

**AGREEMENT BETWEEN REPOSITORY
AND
REPOSITORY PARTICIPANT - PLEDGEE**

This Agreement is made on this _____ day of _____ 20_ at _____
between:

CDSL Commodity Repository Ltd. (CCRL), a Company incorporated under the Companies Act, 2013 and having its registered office at 25th floor, A wing, Marathon Futurex, Lower Parel (E), Mumbai - 400013, hereinafter referred to as '**Repository or `CCRL`**' (which expression shall, unless it be repugnant to the context thereof or meaning thereof, be deemed to mean and include its successors-in-title) of the One Part

AND

_____, a company registered under Companies Act, 1913 and having its registered office at _____ hereinafter referred to as "**Bank / FI "** or "**Repository Participant - Pledgee**" or "**RP -Pledgee**" (which expression shall include its successors and permitted assigns).

Explanation: For the purpose of this Agreement Repository Participant- Pledgee or RP-Pledgee shall mean the Bank/Financial Institution admitted as Repository Participant for the sole purpose of controlling the Pledgee transactions initiated by such RP-Pledgee,

WHEREAS, the Repository is a body corporate incorporated under the Companies Act, 2013 for providing the Services of Repository as envisaged under the Guidelines on Repositories and Creation and Management of Electronic Negotiable Warehouse Receipts issued by the Warehousing Development and Regulatory Authority, a statutory body established under the Warehousing (Development and Regulation) Act, 2007.

AND WHEREAS, the services of the Repository, inter-alia, include for providing the services of creation, storage, maintenance and cancellation of Electronic Negotiable Warehouse Receipts (ENWR) and services related to pledge and e-auction of ENWR through the Repository System.

AND WHEREAS, the provisions of the said Guidelines issued by WDR A provide that the Repository can provide the Services of the Repository either by itself or through a Repository Participant who fulfills the 'fit and proper' criteria as prescribed by Repository from time to time.

AND WHEREAS the Bank/FI in the course of its business offers credit facilities to its customers/borrowers, inter-alia, against pledge of commodities represented through the electronic Negotiable Warehouse Receipts and intends to offer such facilities to Clients registered with the Repository Participant. In order to facilitate pledge of electronic negotiable warehouse receipts, the Bank/FI has requested the Repository to allow access to the Bank/FI for noting of pledge favouring the Bank/FI against the electronic Negotiable Warehouse Receipts generated on the Repository System and to permit marking, release, transfer of pledge and e-auction of such electronic Negotiable Warehouse Receipts.

WHEREAS, the Repository has agreed to admit the Applicant as a RP - Pledgee subject to the terms and conditions stipulated in this Agreement and subject to fulfilling other eligibility criteria as prescribed the Repository or the Authority from time to time.

Both Repository and the RP -Pledgee shall wherever the context so requires, be referred to individually as 'Party' and jointly as 'Parties'.

NOW THEREFORE in consideration of Repository having agreed to admit the Participant as a RP - Pledgee, the parties hereto do hereby agree and covenant with each other as follows:

1. General Clauses

- 1.1. The words and expressions used herein shall have the same meaning as assigned to it under the Guidelines on Repositories and Creation and Management of Electronic Negotiable Warehouse Receipts dated October 20, 2016, WDR Act, 2007, the Byelaws of the Repository and the Business Rules, guidelines, circulars and directives issued under the said Byelaws as notified to the RP Pledgee from time to time.

- 1.2. RP -Pledgee shall at all times be bound by the WDR Act, 2007 and Guidelines issued by the WDRA from time to time and shall agree and abide by the Bye Laws and Business Rules issued by the Repository from time to time
- 1.3. RP -Pledgee understands that it is an agent of the Repository at all times for providing all or any of the following services:
 - a) to facilitate the pledge and e-auction at the time of invocation of pledge of Electronic Negotiable Warehouse Receipts; and
 - b) such other incidental and ancillary purposes as may be specified by the Repository from time to time.
- 1.4. RP -Pledgee agrees and undertakes to continue to be bound by the Bye Laws and Business Rules, even after ceasing to be a RP -Pledgee in so far as may be necessary for completion of or compliance with his/its obligations in respect of all matters, entries or transactions which the RP -Pledgee may have carried out, executed, entered into, undertaken or may have been required to do, before ceasing to be a RP -Pledgee and which may have remained outstanding, incomplete or pending at the time of his/its ceasing to be a RP -Pledgee.
- 1.5. The obligations on the part of the RP -Pledgee herein contained are reiteration of and/or are in addition to the obligations contained in the Bye Laws and the Business Rules, and the omission of one or more of such obligations from this Agreement shall not in any manner be construed as a waiver of such obligations as are not herein contained.
- 1.6. The Parties agrees that in the event, the WDRA permits the pledge of Electronic Non-Negotiable Warehouse Receipt (ENNWR) then, this Agreement, at the option of the parties, shall also extend to the services related to Electronic Non-Negotiable Warehouse (ENNWR) as may be offered by Repository and availed by the RP -Pledgee. In such an event, the parties agrees to add further schedules to this Agreement for the purpose of recording the right and obligations of RP -Pledgee while providing such services.
- 1.7. The Parties agree that any further Schedule as may be required to be added to this Agreement for the purpose of giving clarity to the scope of the Services under this Agreement shall form part of this Agreement from the date of which such schedules are added.

2. RIGHTS AND OBLIGATIONS OF REPOSITORY

- 2.1. Repository shall provide the RP - Pledgee with necessary online access to the Repository System for the purpose of noting E-Pledge against such eNWR (electronic Negotiable

Warehouse Receipts) issued on the Repository System by the Warehouseman against Commodities held by borrower/Pledgor as per the E-Pledge Process Work Flow (Annexure A) prescribed by CCRL which shall be governed by the Business Rules of the Repository at all times.

- 2.2. Repository shall provide online access as per the provisions of the Business Rules to Repository System for enabling the RP - Pledgee for the limited purpose of noting its pledge on eNWR issued against the commodities deposited at warehouses as reflected by the relevant credit balances in the Repository account of the Borrower/Pledgor which are available as free balance for pledge and to allow recording of related instructions including release of pledge and/or invocation of pledge.

Repository herein agree that only the RP - Pledgee shall have the right to create and release e-pledge on eNWR or request Repository for e-auction at the time of invocation of Pledge thereof in case of default in payment by the Borrower and that Repository will not allow any transactions on such encumbered eNWR by the Borrower.

- 2.3. RP - Pledgee may request to open necessary account(s) in the Repository System for transferring and e-auction of electronic Negotiable Warehouse Receipt in case of a default by the Borrower.
- 2.4. Repository or its Repository Participants shall be entitled to recover any outstanding charges due and payable by the defaulting Borrower towards warehousing charges, assaying charges, pledge fees/charges, or any other charges attributable to the pledge transaction before release of the proceeds from the auction. The Repository or the Repository Participant shall have the right over the residual amount after satisfying the Banks claim towards any other charges due and payable to the Repository/Repository Participant not mentioned herein.

- 2.5. The Repository also reserves the right to discontinue the access, with prior notice of 15 days, to the facility of any pledge marking/noting, release, or e-auction of eNWR or related permitted transaction in the event of non-payment of charges payable by RP Pledgee
- 2.6. Repository shall be entitled to receive from the RP - Pledgee for the facilities provided under this Agreement, charges as mentioned in Annexure - B. The Annexure -B shall be subject to amendment or modification as decided and communicated by CCRL and shall be subject to terms and conditions of this Agreement.
- 2.7. The Repository shall mark in its records a pledge on the eNWR in favor of the RP-Pledgee upon being instructed to do so by both the Client and the RP-Pledgee.
- 2.8. RP - Pledgee understands and agrees that the role of the Repository is limited to providing access to the Repository System for recording of transaction of pledge and that the Repository shall not be liable for any default, dues or claims in respect of any loan or credit facility/ies or any disputes arising on account of quality and quantity of commodities, created/marked by the RP - Pledgee on electronic Negotiable Warehouse Receipt issued on the Repository.
- 2.9. The Repository does not guarantee nor undertakes to guarantee or to verify the credit worthiness of the Borrower/s and it shall be the sole responsibility of the RP - Pledgee to conduct necessary due diligence as may be required as per its own internal policies.
- 2.10. The Repository shall not be liable for any technology disruption beyond control of the Repository including but not limited to natural calamities such as floods, earthquake, etc.

3. RIGHTS AND OBLIGATIONS OF REPOSITORY PARTICIPANT - PLEDGEE

- 3.1. Any loan amount granted to the Pledgor is the absolute discretion of the Bank/ Financial Institution as RP - Pledgee and Repository does not subscribe to any of the terms and conditions of the Agreement, if any, which the RP - Pledgee and Pledgor may execute for the purpose.
- 3.2. RP - Pledgee understands that its access to Repository System is solely for the purpose of creation, release of pledge, invocation and authorising e-auction of electronic Negotiable Warehouse Receipts against which the credit facilities are provided by RP - Pledgee and to carry out related operations, to the extent permitted in the manner specified by the Repository.
- 3.3. The RP - Pledgee undertakes to abide by the process (Annexure A) as put in place or notified by the Repository for the purpose of online access and use of the Repository System and its modifications/customizations.
- 3.4. The RP - Pledgee agrees and undertakes to abide by the Warehousing (Development & Regulation) Act 2007, Rules & Regulations, guidelines framed thereunder, Bye Laws and Business Rules of the Repository including its amendments from time to time as may be applicable to an e-pledge transaction involving ENWR generated on Repository.
- 3.5. The RP - Pledgee agrees and undertakes to keep the Borrower informed that the role of the Repository is limited only to the extent of providing access to the Repository System for the purpose of creation, release of Pledge, invocation and e-auction of default pledge

and that the Repository shall not be liable in any manner whatsoever for any disputes between the Bank /Financial Institution as RP - Pledgee and the Borrower.

- 3.6. RP - Pledgee agrees to keep the repository system updated at all times with the correct required information pertaining to or in relation to the pledge transaction including but not limited to creation, invocation and release of pledge.
- 3.7. RP - Pledgee agrees to indemnify and keep the Repository and its employees indemnified against any direct or indirect claims or losses to the Repository to the extent of the value of the concerned pledge transaction-that may accrue to or become due to the RP - Pledgee while lending and/or entering into a Pledge transaction.
- 3.8. RP -Pledgee agrees that for the purpose of accessing REPOSITORY system , it shall execute necessary applications or request letters as prescribed by Repository in that regard including for creation of User ID and password for the person authorized by the RP -Pledgee for accessing Repository system.
- 3.9. RP -Pledgee shall keep the User Id and password allotted by Repository for accessing E-Pledge through Repository in strict confidence and shall be responsible for all transactions/pledge marking/revocation etc. executed in Repository system including creation of additional User Id's and passwords for use of Repository System by its employees/officers/agents etc. Subject to clause 3.10 below, the Pledgee shall be solely responsible in case any of the User Id and password is compromised and misused by it or any person authorized by it to access E-pledge through Repository system.
- 3.10. RP - Pledgee agrees that it shall be responsible for any risks, loss, damage or claims on account of or arising out of use of the User id and/or password and that shall not hold Repository responsible for any such risk, loss, damage or claim or liabilities arising from the use of the said User ID and/or password unless the same has resulted from any negligent or willful act or omission of Repository or their respective officers, employees, or

agents. All instructions and requests entered/transactions executed by using the said User ID and the password shall be deemed to be done by the RP - Pledgee unless proved otherwise.

4. Disputes between RP Pledgee and Clients:

In case of any dispute between the RP -Pledgee and its Clients, the RP -Pledgee agrees and understands that it shall not make the Repository a party to the dispute and shall not raise any claims on the Repository for the disputes which are not attributable to the Repository. Further the RP -Pledgeeshall indemnify and keep Repository and the officials of the Repository indemnified and harmless at all times to the extent to the value of such pledge transaction in relation to any direct losses or damages incurred to the Repository by the RP - Pledgee under this Agreement or in relation to the services provided by the Repository under this Agreement.

The RP Pledgee shall resolve grievances/complaints of Users/Depositors and submit a report on the grievances so resolved to CCRL within 20 days from the date of receipt of such complaint / grievance by the Repository Participant in such manner as may be specified in the Bye Laws and Business Rules.

5. Internal controls and Audit

- 5.1. The RP -Pledgeeshall install and maintain suitable systems, audit and control measures for regularly reviewing his/its internal operations ensuring due compliance and maintaining the integrity and confidentiality of the data maintained in Repository system as may be laid down under the Bye Laws and Business Rules
- 5.2. The RP -Pledgee shall from time to time submit such operational, financial, technical or other data, information, reports and returns, in relation to his/its activities and operations as a RP -Pledgee, in such form and manner and within such period, as may be specified in the Bye Laws and Business Rules.

6. Inspection by Repository/Authority

- 6.1 The Authority and/or the Repository (on its own or at the instructions of the Authority) shall be entitled to carry out, by issuing 15 days prior written notice to the RP-Pledgee about such inspection, the inspection of the facilities, systems, records and books of the RP -Pledgeerelating to all dealings of the RP -Pledgee with it through such persons as may be

authorised in that behalf by Repository/Authority, as the case may be, and the RP -Pledgee shall permit the persons so authorised entry into his/its premises during regular business hours on any working day and shall allow access to his/its facilities, systems, records and books and permit copies thereof to be made only with respect to the activities done as RP - Pledgee. **Events requiring immediate intimation by the RP -Pledgee to Repository**

RP -Pledgee shall notify Repository forthwith:

- 6.1.1 in case the Repository Participant is a company or a body corporate, upon a petition for winding including petition filed under Insolvency and Bankruptcy Code up being presented in any court/ Tribunal or a resolution being passed for winding up of the RP - Pledgee;
- 6.1.2 any scheme being framed for merger, amalgamation or reconstruction of the RP - Pledgee;
- 6.1.3 on its becoming aware of the presentation of any application or petition for its bankruptcy, insolvency, liquidation or attachment of its property;
- 6.1.4 upon convening of any meeting to consider a resolution for the appointment of a liquidator or receiver or administrator in respect of any of its properties or any other change in circumstances which could materially affect its capacity to act as a RP - Pledgee;
- 6.1.5 in the event of the RP -Pledgee ceasing to meet any of the eligibility and/or admission criteria laid down by WDRA and/or Repository.
- 6.1.6 upon the Repository Participant becoming aware of any event or occurrence which is reasonably likely to materially affect his/its commercial viability or existence or his/its ability to perform his/its obligations under this Agreement or which constitutes a material adverse change in the eligibility criteria laid down by Repository or by WDRA or any other regulatory authority under any law in force for the time being.

7 Authorised Representative

The Repository Participant -Pledgee shall, simultaneously with the execution of this Agreement furnish to Repository, a list of officials authorised by it, who shall represent and interact on his/its behalf with Repository. Any change in such list including additions, deletions or alterations thereto shall be forthwith communicated to Repository.

8 Confidentiality

- 8.1 The parties hereto shall keep strictly confidential all technical and business information including but not limited to that which may be disclosed or confided to it by the other in the course of the performance of the obligations under this Agreement or under the Bye Laws and neither party hereto shall disclose the same to any third party without prior approval of the other party hereto.
- 8.2 Either party hereto shall be at liberty to provide or disclose such details, particulars, data or information relating to any beneficial owner and/or his account as may be required or directed in writing by any court, tribunal, Central or State Government, WRDA or any other regulatory or revenue authority empowered by law in that behalf or as may be required for compliance with any obligations in law or for enforcement of any of its rights or for protection of its interest without reference or recourse to the other or to the concerned Clients provided however that save and except as aforesaid, neither party shall divulge or permit or suffer to be disclosed any such details, particulars, data or information to any party or person and shall hold such details, particulars, data and information in strict confidence.

9 Change in address

The Repository Participant shall intimate the Repository of any proposed change in address of his/its office/ registered office as also of any change in location of the premises where the equipment for maintenance of computerized records, back-up facilities and communication with Repository are situated, at least thirty days before the date of such change.

10 Disaster Recovery Plan

- 10.1 The RP -Pledgee shall forthwith inform CCRL of any loss or failure of connectivity between the Repository Participant and CCRL.
- 10.2 The RP -Pledgee shall strictly adhere to such plan, scheme or procedure (to be known as "Disaster Recovery Plan") as CCRL may specify in that behalf for meeting any situation or eventuality resulting in loss of connectivity or failure of communication, loss or corruption of data or damage to equipment, hardware or software whether by reason of any technical failure, unauthorized access, calamity, accident, sabotage or disaster or otherwise.

11 TERM AND TERMINATION

- 11.1 This Agreement shall come into force from the date of its execution and shall be effective unless terminated as provided herein. Either party shall have the right to terminate this

Agreement without penalty after expiry of thirty days from the date of a written notice given to the other.

11.2 Notwithstanding anything to the contrary herein contained, both parties shall be entitled to terminate this Agreement forthwith without any notice upon happening of any of the following events :

11.2.1 If any distress, execution liquidation or other process of the court is levied upon any property or assets of RP -Pledgee

11.2.2 If a receiver is appointed in respect of any property or assets of RP -Pledgee

11.2.3 If RP -Pledgee makes any composition or arrangement with its creditors.

11.2.4 If any information furnished by RP -Pledgee to Repository is false or misleading in material particulars.

11.2.5 If there is any substantial or material change in the legal status or organization of RP -Pledgee.

11.2.6 If there is any change in statute/legislation which in the opinion of Repository/Bank/FI prevents the continuance of this Agreement.

11.3 The termination of this Agreement shall be without prejudice to all the rights, obligations and claim existing or accrued at the time of such termination.

12 NOTICES

12.1 Unless otherwise provided herein, all notices or other communications under or in connection with this Agreement shall be given in writing and may be sent by personal delivery or registered post or courier or facsimile. Any such notice or other communication will be deemed to be effective if sent by personal delivery, when delivered, if sent by post, five days after being deposited in the post and if sent by courier, one day after being deposited with the courier, and if sent by facsimile, when sent (on receipt of a confirmation to the correct facsimile number)

12.2 The addresses referred to herein above are:

If addressed to Repository:

If to Repository Participant:

13. WAIVER

The omission to insist on strict compliance of any of the terms of this Agreement shall not be deemed to be a waiver of any subsequent non- observance or breach thereof.

14 FURTHER ASSURANCES

In connection with this Agreement, as well as all transactions contemplated by this Agreement, each Party agrees to execute and deliver such additional documents and to perform such additional actions as may be necessary, appropriate or reasonably requested to carry out or evidence the transaction contemplated hereby.

15 SEVERABILITY

The invalidity or unenforceability of any provisions of this Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of this Agreement, including any such provision, in any other jurisdiction, it being intended that all rights and obligations of the Parties hereunder shall be enforceable to the fullest extent permitted by law.

16 AMENDMENTS

This Agreement shall not be amended, altered or modified except by an instrument in writing expressly referring to this Agreement and signed by the parties hereto.

17 DISPUTE RESOLUTION

17.1 It is hereby agreed and confirmed by the Repository Participant-Pledgee that Repository would be confined to the role of appointing the Repository Participant providing services under this agreement and the Repository shall be not be held responsible or made a party the dispute between the Repository Participant-Pledgee and the Clients.

In the case of any dispute or any difference between the Parties arising out of or in relation to this agreement including but not limited to disputes or differences as to the validity of this Agreement or interpretation of any of the provisions of this agreement or losses or damages arising under this agreement or indemnity, the same shall be resolved by mutual discussion. In the event that the dispute or event is not resolved by mutual discussion, the parties shall be free to take such legal recourse as may be available with the courts in Mumbai only.

17.2 The provisions of this clause shall survive the termination of this Agreement.

18 JURISDICTION

All matters arising out of this agreement shall be governed by and construed in accordance with the Laws of India and shall be subject to the exclusive jurisdiction of Mumbai Courts.

19 ANNEXURES, PART OF AGREEMENT

This Agreement together with all Schedules hereto forms a single Agreement between the Parties hereto.

20 COUNTERPARTS

This Agreement has been signed in duplicate, each of which shall be deemed to be an original.

21 ASSIGNMENT & TRANSFER

The Parties shall not be entitled to assign or otherwise transfer this agreement or any benefits, rights, obligations or interests herein whether in whole or in part to any third party other external agency without the prior written consent of the other.

22 CORPORATE AUTHORITY

Repository and Repository Participant represent that they have taken all necessary corporate action to authorize the execution and consummation of this Agreement and will furnish satisfactory evidence of the same upon request.

IN WITNESS WHEREOFF the parties hereto have executed this agreement on this _____ day of _____ 20 __.

SIGNED, SEALED and DELIVERED by, for and on behalf of CDSL Commodity Repository Limited.	SIGNED, SEALED and DELIVERED by, for and on behalf of Repository Participant
Name:	Name:
Title:	Title:
Date:	Date:
Witness 1 Name - Signature -	Witness 1 Name - Signature -
Witness 2 Name - Signature -	Witness 2 Name - Signature -

ANNEXURE A

Process Note

eNWRs can be pledged by the holder with a Bank or NBFCs. The facility in CCRL will enable such Pledge marking towards such Pledgee. The Pledgee will be having rights to approve the pledge, pledge closure or pledge invocation as required. Additionally, the electronic system ensures that the same eNWR cannot be pledged multiple times. If the pledged eNWR's validity needs to be extended, it can be done without removing the Pledge, therefore making it much convenient for the Pledgee.

➤ Pledge creation:

- ❖ Application of Pledge request by client through client portal or physical form to RP. (Pledge Request - Maker Leg)
- ❖ RP to Authorize pledge request. (Pledge Request - Checker Leg)
- ❖ eNWRs are frozen as in-transit till pledge completion by pledgee.
- ❖ Stock confirmation of pledge request by Warehouse/WSP
- ❖ Pledge creation completion by Pledgee
- ❖ Record update in Repository, Pledgee, Warehouse, RP, Clients account.
- ❖ Intimation to client at registered email id and mobile number.
- ❖ eNWRs are frozen till de-pledge.

➤ De-Pledge

- ❖ Application for de-pledge of eNWR by pledgor client through portal or physical form to RP.
- ❖ Intimation to Repository about de-pledge of eNWR.
- ❖ Intimation to pledgee by Repository about initiation of de-pledge request by pledgor.
- ❖ Intimation to Repository about confirmation of de-pledge by pledgee.
- ❖ Record update in Repository, Pledgee, Warehouse, RP, Clients account.
- ❖ Intimation to client at registered email id and mobile number.

➤ Pledge Invocation

- ❖ Application for pledge invocation of eNWR by Pledgee
- ❖ Intimation to Repository about invocation of pledge of eNWR by RP.
- ❖ Freezing of Pledger account for the said eNWR.
- ❖ Request verification by Repository
- ❖ Record update in Repository, Pledgee, Warehouse, RP, Clients account.
- ❖ Intimation to client at registered email id and mobile number

ANNEXURE B

Tariff – Pledged holding by Banks and NBFCs

Repository Participants (RPs), RP Pledges and their clients are advised to take a note that tariff on pledged holding by Banks and non-banking financial companies (NBFCs) will be applicable with effect from 1st of December 2022. The eNWR quantity held in pledge in favour of a Bank/ NBFC in a calendar month will be subject to this tariff as given below.

Description	Tariff
Pledged holding charges	Rs. 5/- per metric ton (MT) per month on pledged quantity

Please note that -

- a. Holding quantity in decimals of MT will be rounded-up to next whole number. 1MT will be the minimum quantity for tariff purposes.
- b. Any period of holding lesser than a month will be charged for the full month.
- c. This tariff is applicable for pledged holdings by Banks and NBFC serving both non-exchange and Exchange segments.
- d. For Bank/ NBFC who wish to receive branch-wise separate bills for their pledged holdings, please contact CCRL helpdesk to register such request.