



National Spot Exchange Limited

Circular

Ref. No.: NSEL/TRD/2013/051

June 18, 2013

Dear Members,

Commencement of Spot Trading in Jeera Traders' Ex-Unjha, Gujarat (T+25) Delivery Contract

In terms of the provisions of the Rules, Bye-Laws and Business Rules of the Exchange, the Members of the Exchange are notified that Jeera Grade Traders' Ex-Unjha Contract will be launched for trading from **Wednesday, the 19th June 2013**.

Contracts details and settlement procedure are as under:

- 1) Contract Specifications, Settlement Schedule and Warehouse Details - enclosed as Annexure 1,
- 2) Quality Parameters - enclosed as Annexure 2,
- 3) Charges relating to Trading, Settlement and delivery - Annexure 3,
- 4) Procedure, norms, conditions of delivery, quality check and withdrawal - enclosed as Annexure 4,
- 5) Other Terms and conditions - enclosed as Annexure 5, and
- 6) Auction Procedure - refer circular no. NSEL/C&S/2008/029 dated 26th November 2008.

The terms and conditions of the above referred contract and the process relating to the settlement thereof will be binding on all the members of the Exchange and clients trading through them.

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

- 1) Mr. Kiran Kumar Patel at +91 93767 81350 or through email at Kirankumar.patel@nationalspotexchange.com
- 2) Mr. Nayan Prajapati at +91 90990 22434 or through email at nayan.prajapati@nationalspotexchange.com

For and on behalf of

National Spot Exchange Ltd.

H. B. Mohanty
Asst. Vice President

Encl.: As above

Contract Specifications of Jeera Traders' Ex-Unjha (T+25) Delivery Contract

Commodity Details	
Commodity	Jeera
Symbol	JEERUNJH25
Description	Jeera Grade
Contract Specifications	
Daily Contract	Short Selling is Strictly Prohibited. All sellers should possess commodities before giving sale order. Each buying and selling transaction will be settled on Trade to Trade Basis and result into compulsory delivery
Trading period	Monday to Saturday except Exchange specified holidays
Trading session	Monday to Friday : 10:00 AM to 6:00 PM Saturday : 10:00 AM to 2:00 PM
UCC Code	As Unique Client Code (UCC) is made mandatory, both buyer and seller must ensure UCC client registration before entering order.
Trading Related Information	
Trading Unit	3 MT
Quotation / Base Value	₹ per quintal
Tick Size (minimum price movement)	₹ 1/-
Daily Price Limits	4%
Price Quote	Ex-Unjha Mandi delivery inclusive APMC Cess, but excluding VAT and Sales Tax.
Initial Margin	3%
Maximum Order Size	90 MT
Delivery Related Information	
Deliverable Grade	Dry fresh free flowing Jeera delivered at NSEL Warehouses on "AS IS WHERE IS BASIS"
Delivery Unit	3 MT (with a tolerance limit of + 200 kgs) and direct multiples thereof. It means if the seller delivers any quantity between 2.80 MT to 3.20 MT will be construed as adequate discharge of his obligation of 3 MT, though he will get the value only for the actual deliveries tendered by him.
Delivery Period Margin	10%
Special Margin	In case of additional volatility, a special margin at such percentage, as deemed fit, will be imposed immediately either on buy or sale side or both sides in respect of all outstanding position.
Delivery Center(s)	At Unjha, Gujarat at Exchange designated Warehouse.
Delivery Logic	Compulsory. Net positions at close of the trading session shall be considered as the delivery obligation.
Packing	Commodity Should be delivered in 55 Kg gross weight basis with a variation of $\pm 2\%$ in new A Twill bags.
Weighment	At exchange designated weigh bridge
Auction Related Details	
Symbol for Auction Buy-in	ABJERUNJ25
Symbol for Auction Sell-out	ASJERUNJ25
Auction period	5:00 PM to 5:30 PM on the T+25 day



A) Settlement Schedule:

Particulars	Day	Pay-In	Pay-Out
Funds – Normal	T+25	Up to 1:00 PM	At 5:30 PM
Commodities – Normal	T+25	Up to 2:30 PM	At 5:00 PM
Commodities – Auction	T+26	Up to 11:00 AM	At 1:00 PM
Funds – Auction	T+26	Up to 12:00 Noon	At 1:00 PM

B) Details of Exchange Designated Warehouses:

Address of the Warehouse	:	National Spot Exchange Ltd, C/o. Shivganga Area, Behind Sanidev Temple, Opp Gujcomasol, Unjha Unava Highway, Unava, Gujarat – 384 160.
Contact Person	:	Mr. Nayan Prajapati
Contact No.	:	+91 90990 22434
Email	:	nayan.prajapati@nationalspotexchange.com warehousing@nationalspotexchange.com
Warehouse timings	:	9:00 AM to 6:00 PM

**Quality specifications on the farm grade**

Quality Specifications Jeera of Indian Origin with the following specifications.	
Deliverable Grade	Jeera FAQ (Fair Average Quality)/ Farm grade basis
Admixture Foreign Matter Includes anything other than Jeera seeds (i.e. sand, silica, pebbles and other edible / non edible seeds)	Maximum 5%, below 5% with a 1:0.5 premium Acceptable upto 5.0%-7.5% with a 1:0.5 Discount above 7.5% Rejected
Moisture Content	8% Max, below 8% with a 1:0.5 premium above 8% Rejected

It may please be noted that 2.00 Kg weight loss per sampled lot will be considered on account of handling and sampling loss, which will be adjusted before issuing warehouse receipts to the seller / depositor.

Charges relating to Trading, Settlement and delivery

A) Storage Charges:

- ₹ 0.35 per bag of 55 Kg per day (1 day billing cycle exclusive of tax, if any). These charges are inclusive of insurance and fumigation charges.
- These charges are inclusive of insurance and fumigation charges. Storage Charges are waived off for those members and their constituents, who sale Jeera on **JEERUNJH25** out of the delivery receivable against the purchase position of **JEERAUNJH2** contracts.

B) Cost of transaction: In respect of trading, delivery and settlement of Jeera, the following charges shall be applicable:

Sr. No.	Charges	Amount	Remarks
1.	Transaction charges	₹ 10/- per lac of turnover to be paid by both buyer and seller.	This will apply on all transactions.
2.	Delivery Allocation / Warehouse Receipt Transfer Charges	₹ 90/- per lac to be valued at trade rate payable by both the buyer and seller.	This will apply in all cases, wherever delivery of goods takes place, irrespective of fresh stock being deposited or transfer of warehouse receipts pertaining to existing warehouse stock.

Additional Delivery and QC charges on Fresh deposit of commodities over and above the Transaction Charges.

1.	Sampling and Quality certification charges	₹ 750/- per lot of 3 MT payable by the seller at the time of delivery of physical stock.	This is payable in case of delivery of physical stock i.e. tendering fresh delivery of commodities by the seller.
2.	Delivery Charges	₹ 1,000/- per lot of 3 MT payable by the seller at the time of delivery of physical stock.	This is payable in case of tendering fresh delivery of commodities by the seller.

(b)	Fresh deposit or withdrawal of physical stock		
	Cost of labor towards unloading / stacking at the time of deposit of physical commodity	Payable by seller based on actuals, to be settled in cash between the seller and the labour / warehouseman directly	This is payable by the seller only in the case of delivery of physical stock, not in case of transfer of warehouse receipt
	Cost of labor towards lifting of physical stock	Payable by buyer based on actuals, to be settled in cash between the buyer and the labour / warehouseman directly	This payable by the buyer only in case of lifting of physical stock.
	Weigh bridge charges	Payable by respective parties directly to weigh bridge at the time of depositing physical stock or lifting of physical stock.	Weighing will be done in presence of warehouseman representative, but charges will be payable by the seller directly to the weigh bridge in case of deposit of physical stock. Similarly, the buyer will pay weigh bridge charges in case of lifting of physical stock directly. This is not applicable in case of transfer of warehouse receipts.



	Cost of change of bags, if required	Payable by the respective parties directly to the warehouseman based on actual.	In case the warehouseman finds some bags not in usable conditions, this amount will be payable by the seller, but the seller will get back the bags rejected by the warehouseman. Similarly, in case the buyer wants some bags to be changed, he has to pay this amount to the warehouseman, depending upon number of bags to be changed.
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**Procedure, conditions, norms of Deposit, Quality and Withdrawal of Commodity****Deposit of Jeera:**

The members and their clients willing to deposit Jeera in the Exchange accredited warehouse are advised to note the below mentioned procedure / conditions / norms.

1. Members and their respective clients willing to deposit / stock Jeera shall be liable to ensure the statutory compliances with respect to Essential Commodities Act, 1955.
2. Members and their respective clients willing to deposit commodity in the Exchange Warehouse or Exchange accredited warehouse will be required to give at least 1 day prior intimation to the warehouse for necessary storage arrangements. Based on the intimation received from the depositor, delivery schedule will be intimated by the warehouse supervisor. Loading and Unloading of commodity will be done on first cum first serve basis.
3. The commodity should reach the designated warehouse latest by 4:00 PM on T+1, in order to have a hassle free delivery of commodity.
4. Members and their respective Clients willing to deposit commodity in the Exchange accredited Warehouse will require to contact Warehouse Manager in advance for availability of space for necessary storage and Certification arrangements. Based on the intimation received, the depositor may bring and deposit commodity at Exchange accredited Warehouse.
5. There is no discretion between any origins – states within the country and hence stocks will be accepted based on the contract specifications as specified by the Exchange.
6. Jeera of current season will be accepted based on the contract specifications as specified by the Exchange.
7. Before deposit, goods have to be compulsorily weighed at the designated weigh bridge and will be monitored and certified by the warehouse supervisor. It is to be ensured that the Jeera delivered at the warehouse should comply strictly with the acceptable tolerance limits as prescribed by the Exchange in the contract specification.
8. Warehouse receipt will be issued by designated warehouse for all Jeera kept in the designated warehouse. The process flow for issuance of Warehouse Receipt, along with other documents would be as under:

Document	Issued by	Period	Annexure
Warehouse Receipt (for commodities to be stored initially and to be sold or lifted back at the option of the depositor)	Warehouse	D+1 Up to 5:00 PM	—

Where **D** stands for the date of **Deposit**

9. On expiry of the validity period of the stocks deposited, the depositor / buyer has to take out the goods from the warehouse within 2 days from the date of expiry of validity period unless specifically allowed for storage for extended period. If the depositor / buyer fails to remove the goods within the time as mentioned above, the warehouse manager may remove the same and sell the goods in public auction with a prior notice of 5 days to the depositor / client. The sale proceeds may be sent to the depositor / buyer of the goods after adjusting all the dues of the warehouse storage. Besides, Exchange may also impose penalty as it may deem fit and proper.



Withdrawal (Delivery out of Commodity from Exchange designated Warehouse):

1. Members are required to give at least 1 day prior intimation to the warehouse for necessary arrangements. Based on the intimation received from the withdrawer, delivery schedule will be intimated by the warehouse supervisor. Loading of Jeera will be done on first cum first serve basis. No vehicle will be allowed for withdrawing the goods after 5:00 PM in the evening. The warehouse manager's decision will be final in this case.
2. The buyer member shall submit the Letter of Authority requesting the Warehouse manager to issue the delivery of Commodity to the bearer of the Authority Letter along with original Copy of the Warehouse Receipt. The Members are advised to instruct their representative to carry some identity Proof (ID proof of his representative such as Voter ID / PAN / Passport to enable the Exchange) along with the Authority Letter and Original Warehouse Receipt for lifting the stock from the accredited warehouse.

**Other Terms and conditions**

Taxes, Duties, Cess and Levies: EX-WAREHOUSE – Unjha. Inclusive of APMC cess but excluding VAT and other charges. Delivery lifting charges are borne by the buyer. Sellers tendering commodity or Buyers taking delivery or their clients shall have necessary registration from the concerned tax and other authorities and obtain relevant licenses, if any, required by them. The Member giving delivery and the Member taking delivery will exchange appropriate tax forms as provided in law and as customary and neither of the parties will unreasonably refuse to do so. In case any of the member or his client fails to provide necessary forms in respect of sales tax resulting into pecuniary loss to the other party, the Exchange will impose a charge on the party in default and after collection thereof, will pass on the same to the member, who or whose client has suffered such loss. In addition to above, the Exchange can impose additional penalty on the party in default.

Deliverable grade of commodity: The selling members tendering delivery will have to deliver such grades as may be acceptable 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.

Penal Provisions: Members have to compulsorily complete their funds and commodity pay-in obligations as per the pay in and delivery schedule. In case of default to complete pay-in within the scheduled time, the settlement shall be made through auction / close-out process at the cost and risk of the defaulting member. In addition to the auction / close-out loss, a penalty of 5% shall be levied upon the defaulting member, out of which 3% shall be passed on to the corresponding buyer / seller.

Delivery allocation: Delivery will be allocated at client level after the pay-in of commodities.

Tax Invoice: The respective Clients of Members or the Member himself in case he sells on his own account, after execution of sale shall have to raise invoice in triplicate One copy for the onward delivery to the buyer, one copy to be sent to exchange and the third to be retained by the seller for his own records.

Warehouse, Insurance and Transportation charges: As specified in Annexure – 3.

Extension of delivery period: As per decision of the Exchange due to a force majeure or otherwise.

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.

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.
