

(To be executed on stamp paper of Rs. 300/- and duly notarised)

**Trading cum Clearing Membership Undertaking – Individual / Proprietorship**

This undertaking is executed at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_

To :

NCDEX Spot Exchange Limited,  
Regd. Office, C-1, Block G, Exchange Plaza,  
Bandra Kurla Complex,  
Bandra (E),  
Mumbai - 400 051.

hereinafter referred to as “NCDEX SPOT” or “the Exchange” (which expression shall unless it be repugnant to the context or meaning thereof be deemed to mean and include its successors and assigns);

BY

.....  
..... having its Office at  
.....  
.....

hereinafter called “The Undersigned” (which expression shall unless it be repugnant to the context or meaning thereof be deemed to mean and include its successors and permitted assigns).

WHEREAS NCDEX SPOT has agreed to admit the Undersigned as a Trading cum Clearing Member in accordance with the Rules of NCDEX SPOT as amended from time to time.

AND WHEREAS the Exchange has, as a precondition to the Undersigned being admitted as a Trading cum Clearing Member, inter alia required the Undersigned to furnish the undertaking in the manner and on the terms herein below:

NOW THEREFORE in consideration of the Exchange admitting the Undersigned as a Trading cum Clearing Member, the Undersigned hereby undertakes and agrees that:-

1. the Undersigned shall comply with all such requirements, existing and future with regard to and in connection with our admission and continuation as a Trading cum Clearing Member;
2. the Undersigned shall adhere to the Rules of The Exchange as in force from time to time and directions issued by the Exchange from time to time;
3. the Undersigned shall abide by and adopt the Rules and other terms and conditions stipulated by the Exchange pertaining to the trading, clearing, settlement and risk management systems of the Exchange and any other agencies appointed by the Exchange for this purpose and any amendments made thereto from time to time;

4. The Exchange shall be entitled to amend its Rules and other applicable terms and conditions unilaterally and the Undersigned shall be deemed to have consented to them, and accordingly be bound by such Rules and terms and conditions prevailing from time to time and the Exchange shall be entitled to all powers vested in them under the Rules and the terms and conditions by which the Undersigned unconditionally agrees to be bound;
5. the Undersigned shall abide by the code of conduct as laid down from time to time by the Exchange and also any Rules, circulars, guidelines etc. framed by any statutory/regulatory authorities from time to time;
6. the Undersigned understands and agrees to be bound by the terms and conditions applicable to and subject to which any commodity is offered for trading on the Exchange platform. By entering any order on trading system of the Exchange for sale or purchase of any commodity, the Undersigned and its constituents shall be deemed to have agreed to all the terms and conditions applicable to and subject to which such commodity has been made available for trading on the Exchange platform.
7. the Undersigned shall comply with all applicable statutory requirements and shall indemnify the Exchange against any implications on account of non-compliance by the Undersigned or agents of the undersigned.
8. the Undersigned shall maintain and preserve such information, records, books and documents pertaining to the working of the Undersigned as a Trading cum Clearing Member for such period as may be specified by the Exchange from time to time and as may be prescribed under any applicable law in force from time to time;
9. the Undersigned shall permit the Exchange or any other person/authority appointed by it for inspection, access to all records, books, information, documents as may be required therefor;
10. the Undersigned shall submit periodic reports, statements, certificates and such other documents as may be required by the Exchange and Statutory/Regulatory Authorities, and shall comply with such audit requirements as may be framed by the Exchange or the Statutory/Regulatory Authorities from time to time;
11. the Undersigned shall follow and comply with such orders or instructions including any such order or instruction, whether being in the nature of a penalty or otherwise, as may be issued by the Exchange or any committee of the Exchange duly constituted for the purpose, in the event of the Undersigned committing any violation of any rules, regulations or practice or code of conduct prescribed by the Exchange or Statutory/Regulatory Authorities in respect of the conduct of the business in the Exchange;
12. the Undersigned shall conduct business at the the Exchange prudently and shall ensure that it will not be prejudicial or detrimental to public interest in general, and to the Exchange in particular;
13. if any difference/dispute arises as to the interpretation, meanings or effect of this undertaking or as to the rights and liabilities of the parties to this undertaking or as to any other matter relating to the Exchange's operations, the same shall be settled to the extent provided as per the Rules and the terms and conditions of contracts framed or applicable for that purpose;

14. the Undersigned shall pay the costs, charges and expenses including fees prescribed by the Exchange from time to time, arising from or incidental to the Undersigned operating on the Exchange's trading systems and to establish other systems in accordance with the specifications prescribed by the Exchange from time to time;
15. the Undersigned shall use the Exchange's infrastructure facilities and equipment only for the purpose for which they are permitted to be used;
16. the Undersigned shall furnish security deposits, bank guarantees, pledge securities, hypothecate movables, create lien on bank accounts or furnish such other security as may be required by the Exchange from time to time and to do all acts, deeds and things to enable the Exchange to exercise /realize all or part of the above mentioned securities / deposits / collateral to secure recovery of default and other incidental charges relating to default and other dues of the Exchange and its clearing agents, if any;
17. the Undersigned shall bring in additional deposits and funds as and when required to maintain the level of capital adequacy norms as decided from time to time to operate on the Exchange;
18. The Undersigned shall be an active participant on the Exchange on being admitted as a Trading cum Clearing Member;
19. the Undersigned is aware that the Undersigned would be/is admitted as a Trading cum Clearing Member on the Exchange upon paying the prescribed membership fee, interest free deposit, and collateral securities in the manner prescribed by the the Exchange from time to time and the Undersigned do hereby unequivocally undertake that it shall not be entitled to make any claim for refund of the interest free deposit and collateral securities except when it surrenders its membership to the Exchange, that too for the amount lying after appropriation of amounts due from it towards its liabilities or obligation towards the Exchange and its clearing agents ;
20. without prejudice to the foregoing, the Exchange shall be entitled to forfeit any property, funds, amounts, deposits or other sums due to the Undersigned or to the credit of the Undersigned in such events or contingencies as may be stipulated in the Rules and terms and conditions or directives of the Exchange in force from time to time;
21. the Exchange shall not be held responsible or liable for any failure of computer systems, telecommunication network and other equipment installed at the offices of the Undersigned or any failure of network connectivity and the Exchange shall also not be held responsible for any misuse, mishandling, damage, loss, defect etc. and the Exchange has the right to inspect and supervise all computer systems, software programs, tele-communications equipment, VSAT etc, installed at the office of the Undersigned and the Undersigned shall not make any alterations, modifications and changes without prior written consent of the Exchange;
22. the Exchange shall not be held responsible or liable for any failure by the Undersigned to comply with any Statutory or Regulatory requirement in respect of trading on the Exchange's trading platform and incidental thereto.
23. the Undersigned shall not disclose, reveal, publish and advertise any material information relating to operations, membership, software, hardware, etc. of the Exchange without prior written approval of the Exchange except and to the extent as may be required in the normal course of its business;

24. the Undersigned shall keep the password in strict confidence and secrecy and shall not disclose the same to any person and Undersigned shall be bound by all transactions and trades done on the the Exchange by use of its password and /or Trading member ID or user ID.
25. In the event of any change in the composition of the Undersigned from a proprietary concern/individual member to a partnership Firm, the Exchange will be entitled to review continuation of the Undersigned as a Trading cum Clearing Member of the Exchange and the Undersigned shall be bound by any decision taken by the Exchange in this regard;
25. the Undersigned shall execute, sign, subscribe to such other documents, papers, agreements, covenants, bonds, and/or undertakings as may be prescribed or required by the Exchange from time to time;
26. the Undersigned undertakes to make such contributions to any Guarantee Fund or any other fund of like nature pertaining to the Exchange as and when required by the the Exchange and also to comply with all requirements of the Exchange in respect thereof;
27. the Undersigned undertakes to subscribe to the mandatory insurance cover as required by the the Exchange for the Trading cum Clearing Members and to pay the requisite insurance premium and also to comply with all requirements of the Exchange in respect thereof;
28. the Undersigned shall get itself registered with the relevant sales tax/VAT/Mandi Authority(ies) if required under law and to pay all applicable sales tax, VAT, mandi fee and stamp duty. The Undersigned shall also arrange to get itself registered with the Central Excise Authority(ies) for the purpose of Excise / service tax and any other authority, if required under the relevant law.
29. the Undersigned shall reimburse the Exchange any tax such as sales tax, VAT, mandi fee, service tax, excise duty, stamp duty etc., (including interests and penalties thereon if any) in the event of the Exchange being levied and made to pay or bear any such liability by the Statutory Authorities.
30. the Undersigned shall take prior approval from the Exchange before forming any company or acquiring any other company, or undertaking or when expanding its business in diverse activities;
31. the Undersigned agrees and undertakes that the fees, security deposits, other monies and any additional deposits paid, whether in the form of cash, bank guarantee, securities or otherwise, to the Exchange, by the Undersigned from time to time, shall be subject to a first and paramount lien for any sum due to the Exchange and all other claims against the Undersigned for due fulfillment of engagements, obligations and liabilities of the Undersigned arising out of or incidental to any dealings made subject to the Rules and the terms and conditions of contracts of the Exchange. the Exchange shall be entitled to adjust or appropriate such fees, deposits and other monies for such dues and claims, to the exclusion of the other claims against the Undersigned, without any reference to the Undersigned;
32. the Undersigned shall ensure that the data communication link between the Exchange's equipment and Trading cum Clearing Member's Trader Workstation shall be used on point-to-point basis only. The Undersigned shall further ensure the above link will not be connected to any other telecommunication network, except as permitted by the Exchange;

- 33. the Undersigned agrees to pay all charges prescribed by the Exchange from time to time as and when demanded by the Exchange including but not limited to membership charges and renewal of membership charges. The Exchange shall be entitled to suspend and/or terminate the membership of the Undersigned in the event of non payment of any such charges by the Undersigned.
- 34. the Undersigned has read and fully understood the Rules and the Risk disclosure document and undertakes to abide by the provisions therein and any amendments thereto and to comply with all directives issued thereunder from time to time. The Undersigned shall comply with the terms and conditions of contract as may be applicable for the purpose of trades on the Exchange's trading platform.
- 35. the Undersigned shall ensure to apprise its clients/constituents of the Rules of the Exchange and all other directives thereunder and further undertakes not to misrepresent the nature of transaction to any of its clients. The Undersigned shall explain the trading system, order matching process and risks associated with trade on the Exchange platform to its constituents before accepting any orders from them.
- 36. the Undersigned shall indemnify the Exchange against any loss or damage including liabilities arising out of failure to comply with any or all of the above Clauses.
- 37. the Undersigned clearly understands that the Trading Cum Clearing Membership agreed to be granted to the Undersigned is subject to compliance of above stated undertakings and may be withdrawn by the Exchange at its absolute discretion without assigning any reason and without prejudice to any action the Exchange may deem fit.

The Undersigned do hereby confirm that the information provided in its application form for the Trading cum Clearing Membership of the Exchange is true and correct to the best of the knowledge and belief of the Undersigned and that the above undertakings will be binding on our successors and permitted assigns of the Undersigned.

Signed and delivered )  
by Mr /Ms \_\_\_\_\_ )  
being sole proprietor of M/s ..... )