

Unattested Deed of pledge by a Member for pledging of Demat commodities

Instructions:

1. This pledge deed to be either Stamped / Franked on paper of Rs.300/- or the value prevailing in the State where executed, whichever is higher and purchased in the name of the Member
2. Please ensure that each and every blank filed of the pledge deed is duly filled.
3. Please ensure that each and every handwritten detail filled is countersigned by the authorized signatory (ies).
4. Please ensure that each and every page is signed and rubber stamped.

**UNATTESTED DEED OF PLEDGE TO BE EXECUTED BY MEMBERS FOR PLEDGE
OF APPROVED COMMODITIES**

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 his office at _____
_____ *

_____, a partnership firm
registered under the Indian Partnership Act, 1932 and having its office at _____
_____, * through its authorised Partner _____.

_____, a limited
liability partnership registered under the Limited Liability Partnership Act, 2008 and having its
office at _____
_____, * through its authorised
Partner _____.

_____ Limited
incorporated as a company under the Companies Act, 1956 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 Ace Derivatives & Commodity Exchange Limited, a company incorporated under the Companies Act, 1956 and

having its registered office at Rawat ni Wadi, Nr. Central Bank of India, Gandhi Road, Ahmedabad, Gujarat, PIN 380001 and its corporate office at 6th Floor – Zone II, Kotak Infinity, Building No. 21, Infinity IT Park, General A. K. Vaidya Marg, Dindoshi, Malad (East), Mumbai 400097 (hereinafter referred to as “**ACE**” which expression shall unless repugnant to the context and meaning thereof, be deemed to mean and include its successors and assigns).

WHEREAS:

- a. The Member is admitted to the Membership of ACE
- b. One of the requirement of Membership is that the Member if desirous of availing exposure or additional exposure for trading on the ACE, shall maintain with ACE, Additional base capital/margin deposits (hereinafter for brevity case referred to as “**margin deposits**”) in the form of cash, bank guarantees, securities or approved commodities in dematerialized form (“**Commodities**”) for the due performance and fulfillment of his/its engagements, commitments, operations, obligations or liabilities as Member including any sums due by such member to ACE or any other party as decided by ACE arising out of or incidental to any contracts/transaction made, executed, undertaken, carried out or entered into by such Member.
- c. Commodities to be deposited by the Member for the purpose shall be in dematerialized form and as approved by ACE from time to time.
- d. The Members shall deposit the Commodities with such custodians / depository participants as may be approved and empanelled by ACE (“Custodian / Depository Participant”) from time to time.

NOW THIS DEED WITNESSETH AS FOLLOWS:

1. In consideration of ACE having agreed to accept dematerialized Commodities as approved by it towards margin deposits to an extent of Rs. _____/- (Rupees _____ only), the Member hereby pledges, and/or from time to time shall pledge Commodities (hereinafter referred to as “Said Commodities”) and which are described in the Schedule annexed hereto and shall include all the Commodities deposited from time to time in addition to, substitution of or replacement thereof) with ACE as security for due performance and fulfillment by the Member of all his/its engagements, commitments, operations, obligations or liabilities as a Member of ACE including any sums due by the Member to ACE or any other party as decided by ACE, arising out of or incidental to any contracts made, executed, undertaken, carried out or entered into by the Member.
2. The Member shall place the Said Commodities in the absolute disposition of such Custodian / Depository Participant as may be appointed by ACE for the purpose, in such manner as decided by ACE and such disposition shall be indisputable notwithstanding the fact that the Member may be permitted to have access to the Said Commodities in the manner and subject to such terms and conditions as determined

by ACE from time to time. The Member confirms, affirms and covenants with ACE that he/it shall do all such acts and things, sign and execute such documents, forms, letters and other writings (including forms, letters and other writings to the concerned depository and/or the Depository Participant and/or others) for effectively pledging the Said Commodities in favour of ACE and for ensuring that the said pledge is duly registered with and noted by the Depository Participant and depository in its/their records and shall 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. The Member declares, undertakes and assures that all the Said Commodities being pledged are in existence, beneficially owned by him/it, and is free from any prior charge, lien or encumbrance and further shall ensure and undertakes that all the Said Commodities over which pledge may be created in future shall be in existence and owned by him/it at the time of creation of such pledge and shall be unencumbered, absolute and exclusive property of the Member.
4. The Member agrees and undertakes that he/it shall not without the prior written permission of ACE create any charge, lien or encumbrance of any kind upon or over the Said Commodities hereby pledged or those which may hereafter be pledged except to ACE, that the Member shall not suffer any such charge, lien or encumbrance that may affect the Said Commodities or any part thereof, and further undertakes that he/it shall not do or allow anything to be done that may prejudice the Said Commodities while he/it remains liable to ACE in any manner.
5. The Member agrees that ACE shall grant exposure on the basis of Said Commodities for such period as may be specified by ACE from time to time. In case, the Member, after the expiry of such period, does not substitute such Said Commodities hereby pledged with the pledge of fresh quantity of Commodities acceptable to ACE or does not substitute with equivalent value of cash deposit/bank guarantee or any other collateral acceptable to the ACE, the ACE shall have the right to invoke the pledge and to sell the Said Commodities.
6. The Member agrees, declares and undertakes that he/it shall be bound and shall abide by the terms and conditions of the Scheme for the pledge/deposit of Commodities in dematerialized form as formulated and determined by ACE pertaining to margin deposits, or such other requirements either in their existing form or as modified/changed/altere/amended from time to time pursuant to requirement/compliance of Membership.
7. The Member agrees and hereby authorizes that if in the opinion of ACE, the Member has failed to perform and/or fails to fulfill his/its engagements, commitments, operations, obligations or liabilities as a Member of ACE including payment of any sums due by him/it to ACE or to any other party arising out of or incidental to any contracts made, executed, undertaken, carried out or entered into by him/it, then the Member agrees that ACE may invoke the pledge, by giving notice of one working day, without having the same first transferred to or registered in the name of ACE and shall be empowered/entitled to, sell, dispose of or otherwise effect any other transfer of the Said Commodities 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 ACE in such manner and subject to such 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 ACE to effect such sale/disposal/or other transfer. The decision of ACE as to the 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, as this pledge of Said Commodities is being accepted as margin deposits by ACE in lieu of cash deposits or bank guarantees, which can be invoked forthwith upon any amount becoming due and appropriated under the Bye-laws, Rules, and Business Rules of ACE.

Member agrees that upon invocation of pledge by ACE, the dematerialized credit balance of the Said Commodities shall be transferred to the account of ACE or to the account of any person or entity as may be directed by ACE 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 credit balance shall be entitled to all the rights of ownership in respect of the said pledged Commodities.

8. In the event of any default in payment of the amount or any part thereof or breach of any provision of this Deed; by the Member, ACE shall be entitled to be registered as the beneficial owner of the Said Commodities or such part thereof as ACE deems fit and the Member irrevocably agrees and undertakes not to make any opposition to the same.
9. The Said Commodities pledged as security shall be available at the disposal of ACE 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 at the discretion of ACE, as if each of the obligations, liabilities or commitments is secured by the Said Commodities. This Deed shall not be considered as cancelled or in any way affected upon the utilization or realization by ACE of the Said Commodities for meeting any specific obligation, liability or commitment of 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 ACE to its Custodian / Depository Participant as the case may be, in respect of creation of pledge, invocation of pledge, release thereof, transfer/sale of Commodities arising out of any obligations of the Member as referred hereinabove and the Member further agrees that ACE 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 ACE, in writing, expressly provides for the release of the Said Commodities.
12. The Member agrees that ACE shall be entitled to sell, negotiate or otherwise transfer the Said Commodities and for the purpose, agrees to furnish all necessary information, to execute transfer documents and/or any other necessary documents, wherever applicable or other endorsements and that ACE shall be entitled to receive from the Member all expenses, costs, levies etc. incurred by ACE/Custodian /Depository Participant for the aforesaid purposes.

13. The Member agrees to pay promptly all such fees, charges and/or costs pertaining to pledge of the Said Commodities to the Custodian / Depository Participant and to execute such further documents whether of a legal nature or otherwise as may be required by ACE for the purpose of giving effect to the provisions of this Deed and also the Scheme for the deposit of Commodities in dematerialized form.
14. The Member further covenants and agrees that:
 - a) the Member shall defend and cause to be defended the ACE's right and interest in and to the Said Commodities against any claims and demands;
 - b) the Member shall pay, before any fine, penalty, interest or cost is attached thereto, all taxes, rates, levies or statutory dues now or hereafter, and ensure that no third party rights are created on or upon the Said Commodities;
 - c) the Member shall promptly inform ACE of any notice received by the Member of any application for bankruptcy, liquidation, winding up having been made or, without limitation, any other notice under any other law or otherwise any suit or other legal process intended to be filed or initiated and affecting the Member's title to the Said Commodities or if a receiver is appointed in respect of the same;
 - d) the Member shall take whatever action as may be required to give full effect to the provisions of this Deed;
 - e) the Member shall not make any application for the removal the "frozen" or "lien" state in respect of the Said Commodities to the depository participant or custodian;
 - f) the Member agrees that notwithstanding any defect in or submission or non-submission of incomplete documents or writings, the Member shall not be discharged from its liability hereunder until repayment of all the dues of the Member;
15. Until all obligations and liabilities of the Member are fulfilled and under this Deed have been satisfied in full, all Collateral will continue to be held in pledge under this Deed of Pledge.
16. The Member agrees that the deposit of the Said Commodities and the pledge thereof shall not be affected in any manner whatsoever if ACE takes any action against the Member including suspension or expulsion or declaration of the Member as a defaulter.
17. The Member agrees that ACE shall not be under any liability whatsoever to the Member or any other person or any third party for any loss, damage, expenses, costs, etc., arising out of the deposit of the Said Commodities under these presents, in any manner, due to any cause, whatsoever, irrespective of whether the Said Commodities are in the possession of ACE at the time of such loss or damage or the happening of the cause thereof. The Member shall at all times indemnify and keep indemnified ACE 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 ACE in respect of any acts, matters and things lawfully done or caused to be done by ACE in connection with the Said Commodities or in pursuance of the rights and powers of ACE under this Deed.
18. The Member undertakes that the deposit of the Said Commodities and the pledge thereof and any pledge of Commodities that may be created shall be binding on the

Member and that the same shall not be prejudiced by any failure on the part of the Member to comply with the Bye-laws, Rules and Business Rules of ACE or any other terms and conditions attendant to the membership of ACE and that ACE shall be at liberty to enforce its rights hereunder, notwithstanding its rights against the Member hereunder or under its Byelaws, Rules and Business Rules including amendments thereof or in relation to the Said Commodities 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.

19. Though the Commodities has been pledged to secure the liabilities to the extent as mentioned hereinabove, it is not obligatory for ACE to allow exposure to such extent at all times and ACE may at its sole discretion reduce, alter or vary the extent of said exposure at any time or from time to time. The Commodities 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 ACE/Custodian/ Depository Participant for such purpose and to comply with any legal requirements in this regard including payment of additional stamp duty and registration fees, if applicable.
20. In case of reconstitution/restructuring or any such change in the partners/Karta of the Member, as applicable, a Member shall be required to replace the commodities belonging to such outgoing Partners / Karta held in their name solely/ jointly, as the case may be, immediately with such collateral as may be approved and accepted by ACE. Without prejudice to its rights, ACE reserves the right to withdraw benefits of such Commodities towards additional base capital or such similar requirements till such replacement.
21. The executant/s hereby declares that it has been duly authorized to execute this Deed by way of Board Resolution / Authorization letter (only in case of Non Individual member) as per the copy of Board Resolution / Authorized letter annexed hereto.
22. Any and all disputes arising out of or in connection with this Deed or its performance shall be settled by arbitration by a single Arbitrator to be appointed by the ACE. The place of the arbitration shall be in Mumbai, in accordance with the provisions of the Arbitration and Conciliation Act, 1996 and any statutory amendments thereof.
23. This Deed shall be governed by and construed and interpreted in accordance with the laws of India 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 **

* Strike out whichever is not applicable

** To be signed by

a. The individual if the membership is in his/her name.

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

ii. Whole -time Director

iii. Directors/ Authorised signatories (authorised by Board Resolution for the purpose)

d. by any two Designated Partners in case of Limited Liability Partnership

SCHEDULE

Type of Commodity	Type/Grade/Specifications/Identification number (ICIN)	Total No./ Quantity	Assayer Certification No. & Date	Final Expiry Date