



## National Spot Exchange Limited

Circular

Ref. No.: NSEL/TRD/2009/040

April 22, 2009

Dear Members,

### Modification in Domestic Gold bar 100 gm Ex-Ahmedabad

In terms of the provisions of the Rules, Bye-Laws and Business Rules of the Exchange, the Members of the Exchange and in partial modification of Circular no: NSEL/TRD/2009/036 dated: April 14, 2009, the member of the Exchange are notified as under :

- 1) Contract Specifications – refer to the enclosed Annexures 1,
- 2) Settlement Schedule, Delivery and vaulting charges – refer to the enclosed Annexure 2,
- 3) Settlement and Delivery Procedure - refer to Annexure 3 and
- 4) Auction Mechanism – refer to the circular no. NSEL/C&S/2008/029 dated 26<sup>th</sup> November 2008.

The above contract specifications, settlement, delivery and auction procedure will be binding on all the members of the Exchange and clients trading through them.

Brinks Arya India (P) Ltd. is the accredited vault for the purpose of delivery of Domestic Gold bar in Ahmedabad and M/s. Gujarat Gold Center shall be the approved refinery for the supply of domestic Gold bars.

The details of details the approved refinery, accredited vault and service providers are as under :

#### Accredited Vault:

**Name:** Brinks Arya India (P) Ltd.  
**Address:** 1,Kailash society, Bhagwan Nagar, No Tekro, Mahalaxmi Panch Rasta, Paldi, Ahmedabad-380006.  
**Contact person:** Mr. S.K.Menon / Mr. Ramsingar Oza/ Mr. Ranjit Gohil  
**Contact no.:** Tele fax No. – 079-26640138/26691868,26630529  
Fax No.079-26605484  
Mobile No. –9327016360/ 9327017103  
**Email:** [ahmedabad.gs@brinksarya.com](mailto:ahmedabad.gs@brinksarya.com)

#### Approved refinery:

**Name:** M/s Gujarat Gold Centre  
**Address:** 15, Gujarat Hosiery Mill Compound, behind vijay petrol pump, rakhial road, Ahmedabad.  
**Contact person:** Mr. Anil C. Kansara  
**Contact no.:** Tel. No. – 079 - 22748532, 22777751



**Approved Service providers:**

- 1. Name:** **M/s Parker Agrochem Exports Ltd.**  
**Address:** 15, National Plaza, Ground Floor,  
Opp. Lal Bungalow, C.G. Road. Ahmedabad 380 009  
**Contact person:** Mr. Piyush Acharya  
**Contact no.:** Tel. No. – 079 - 2640 9466, 2640 5033-34-35
- 2. Name:** **M/s Zaveri & Co. Pvt. Ltd.**  
**Address:** Swagat, CG Road, Ahmedabad 380 006  
**Contact person:** Mr. Janak Rajguru & Mr. Nilesh Parekh  
**Contact no.:** Tel. No. – 079 - 2642 1455, 2642 1466

For any clarification, the following officials of the Exchange can be contacted :

- 1) Mr. Arpan Jain at +919930267952 / 022 -67619900 Extn – 9991 or through email at arpan.jain@nationalspotexchange.com / bullion@nationalspotexchange.com
- 2) Ashok Kawalsot at +919725050460 or through email at ashok.kawalsot@nationalspotexchange.com

For and on behalf of  
National Spot Exchange Ltd.

Narsing Rao  
Vice President

Encl.: As above

----- Registered office -----  
102-A, Landmark, Suren Road, Chakala, Andheri (East), Mumbai – 400 093  
Tel.: 022 – 6761 9900 Fax: 022 – 6726 9525  
www.nationalspotexchange.com email: bullion@nationalspotexchange.com

**Contract Specifications of Domestic Gold bar 100 grams**

|                                    |  |
|------------------------------------|--|
| Commodity                          | <b>Domestic Gold Mini Bars</b>   |
| Symbol                             | <b>GOLDAHMDM3</b>  |
| Description                        | Domestic 100 grams Gold bar Ex- Ahmedabad  |
| Daily contract                     | Buying and selling during the day will be permitted, but all positions outstanding at end of trading session on a day must result into compulsory delivery   |
| Trading period                     | Monday to Saturday except Exchange specified holidays.   |
| Trading session                    | Monday to Friday: 10.00 a.m. to 11.30 p.m.<br>Saturday: 10.00 a.m. to 2.00 p.m.  |
| <b>Trading related parameters</b>  |  |
| Trading unit                       | 100 grams  |
| Quotation/Base Value               | 10 grams   |
| Tick size (minimum price movement) | Re. 1 per 10 grams   |
| Daily price limits                 | 3%   |
| Price Quote                        | Ex-Ahmedabad (excluding VAT)   |
| Initial margin                     | 6%   |
| Special Margin                     | In case of additional volatility, a special margin of such percentage, as deemed fit, will be imposed immediately on both buy and/or sell side in respect of all outstanding position, which will remain in force for the same trading day.  |
| Maximum order size                 | 10 kgs   |
| <b>Delivery related parameters</b> |  |
| Delivery unit                      | 100 grams and in multiple thereof.   |
| Delivery center(s)                 | Ahmedabad at designated Clearing House facilities of Brinks Arya India (P) Ltd.  |
| Delivery Period Margin             | 10% on the closing price   |
| Quality Specifications             | Grade: 995 purity<br>If the bar is below 995 purity it is rejected. Gold bars should be supplied by Gujarat Gold Center, Ahmedabad or other suppliers as may be approved by NSEL. In case the bar is already purchased from the approved refinery and kept by the buyer at its own custody, the same bar need to be certified by the supplier or any of the service provider (assayer). Thereafter the certified bar need to be submitted for re-selling alongwith <u>supplier or services provider's (assayer) quality certificate.</u> |
| Quality adjustment                 | The price of Gold is on the basis of 995 purity.<br>Seller will get a proportionate premium and sale proceeds will be calculated in the manner of rate of delivery *999 /995.<br>If the purity is below 995, it will be rejected.  |
| Tender and Delivery Period         | <b>Compulsory delivery.</b><br>Net positions at the closing of the market should be delivered on T+3, as per settlement schedule specified in Annexure   |
| <b>Auction related parameters</b>  |  |
| Process                            | Auction will be initiated by the Exchange in case of shortages in funds and/or commodities.  |
| Symbol                             | <b>ABGLDAHMD3</b> for buy-in and <b>ASGLDAHMD3</b> for sell-out.   |

A) **Settlement Schedule**

| <b>Particulars</b>                | <b>Day</b> | <b>Pay-in</b>      | <b>Pay-out</b> |
|-----------------------------------|------------|--------------------|----------------|
| Marked-to-Market                  | T+1        | Up to 11.00a m     | At 12.00 pm    |
| Funds – normal                    | T+3        | Up to 1.00 pm      | At 5.30 pm     |
| Delivery of Commodities – normal  | T+3        | Up to 2.00 pm      | At 5.30 pm     |
| Auction period                    | T+3        | 7.00 pm to 7.30 pm |                |
| Delivery of Commodities – auction | T+4        | Up to 11.00 am     | At 1.00 pm     |
| Funds – auction                   | T+4        | Up to 12.00 pm     | At 3.00 pm     |

B) **Delivery Charges:** The Exchange will charge Rs.20/- per lac to the seller member on actual delivery of gold bars tendered by him in this contract, either by delivery of fresh stock or delivery of vaulted gold bar lying in the vault.

C) **Vaulting Charges:** Charges for storing of Gold and at Brinks Arya India (P) Ltd. are as under:

| <b>Particulars</b>                                | <b>Commodity</b> | <b>Delivery Unit</b> | <b>Vaulting Charges (in Rs.)</b> |                    |
|---|------------------|----------------------|----------------------------------|--------------------|
|   |                  |                      | <b>(per day)</b>                 | <b>(per month)</b> |
| Vaulting Charges (inclusive of Insurance charges) | Gold Mini        | 100 gms              | 0.75                             | 22.50              |

Note:

1) Vaulting Charges –

- (a) These charges are applicable for the actual number of days for which Domestic Gold Mini are stored in the vault.
- (b) These charges are not levied to the buyers, if they take delivery of Gold bars on the pay-out day itself.
- (c) These above charges will be collected on a monthly basis i.e. 10<sup>th</sup> day of the subsequent month by debiting the settlement account of the members and if 10<sup>th</sup> day is a holiday, charges will be debited on the next working day.



## Settlement and Delivery Procedure of Domestic Gold :

### I. Terms and conditions

1. **Delivery logic:** Compulsory delivery. Transactions on intra-day basis will be permitted and all positions outstanding at end of the trading day will result into compulsory delivery.
2. **Mode of communication:** Official Communication with the exchange in regards to commodity delivery should be done through E mail / Fax or courier.
3. **Delivery period margin:** 10% on the closing price or as notified by the Exchange.
4. **Exemption from delivery period margin for Seller:** Delivery Period Margin will be exempted if seller submits vault receipt to the Exchange on or before the closing hours of the Trading day / tender days.
5. **Taxes, Duties, Cess and Levies:** Inclusive of all charges / levies relating to import duty, customs. But excluding VAT, any other additional tax or surcharge on sales tax, local taxes and octroi.
6. **Deliverable grade of underlying commodity:** The selling members tendering delivery will have the option of delivering such grades as per the contract specifications. The buyer has no option to select a particular grade and the delivery offered by the seller and allocation by the Exchange shall be binding on him.
7. **Quality, Weight & purity adjustment:** Gold purity above 995 will have premium in proportion. The Domestic Gold bars below 995 purity shall not be accepted. The purity of each Domestic Gold bars is acceptable with accuracy up to  $\pm 0.04\%$  of the declared purity. The weight of Gold bars is acceptable with a tolerance limit up to  $\pm 10$  mg per each 100 gram bar.
8. **Closing Price:** Closing Price shall be calculated by the Exchange at the close of the trading session for the commodity. All trades will be marked-to-market as per such price, which will be settled on the next day of trading in case of other contracts. All outstanding positions at end of trading session will be settled by delivery and payment at the closing price.
9. **Delivery allocation:** Delivery will be allocated at client level after closing hours of the trading day at the closing price and the decision of the Exchange regarding such allocation shall be final and binding for all members and their clients.
10. **Vault, Insurance and Transportation charges:**
  - Borne by the seller up to commodity pay-out date
  - Borne by the buyer after commodity pay-out date
11. **Extension of delivery period:** The Exchange may extend delivery period due to a force majeure or such other cases as it may deem fit.

### II. Procedure of delivery at the Exchange designated warehouse

1. **Depositing Domestic Gold mini Bars:** The members and their clients willing to deposit Domestic Gold in the Exchange accredited vault, should contact vault in advance for necessary storage arrangements. Based on the intimation received from vault, the depositor may bring and deposit goods at the Exchange accredited vault along with duly filled CID form (format of CID form is enclosed as Annexure-4). The members unable to send the original CID Form, duly signed and affixing its rubber stamp, may send it by fax to the Exchange accredited vault. Original copy of the form may be sent subsequently to the office of Vault. The members must use the separate form for each delivery at NSEL. Exchange accredited Vault will accept the delivery from Monday to Saturday between 11.00 am and 8.00 pm. The member should ensure to deposit the goods within the specified time, in order to have hassle free delivery and receipt of Domestic Gold bars against their transactions.



A member desires to deposit Domestic Gold bars at the Exchange accredited vault, he shall also follow the below mentioned procedure:

- a. If the Gold bar is sold by the approved refinery, it should be directly transported from the vault of approved refinery to the Exchange designated vault by its own carrier. In such case the approved refinery will issue a third party letter stating that the goods are directly transferred from their vault to the Exchange accredited vault and no third party is involved in the movement of such Gold bars in the entire transaction.
  - b. In order to facilitate delivery of Gold bars, which were taken out of the secured vault or purchased from the approved refinery and kept at the custody of any member or their client, the same can be delivered through the Service Providers for exchange at the Exchange accredited vault.
  - c. The members desiring to deposit/deliver Gold bars, which were taken out of secured vault earlier, shall approach the approved refinery or any of the service providers along with their documents, purchase bill/ purity certificate, packing details and any other documents as may be desired by the service providers for verification of their physical Gold bars.
  - d. After verification, the service provider may issue the certificate of purity and weight in the format given in annexure 5 and deposit the same to the Exchange accredited vault on behalf of such member.
  - e. Any charges arising out of transportation of Gold bars from vault other than the Exchange designated vault to the Exchange designated vault has to be borne by the depositor.
  - f. Members are advised to strictly follow the above mentioned procedures for the acceptance of Gold bars by the Exchange designated vault on NSEL account for delivery against their trading obligations on the Exchange platform.
2. **Verification by the buyer at the time of taking delivery :** At the time of taking delivery, the buyer can check his delivery in front of vault personnel. If he is satisfied with the quantity, weight and quality of material, then he will issue receipt of the metals instantly. If he is not satisfied with the metal, he can insist for assaying by any of the approved assayers available at that center. If the buyer chooses for assaying, the agent of the concerned exchange designated vault will carry the goods to the assayer's facilities, get it assayed and bring it back to vault facilities along with assayer's certificate. If the assayer's certificate differs from the certificate submitted by the seller in respect of quality or weight materially, then the buyer and seller have to mutually negotiate the final settlement proceeds within 1 day from receipt of assayer's report, however if they do not agree on any mutually acceptable amount within 1 day, then the Exchange will send the goods to a second assayer and in that case, the report received from such assayer will be final and binding on both buyer and seller. The cost of first assaying as well as cost of transportation from exchange designate vault to assayer's facilities to and fro will be born by the buyer, while the cost of second assaying, if any, will be equally divided between the buyer and seller. The vault charges during such period of first and second assaying, if any, will be born by both the buyers and sellers equally. If the buyer does not opt for assaying at the time of lifting delivery, then he will not have any further recourse to challenge the quantity or quality subsequently and it will be assumed that he has received the quantity and quality as per the bill made by the seller.



3. **Taking delivery from the vault :** For the purpose of lifting delivery of goods fully or partially, the Member shall issue an authority letter on his letter head, authorizing his representative to take the delivery of his deposited or purchased Gold bars from exchange vault – format of the authorization letter is enclosed Annexure-3. The authority letter to be issued by the member shall consist of the following details:

- a. Name of the authorized representative.
- b. Name of the Commodity (Gold) along with quantity.
- c. Name of the vaulting agency along with its location of vault.
- d. Signature of the authorized representative.
- e. Photo identity proof viz. PAN card, driving license, election ID of the authorized representative.
- f. Photo identity proof mentioned above, should be duly attested by the Member.

The above-mentioned details are required to be sent by the member to the Exchange along with the copy of the authority letter through fax or courier. The Exchange on receipt of the above-mentioned details shall verify the signature of the Member and send the Delivery Order to the exchange designate Vault through fax along with the copy of the authorization letter verifying the signature of the Member. Based on the Delivery Order received through fax along with the signature verified authority letter from the Exchange, the Vault will release/deliver the specific Gold bars as requested in the Delivery Order to the authorized representative. Such release of Gold bars Bars will be made by vault only on production of the original letter generated by the member, which copy was faxed/ communicated by the Exchange to vault and on verification of the original photo identity proof of the authorised representative as specified in such authorization letter. However, in case of any discrepancy or any other reason the vault officials in may refuse to deliver the Gold bars to the representative under intimation to the Exchange.

III. **Legal obligation:** The members will provide appropriate tax forms wherever required as per law and as customary and neither of the parties (seller member and buyer member) will unreasonably refuse to do so.

IV. **Applicability of Business Rules:** The general provisions of Business Rules of the Exchange and decisions taken by the Board of Directors and Executive Committee of the Exchange in respect of matters specified above will apply mutatis mutandis. The Exchange may further prescribe additional measures relating to delivery procedures, warehousing, quality certification, margin and risk management from time to time.

In case of any interpretational dispute or clarifications, the decision of the Exchange shall be final and binding on the members and others.



**Commodity Inward Document (CID)**

Serial No. *Pre-printed*

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

Time: \_\_\_\_\_

**Vault Details**

Vault name : \_\_\_\_\_

Address : \_\_\_\_\_

**Depositor Details**

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

Address & Contact No.: : \_\_\_\_\_

Contact Person: \_\_\_\_\_

**Commodity Details**

**(√ / X) Domestic Gold Mini**

Commodity Name : \_\_\_\_\_ No. of Bars: \_\_\_\_\_

Weight of Commodity : \_\_\_\_\_

Bar No. : \_\_\_\_\_

Brand / Refinery

Purity

**Mode of Vault Receipt**

**(√ / X)**

Demat : \_\_\_\_\_ Physical Receipt : \_\_\_\_\_

Beneficiary Name : \_\_\_\_\_

**Details of commodity Demat account to be credited with**

DP ID : \_\_\_\_\_

DP Name : \_\_\_\_\_

Client ID / Beneficiary ID : \_\_\_\_\_

Client Name : \_\_\_\_\_

**Remarks**

Signature of Client / Representative with stamp : \_\_\_\_\_

Name of Client/ Representative : \_\_\_\_\_

Signature of Vault Manager/Service Provider : \_\_\_\_\_

Name of Authorized Person / ID No. : \_\_\_\_\_

No. : \_\_\_\_\_



**Note:**

- a)** The expression "Depositor/Client includes any persons or Bank that lawfully holds, or is the holder in due course of the receipt issued by the Vault manager in respect of the goods and derives title thereto by endorsement or transfer by the depositor or his lawful transferee.
- b)** Acknowledge & accept the terms and conditions of Vault.
- c)** The Vault manager undertakes to store and delivery goods only in the packages in which they are originally received.
- d)** The original quality certificates are accompanied with the Gold Bars.



**Certificate by the Refinery/Assayer for Gold Bars**

(On the letter head of the certifying agency)

To whom so ever it may concern

This is to certify that the following Gold/Silver bars tendered by M/s. \_\_\_\_\_ have been examined by us. Based on the test analysis conducted by us, we certify that the weight and purity of the bars are as under:

| <u>S. No.</u> | <u>Commodity</u> | <u>Bar No(s).</u> | <u>Weight</u> | <u>Purity</u> |
|---------------|------------------|-------------------|---------------|---------------|
|---------------|------------------|-------------------|---------------|---------------|

---

We hereby undertake the responsibility for the quality and weight of the above mentioned bars and indemnify all the buyers / receivers till the disbursement from the vault of Brinks Arya India Pvt. Ltd.

For the Certifying Agency

Name and signature of the Assayer  
(Seal)