/directives if any, as this pledge of securities is being accepted as margin deposits by NCCL in lieu of cash deposits or bank guarantees and which can be invoked forthwith upon any amount becoming due and appropriated under the Rules, Bye-laws and Regulations of NCCL. The Member agrees that upon invocation of pledge by NCCL, the pledged Securities shall be transferred to the account of NCCL or to the account of any person or entity as may be identified or directed by NCCL without any further authority or consent required from the Member and such irrevocable authority is granted by the Member hereby and the transferee of such Securities shall be entitled to all the rights of ownership in respect of the pledged Securities.

8. The Member shall not, except with the previous consent of NCCL, withdraw or seek release of Securities pledged favoring NCCL and forming part of the pledged Security hereunder and NCCL shall not be under any obligation to release the pledged Security unless the equivalent value as secured by the pledged Securities is paid to NCCL in cash deposit or in a form acceptable to NCCL or unless security of equivalent value as may be acceptable to NCCL is substituted for the pledged Security so withdrawn. Release of the pledged Security shall be obtained by the Member only after payment of all necessary charges applicable including but not limited to the depository charges.
9. The Member shall be bound by the valuation methods as adopted by NCCL from time to time in respect of the Security pledged or to be pledged by and/or under these presents. Such value of the Security as determined by NCCL in such time intervals stipulated by NCCL shall be final and binding on the Member and the Member shall maintain the pledged Security holding equivalent to the required value at all times. In the event of the market value of the pledged Security for the time being becoming less than the aggregate balance due or the margin deposit/security stipulated by NCCL, the Member shall either provide further Security as approved by NCCL or such other securities/collateral as approved by NCCL or by cash payment immediately on demand.
10. The Securities pledged shall be available at the disposal of NCCL as a continuing security and shall remain available for and in respect of all the obligations, liabilities or commitments of the Member jointly or severally and may be utilized as such in the discretion of NCCL, as if each of the obligations, liabilities or commitments is secured by the Securities. This Deed shall not be considered as cancelled or in any way affected upon the utilization or realization by NCCL of the Securities for meeting any specific obligation, liability or commitment of the Member or upon withdrawal of Security by the Member and shall continue and remain in operation in respect of all subsequent obligations, liabilities or commitments of the Member.
11. The Member agrees to be bound by the instructions of NCCL either to the Member itself or the Custodian or the Depository Participant/Depository as the case may be, in respect of creation of pledge, invocation of pledge, restriction, release or transfer thereof, transfer of securities or sale of securities arising out of any obligations of the Member as referred hereinabove and the Member further agrees that NCCL shall not be bound to notify the Member in case of invocation of pledge created by the Member by these presents.
12. The Member shall be released from his/its obligations, liabilities under this Deed only when NCCL, in writing, expressly provides for the release of the Securities.
13. The Member agrees that NCCL shall be entitled to sell, negotiate or otherwise transfer the Securities and for the purpose, agrees to furnish all necessary information, execute appropriate and prescribed transfer documents and/or any other necessary documents as may be required/prescribed by NCCL from time to time, wherever applicable or provide such other endorsements as may be required. The Member further agrees that NCCL shall be entitled to receive from the Member all expenses, costs, levies etc. incurred by NCCL/Custodian for the aforesaid purposes including costs/charges towards appointment of any agent or intermediary.

14. The Member agrees to pay promptly all such fees, charges and/or costs pertaining to pledge of the Securities to the Custodian / NCCL and/or the Depository Participant and to execute such further documents whether of a legal nature or otherwise as may be required by NCCL /Custodian for the purpose of giving effect to the provisions of this Deed and also the Scheme for the Deposit of Securities in dematerialized form.
15. In the event of default by the Member to make payments due when called for or on the Member becoming/being adjudicated insolvent, it shall be lawful for NCCL to forthwith or at any time thereafter, without any notice whatsoever to the Member and without prejudice to any other right of NCCL, sell or otherwise dispose of the pledged Security either wholly or in part and apply the net proceeds of such sale in or towards liquidation of dues owed/owing by the Member to NCCL/ Custodian/ Depository Participant (DP's) /any of its clients or such other intermediary as permitted or prescribed by NCCL.
16. If the net sum realized by such sale is insufficient to meet the balance due, NCCL shall be at liberty to apply any other money lying with it standing to the credit or belonging to the Member towards liquidation of the dues. In the event of such application of moneys still being insufficient to meet the dues, the Member hereby agrees to meet such shortfall provided always that nothing herein contained shall be deemed to negate, qualify restrict or otherwise prejudicially affect the rights of NCCL to recover all sums due from the Member notwithstanding that all or any of the margin deposits may not have been realized or appropriated.
17. The Member agrees that the deposit of the Securities and the pledge thereof shall not be affected in any manner whatsoever if NCCL takes any action against the Member including suspension or expulsion or declaration of the Member as a defaulter.
18. The Member agrees to accept as conclusive proof the correctness of the account made out from the books of NCCL and signed by any of its employees without production of any other voucher, document or paper.
19. NCCL shall have the right but not obliged, to hold all the Securities pledged hereunder by way of margin deposits for all indebtedness or liability of the Member singly or jointly in any capacity whatsoever, and whether such liability has become due or not, and it is understood and agreed that so long as any liability is due or liability to be due from the Member to NCCL/ Custodian/ DP's/any of its clients, NCCL shall not be required to return the pledged Security.
20. The Member agrees that NCCL shall not be under any liability whatsoever to the Member or any other person for any loss, damage, expenses, costs etc., arising out of the deposit of the Securities or dealing with them under these presents, in any manner, due to any cause, whatsoever, irrespective of whether the Securities are in the possession of NCCL at the time of such loss or damage or the happening of the cause thereof. NCCL shall not be responsible for any loss occurring due to any act or default of any brokers or such other agents employed for the sale of the pledged Security on account of invocation of pledge. The Member shall at all times indemnify and keep indemnified NCCL from and against all suits, proceedings, costs, charges, claims and demands

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whatsoever that may at any time arise or be brought or made by any person against NCCL in respect of any acts, matters and things lawfully done or caused to be done by NCCL in connection with the Securities or in pursuance of the rights and powers of NCCL under this Deed.

21. The Member undertakes that the deposit of the Securities and the pledge thereof and any pledge of securities that may be created shall be binding on the Member as continuing and that the same shall not be prejudiced by any failure on the part of the Member to comply with the Rules, Bye-laws and Regulations of NCCL or any other terms and conditions attendant to the Membership of NCCL and that NCCL shall be at liberty to enforce its rights hereunder, notwithstanding its rights against the Member hereunder or under its Rules, Bye-laws and Regulations including amendments thereof or in relation to the Securities or to any other security now or hereafter held or taken at any time irrespective of any variation, amendment, change or alteration of any terms or conditions in general or as applicable to the Member in particular.
22. Though the Security has been pledged to secure liabilities to the extent as mentioned hereinabove, it is not obligatory for NCCL to allow exposure to such extent at all times and NCCL may at its sole discretion reduce, alter or vary the extent of said exposure at any time or from time to time. The Security pledged to secure the original exposure shall be deemed to stand pledged to secure any such altered, increased or reduced or varied accommodation limits. The Member undertakes to execute any and all such further documents as may be required by NCCL/Custodian/ DP's for such purpose and to comply with any legal requirements in this regard including additional stamp duty if applicable.
23. The executant hereby declares that he/she/it has been duly authorized to execute this Deed by way of Board Resolution of the Member. (Only in case of corporate Members) A copy of the Board Resolution is annexed hereto.
24. This Deed shall be governed by and construed and interpreted in accordance with the laws of India and regulatory guidelines if any, issued thereunder and the courts in Mumbai shall have exclusive jurisdiction on all matters arising out of this Deed.

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

Signed, sealed and delivered by the within named Member \*\*

In the presence of witnesses

- 1.
- 2.

\* Strike out whichever is not applicable

\*\* To be signed by

- a. The Member in case of individual.
- b. all partners in case of a Partnership firm
- c. by any two of the following persons in the case of a Company:
  - i. Managing Director

**Format 16 – Declaration to be given while submitting the Bank guarantees (BG's), towards base capital / additional base capital. (Bank guarantees (BG's) are not created out of client fund's )**

**(To be given on the letter head of member)**

Date:

To:

**National Commodity Clearing Limited**

1st Floor, Akruti Corporate Park,

Near G.E. Garden, LBS Road,

Kanjurmarg (W),

Mumbai 400 078

Dear Sir,

Ref: CM Code - \_\_\_\_\_

As required by National Commodity Clearing Limited (NCCL) and in compliance of its Rules, Bye-laws, Regulations and/or circulars, notifications issued from time to time, we are required to furnish you the Base Capital/Additional Base Capital in the form prescribed.

Accordingly, we have furnished the same in the form of BG for Rs. \_\_\_\_\_ and the details of the Bank Guarantees (BGs), are as under.

BG No.	Bank Name	Issue Date	Maturity Date	Claim Date	Amount(Rs)

I/We declare and confirm that the Bank Guarantees (BGs), submitted by me/us is/are not created out of clients funds.

I/We further confirmed that the BG (s) as mentioned above, is/are submitted in compliance of the NCCL Circular no. NCCL/CLEARING-026/2023 dated April 26, 2023 on Bank Guarantees (BGs) created out of clients' funds.

Yours faithfully,

Authorized Signatory

Name:

Designation:



**Format 17 – Deed of pledge by Clearing Members for deposit of commodities as collateral**

*(To be executed on Non-Judicial Stamp Paper of Rs. 600/- or in accordance with the stamp duty rates applicable at the place of execution, whichever is higher).*

This Deed of Pledge (hereinafter referred to as “this Deed”) is executed at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_\_ by \_\_\_\_\_, s/o / d/o / w/o \_\_\_\_\_ residing at \_\_\_\_\_ and having its office at \*

M/s \_\_\_\_\_, a partnership firm registered under the Indian Partnership Act, 1932

\_\_\_\_\_, the Limited Liability Partnership, formed under the Limited Liability Partnership Act, 2008 and registered under the Companies Act, 2013 having its registered office at \_\_\_\_\_

AND

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

(hereinafter referred to as “Clearing Member” which expression shall unless repugnant to the context thereof include its successors, administrators and assigns) in favour of National Commodity Clearing Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 1st Floor, Akruiti Corporate Park, LBS Road, Kanjurmarg West, Mumbai – 400078 (hereinafter referred to as “NCCL which expression shall unless repugnant to the context thereof, include its successors and assigns).

WHEREAS

- a) The Member is a registered Clearing Member (hereinafter to be referred to as “Member”) of NCCL.
- b) One of the requirement of Membership is that the Member, if desirous of availing exposure, shall maintain with NCCL, additional base capital/margin deposits (hereinafter referred to as “margin deposits” for the sake of brevity) in the form of cash, bank guarantees, fixed deposit receipts, securities and commodities for the due performance and fulfillment by them of their engagements, commitments, operations, obligations or liabilities as a Member including any sums due by such member to NCCL or any other party as decided by NCCL arising out of or incidental to any contracts/transaction made, executed, undertaken, carried out or entered into by such Member.



- c) In terms of Securities and Exchange Board of India (SEBI) Master Circular No. SEBI/HO/MRD/MRD-PoD-1/P/CIR/2023/136 dated August 04, 2023, commodities can be accepted as collateral under the category “Other Liquid Assets”. Accordingly, the commodities represented in the form of eNWRs issued under the Rules, Byelaws and Regulations of the Repository representing the commodities deposited in the designated warehouses of the NCCL shall be accepted as collateral.

**Note:** Electronic Negotiable Warehouse Receipts (eNWRs) for the purpose of this clause shall mean the Warehouse Receipts for the commodities deposited by the Member in the designated warehouses of NCCL issued by the Repository through the Repository system and reflecting in the Repository account opened with the Repository directly or through a Repository Participant.

- d) The Member is desirous of availing such exposure by placing with NCCL, margin deposits in the form of commodities subject to such terms and conditions as may be stipulated by NCCL.

NOW THIS DEED WITNESSETH AS FOLLOWS:

1. In consideration of NCCL having agreed to accept the commodities as approved by it (represented by eNWRs) towards margin deposits to an extent of Rs. \_\_\_\_\_/- (Rupees \_\_\_\_\_ only), the Member hereby pledges the commodities and shall include all and any such commodities (represented by eNWRs) as may be deposited from time to time in addition to, substitution or replacement thereof favoring NCCL as security for due performance and fulfillment by the Member of all his/its engagements, commitments, operations, obligations or liabilities as a Member of NCCL including any sums due by the Member to NCCL or any other party as decided by NCCL, arising out of or incidental to any contracts/transaction made, executed, undertaken, carried out or entered into by the Member.
2. The Member shall place such commodities (represented by eNWRs) in the absolute disposition of NCCL or such Repository or Repository Participant, as may be appointed by NCCL for the said purpose, in such manner as required by NCCL and such disposition shall be indisputable. The Member confirms, affirms and covenants with NCCL that they shall do all such acts and things, sign such documents and pay and incur such costs, debts and expenses as may be necessary without prejudice to any other obligations, liabilities, duties which they owe as a Member.
3. a) The Member declares and assures that all the eNWRs being pledged are free from any prior charge, lien or encumbrance and further undertakes to ensure that all the eNWRs at the time of creation of such pledge shall be unencumbered, absolute and exclusive disposable property of the Member.

(b) The Clearing Member shall be permitted to pledge the commodities represented by eNWRs owned by clients / TMs in accordance with the provisions of NCCL circular no. NCCL/CLEARING-017/2024 dated April 8, 2024 and NCCL/RISK-017/2024 dated April 23, 2024 and such other circulars issued by NCCL in this regard from time to time. Such pledged eNWRs belonging to clients shall be dealt with by NCCL in accordance with the provisions of the Rules, Byelaws, Regulations, provisions for pledge / re-pledge of approved securities to the extent as applicable and circulars issued by NCCL as may be applicable from time to time.

4. The Member agrees and undertakes that they shall not without the prior written permission of NCCL create any charge, lien or encumbrance of any kind upon or over the said eNWRs which are pledged or those which may be hereafter pledged except to NCCL. The Member shall not create any such charge, lien or encumbrance that may in any way affect the transfer or extinguishment of the eNWRs or any part thereof, and further undertakes that they shall not do or allow anything to be done that may prejudice the pledged commodities represented through the said eNWRs hereunder while they remain liable to NCCL in any manner.
5. The Member agrees, declares and undertakes that they shall be bound and shall abide by the terms and conditions as prescribed by NCCL and/or the Repository/Repository Participant for the pledge / re-pledge of eNWRs as a security towards margin deposits as formulated and determined by NCCL in relation to margin deposits, or such other requirements either in their existing form or as may be modified/changed/altered/amended from time to time pursuant to requirement/compliance as prescribed by NCCL.
6. The Member agrees and hereby authorizes that if in the opinion of NCCL, the Member has failed to perform and/or fails to fulfil their engagements, commitments, operations, obligations or liabilities as a Member of NCCL including payment of any sums due to NCCL or to any other party arising out of or incidental to any contracts/transaction made, executed, undertaken, carried out or entered into by them, then the Member agrees that NCCL may invoke the created pledge / re-pledge upon giving one working day notice to the Member and shall be empowered/entitled to, sell, dispose of or otherwise effect any other transfer of the said eNWRs in such manner and subject to such terms and conditions as it may deem fit and that the money if any realized from such sale shall be utilized towards dues/may be disbursed by NCCL in such manner as may be prescribed and subject to terms and conditions as it may deem fit and further the Member shall do all such things, deeds, acts and execute all such documents as are necessary to enable NCCL to effect such sale/ disposal / transfer/ extinguishment of such eNWRs representing such commodities. The decision of NCCL as to the failure of Member to perform or fulfill his/its obligations or liabilities or commitments of the Member and the amount claimed shall be final and binding on the Member. The Member agrees that one working day notice mentioned above shall be deemed to be a reasonable notice subject to Regulatory guidelines/directives if any, as this pledge of Commodities (represented by eNWRs) is being accepted as margin deposits by NCCL in lieu of cash deposits or bank guarantees and which

can be invoked forthwith upon any amount becoming due and appropriated under the Rules, Bye-laws and Regulations of NCCL. The Member agrees that upon invocation of pledge by NCCL, the pledged commodities (represented by eNWRs) shall be transferred to the account of NCCL or to the account of any person or entity as may be identified or directed by NCCL without any further authority or consent required from the Member and such irrevocable authority is granted by the Member hereby and the transferee of such commodities (represented by eNWRs) shall be entitled to all the rights of ownership in respect of the pledged commodities.

7. The Member shall not, except with the previous consent of NCCL, withdraw or seek release of commodities (represented by eNWRs) pledged favoring NCCL and forming part of the pledged commodities hereunder and NCCL shall not be under any obligation to release the pledged commodities (represented by eNWRs) unless the equivalent value as secured by the pledged commodities (represented by eNWRs) is paid to NCCL in cash deposit or in a form acceptable to NCCL or unless security of equivalent value as may be acceptable to NCCL is substituted for the pledged commodities (represented by eNWRs) so transferred or extinguished or withdrawn. Release of the pledged commodities (represented by eNWRs) shall be obtained by the Member only after payment of all necessary charges applicable including but not limited to the Repository charges.
8. The Member shall be bound by the valuation methods as adopted by NCCL from time to time in respect of the commodities pledged through commodities (represented by eNWRs) or to be pledged by and/or under these presents. Such value of the commodities (represented by eNWRs) as determined by NCCL in such time intervals stipulated by NCCL shall be final and binding on the Member and the Member shall maintain the pledged commodities (represented by eNWRs) holding equivalent to the required value at all times. In the event of the market value of the pledged commodities for the time being becoming less than the aggregate balance due or the margin deposit/security stipulated by NCCL, the Member shall either provide further security as approved by NCCL or such other securities/collateral as approved by NCCL or by cash payment immediately on demand.
9. The commodities pledged through eNWRs shall be available at the disposal of NCCL as a continuing security and shall remain available for and in respect of all the obligations, liabilities or commitments of the Member jointly or severally and may be utilized as such in the discretion of NCCL, as if each of the obligations, liabilities or commitments is secured by the commodities (represented by eNWRs). This Deed shall not be considered as cancelled or in any way affected upon the utilization or realization by NCCL of the commodities for meeting any specific obligation, liability or commitment of the Member or upon withdrawal of commodities by the Member and shall continue and remain in operation in respect of all subsequent obligations, liabilities or commitments of the Member.

10. The Member agrees to be bound by the instructions of NCCL and/or the Repository either to the Member itself or to the Repository Participant/Repository as the case may be, in respect of creation of pledge, invocation of pledge, restriction, release or transfer thereof, transfer of eNWRs or sale of commodities arising out of any obligations of the Member as referred hereinabove and the Member further agrees that NCCL shall not be bound to notify the Member in case of invocation of pledge created by the Member by these presents.
11. The Member shall be released from his/its obligations, liabilities under this Deed only when NCCL, in writing, expressly provides for the release of the commodities (represented by eNWRs).
12. The Member agrees that NCCL shall be entitled to sell, negotiate or otherwise transfer the commodities (represented by eNWRs) and for the purpose, agrees to furnish all necessary information, execute appropriate and prescribed transfer documents and/or any other necessary documents as may be required/prescribed by NCCL from time to time, wherever applicable or provide such other endorsements as may be required. The Member further agrees that NCCL shall be entitled to receive from the Member all expenses, costs, levies etc. incurred by NCCL/Repository/Repository Participant for the aforesaid purposes including costs/charges towards appointment of any agent or intermediary.
13. The Member agrees to pay promptly all such fees, charges and/or costs pertaining to pledge of the commodities (represented by eNWRs) to NCCL and/or the Repository Participant/Repository and to execute such further documents whether of a legal nature or otherwise as may be required by NCCL and/or the Repository Participant/Repository for the purpose of giving effect to the provisions of this Deed.
14. In the event of default by the Member to make payments due when called for or on the Member becoming/being adjudicated insolvent, it shall be lawful for NCCL to forthwith or at any time thereafter, without any notice whatsoever to the Member and without prejudice to any other right of NCCL, sell or otherwise dispose/transfer of the pledged commodities (represented by eNWRs) either wholly or in part and apply the net proceeds of such sale in or towards liquidation of dues owed/owing by the Member to NCCL Repository Participant(RP's) /Repository and any of its clients or such other intermediary as permitted or prescribed by NCCL.
15. If the net sum realized by such sale is insufficient to meet the balance due, NCCL shall be at liberty to apply any other money lying with it standing to the credit or belonging to the Member towards liquidation of the dues. In the event of such application of moneys still being insufficient to meet the dues, the Member hereby agrees to meet such shortfall provided always that nothing herein contained shall be deemed to negate, qualify restrict or otherwise prejudicially affect the rights of NCCL to recover all sums due from the Member notwithstanding that all or any of the margin deposits may not have been realized or appropriated.

16. The Member agrees that the deposit of the commodities and the pledge thereof through the eNWRs representing such commodities shall not be affected in any manner whatsoever if NCCL takes any action against the Member including suspension or expulsion or declaration of the Member as a defaulter.
17. The Member agrees to accept as conclusive proof of the correctness of the account made out from the books of NCCL and/or Repository/ Repository Participant and signed by any of its employees without production of any other voucher, document or paper.
18. NCCL shall have the right but not obliged, to hold all the commodities pledged through the said eNWRs hereunder by way of margin deposits for all indebtedness or liability of the Member singly or jointly in any capacity whatsoever, and whether such liability has become due or not, and it is understood and agreed that so long as any liability is due or liability to be due from the Member to NCCL and/or Repository/ Repository Participant any of its clients, NCCL shall not be required to return the pledged eNWRs.
19. The Member agrees that NCCL shall not be under any liability whatsoever to the Member or any other person for any loss, damage, expenses, costs etc., arising out of the deposit of the commodities (represented by eNWRs) or dealing with them under these presents, in any manner, due to any cause, whatsoever, irrespective of whether the said commodities (represented by eNWRs) are in the possession of NCCL at the time of such loss or damage or the happening of the cause thereof. NCCL shall not be responsible for any loss occurring due to any act or default of any brokers or such other agents employed for the sale of the pledged commodities on account of invocation of pledge. The Member shall at all times indemnify and keep indemnified NCCL from and against all suits, proceedings, costs, charges, claims and demands whatsoever that may at any time arise or be brought or made by any person against NCCL in respect of any acts, matters and things lawfully done or caused to be done by NCCL in connection with the commodities represented pledged eNWRs or in pursuance of the rights and powers of NCCL under this Deed.
20. The Member undertakes that the deposit of the commodities (represented by eNWRs )and the pledge thereof that may be created shall be binding on the Member as continuing and that the same shall not be prejudiced by any failure on the part of the Member to comply with the Rules, Bye- laws and Regulations of NCCL and/or Repository/ Repository Participant or any other terms and conditions attendant to the Membership of NCCL and that NCCL shall be at liberty to enforce its rights hereunder, notwithstanding its rights against the Member hereunder or under its Rules, Bye-laws and Regulations including amendments thereof or in relation to the eNWRs or to any other security now or hereafter held or taken at any time irrespective of any variation, amendment, change or alteration of any terms or conditions in general or as applicable to the Member in particular.

21. Though the commodities (represented by eNWRs) has been pledged to secure liabilities to the extent as mentioned hereinabove, it is not obligatory for NCCL to allow exposure to such extent at all times and NCCL may at its sole discretion reduce, alter or vary the extent of said exposure at any time or from time to time. The commodities (represented by eNWRs) pledged to secure the original exposure shall be deemed to stand pledged to secure any such altered, increased or reduced or varied accommodation limits. The Member undertakes to execute any and all such further documents as may be required by NCCL and/or Repository/ Repository Participant for such purpose and to comply with any legal requirements in this regard including additional stamp duty if applicable.
22. The words and expression used in this Deed shall have the same meaning as assigned to it under the Rules, Byelaws and Regulations of NCCL and those not assigned shall have the same meaning as assigned to it in the Byelaws and the Business Rules of the Repository.
23. The executant hereby declares that they have been duly authorized to execute this Deed by way of Board Resolution of the Member. (Only in case of corporate Members) A copy of the Board Resolution is annexed hereto.
24. This Deed shall be governed by and construed and interpreted in accordance with the laws of India and regulatory guidelines if any, issued thereunder and the courts in Mumbai shall have exclusive jurisdiction on all matters arising out of this Deed.

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

Signed, sealed and delivered by the within named Member \*\*

**Format 18- Format of Covering letter for Margin Pledge Account (on Clearing Member Letter head)**

To

Date

**National Commodity Clearing Limited**

1st Floor, Akruiti Corporate Park,  
Near G.E. Garden, LBS Road,  
Kanjurmarg (W),  
Mumbai 400 078

**Sub: Registration for pledging eNWRs using margin pledge facility**

Dear Sir,

Clearing Member Name - \_\_\_\_\_

Clearing Member Code - \_\_\_\_\_

1. We wish to avail the facility of pledging client/CP/TM proprietary /CM proprietary eNWRs as collaterals using margin pledge facility of repositories from our below-mentioned Entity Id details

CM Id	TM Id

2. We confirm that above mentioned account shall be solely used for the purpose of pledging/re-pledging eNWRs in favour of National Commodity Clearing Limited (NCCL)
3. Following documents are enclosed herewith
  - a) Onboarding confirmation communication from NERL.
  - b) Pledge deed.
  - c) Copy of Board Resolution with List of authorized signatories who are authorized to sign deed of pledge.
  - d) List of client/CP/TM proprietary/CM proprietary for activation/mapping for pledging eNWRs as per **Annexure 5**.
4. We further hereby undertake to abide by such other or further guidelines / instructions as may be communicated / prescribed by NCCL from time to time.

Yours faithfully

Authorised Signatory

Encl – as above

**Format 19- Format for Activation/ Mapping of clients/CP /TM proprietary/CM proprietary for pledge re-pledge of Commodities represented by eNWRs (on Clearing Member Letter head)**

To

Date

**National Commodity Clearing Limited**

1st Floor, Akruiti Corporate Park,  
Near G.E. Garden, LBS Road,  
Kanjurmarg (W),  
Mumbai 400 078

**Sub: Activation / Mapping of clients / CP / TM proprietary / CM proprietary for pledging of eNWRs using margin pledge facility**

Dear Sir,

Clearing Member Name - \_\_\_\_\_

Clearing Member Code - \_\_\_\_\_

1. We wish to activate/map the below list of client/CP/TM proprietary /CM proprietary for pledging eNWRs as collaterals towards Additional Base Capital (ABC) using margin pledge facility of repositories

CM Id	TM Id	UCC/Client Id	UCC/Client PAN

2. We further hereby undertake to abide by such other or further guidelines / instructions as may be communicated / prescribed by NCCL from time to time.
3. The above list in comma separated value (csv) is attached.

Yours faithfully

Authorised Signatory

Encl – as above