



National Spot Exchange Limited

Circular

Ref. No.: NSEL/TRD/2012/230

December 18, 2012

Dear Members,

Commencement of Spot Trading in Wheat Traders' Ex-Kalol, Gujarat (T+5) Compulsory lifting 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 Wheat Traders' Ex-Kalol Contract will be launched for trading from **Wednesday, the 19th December, 2012.**

Contracts details and settlement procedure are as under:

- 1) Contract Specifications - enclosed as Annexure 1,
- 2) Deductions and Quality Parameter – enclosed as Annexure 2,
- 3) Charges relating to Trading, Settlement and delivery - enclosed as 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. Dipesh Shah at +91 94288 27542 or through email at dipesh.shah@nationalspotexchange.com
- 2) Mr. Kiran Patel at +91 93767 81350 or through email at kirankumar.patel@nationalspotexchange.com

For and on behalf of

National Spot Exchange Ltd.

H. B. Mohanty

Asst. Vice President

Encl.: As above

Contract Specifications of Wheat Traders' Ex-Kalol (T+5) Delivery Contract

Commodity Details	
Commodity	Wheat
Symbol	WHETKLO5
Description	Wheat Trader's Contract Ex-Kalol, Gujarat.
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	Both buyer and seller client must trade through the registered UCC client code.
Trading Related Parameters	
Trading Unit	1 MT
Quotation / Base Value	₹ Per Quintal
Tick Size (minimum price movement)	10 Paisa
Daily Price Limits	4%
Price Quote	Ex-Kalol NSEL Warehouse including APMC Cess and all expenses but excluding Sales Tax / VAT (if any).
Initial Margin	5%
Maximum Order Size	100 MT
Delivery Related Parameters	
Delivery Unit	In multiples of 1 MT.
Delivery Period Margin	15%
Delivery Center(s)	Exchange designated warehouse at Kalol APMC (within 25 Kms radius of Kalol municipal limits)
Delivery Logic	Compulsory
Packing	Wheat should be delivered in 101 Kg Gross Weight basis (including 1 Kg bag weight) with a tolerance limit of +/- 500 gms per bag in clean, dry, sound, single, new or once used unmended A Twill or second sugar or Banas dan bags in merchantable condition without patches will be used for delivery. In case the patches on the bags found more than two, the deduction of ₹ 20/- - ₹ 30/- will be applicable as decided by the quality assayer. The Cement bag will not used for delivery purpose. Standard packaging weight of Jute Bag of 100 Kg and Katta Bags of 50 Kg / 60 Kg will be deducted at 1 Kg / bag and 0.665 Kg / bags respectively to arrive deliverable weight.
Weighment	Deduction of 5 Kgs per one MT will be applicable on all weighment done at electronic weighbridge as an Industry norms in case of standard packing of 100 Kgs.
Auction Related Parameters	
Symbol for Auction Buy-in	ABWHETKLO5
Symbol for Auction Sell-out	ASWHETKLO5
Auction Period	7:00 PM to 7:30 PM on the T+5 day



A) **Settlement Schedule:**

Particulars	Day	Pay-In	Pay-Out
Funds – Normal	T+5	Up to 1:00 PM	At 5:30 PM
Commodities – Normal	T+5	Up to 2:30 PM	At 5:00 PM
Commodities – Auction	T+6	Up to 11:00 AM	At 1:00 PM
Funds – Auction	T+6	Up to 12:00 Noon	At 1:00 PM

B) **Details of Exchange Designated Warehouses and Approved Quality Assayer:**

Name of Quality Certificate Agency	: M/s National Spot Exchange Ltd.
Address of the Warehouse	: M/s National Spot Exchange Ltd., C/o Bhagavati Floor Mill, Opp. G.I.D.C Estate, National Highway, Saij - Kalol, North Gujarat
Contact Person	: Mr. Dipesh Shah
Contact No.	: 094288 27542
Email Id	: dipesh.shah@nationalspotexchange.com warehousing@nationalspotexchange.com
Warehouse Timings	: 8:00 AM to 6:00 PM

Deductions and Quality Parameter

Quality Parameter and Quality related deductions:

Quality Specifications of Wheat of FAQ variety confirming to the following quality standards will be deliverable.	
Deliverable Grade	Wheat
Sampling Procedure	<p>A. No of bags upto 100 bags–</p> <ul style="list-style-type: none"> • A group of bags sold by a single seller upto 100 bags will constitute one single lot. If the number of bags sold by a single seller is more than 100, it will be treated as a separate lot for the purpose of quality testing. • Composite sample of all bags to be selected for sieving through a 3 mm Sieve. • Ten bags per lot will be individually weighed in weigh scale to check standard filling / Bharti of 101 Kgs per bag.
Moisture Content	<p>Basis: 10% Acceptable upto 14% with 1:1 discount. Above 14% will be rejected. Checked by Moisture meter Basis.</p>
Physical Impurity	<p>1. Foreign Matter, Other Food Grains Dust Powder, Stone: Basis 2% Max More than 2% acceptable with deduction 1:1</p> <p>2. Damaged Grains: Rejected.</p> <p>3. White (Potiya) Grains: Rejected.</p> <p>4. Shriveled and Broken grains: Acceptable up to 2% More than 2% acceptable with deduction ₹ 10/- Per Kg for this grains.</p> <p>Provided that the total percentage of physical impurity against the above factors should not exceed 4%.</p>
Danki	More than 0.5% rejected.
Live weivelled	Free from live infestation, If any than 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.

Compulsory Lifting:

All buyers have to compulsorily lift the commodities within 5 working days of scheduled pay-out date and no storage charges will be levied on the same. In case the lifting is not made by the buyer, Exchange will not be responsible for ensuring quality and quantity.

Charges relating to Trading, Settlement and delivery

A) Storage Charges:

- ₹ 0.20 per bag per day (1 day billing cycle exclusive of tax, if any) for the commodities unlifted beyond free delivery period.
- These charges are inclusive of insurance and fumigation charges.

B) Cost of transaction: In respect of trading, delivery and settlement of Wheat, 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, whether squared off on the same day or results into delivery.
2.	Delivery related charges		
(a)	Delivery Charges	₹ 90/- per lac of turnover payable by both buyer and seller separately.	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.
(b)	Sampling and Quality certification charges	₹ 30/- per lot.	To be paid by seller.
(c)	Labour Charge	As per actual market rate (₹ 3/- to ₹ 10/-), paid on spot.	Loading charge paid by Buyer and Unloading charge paid by Seller at warehouse. In factory delivery all charge paid by seller.



Procedure, conditions, norms of Deposit, Quality check and Withdrawal of Commodity

Deposit & Quality Check

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

1. 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.
2. The commodity should reach the designated warehouse latest by 4:00 PM on T+4 (4:00 PM), in order to have a hassle free delivery of commodity.
3. Members and their respective Clients willing to deposit commodity for "PRECERTIFICATION" 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 with the duly filled form as per the Annexure 7.
4. 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.
5. There is no distinction between old and new crop and hence stocks will be accepted based on the contract specifications as specified by the Exchange.
6. At the time of deposit, at the Exchange designated Warehouse the seller trader shall submit the proof of payment of APMC cess to 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. Loose material found in trucks will be accepted in warehouse only after sieving. It is to be ensured that the Wheat delivered at the warehouse should comply strictly with the acceptable tolerance limits as prescribed by the Exchange in the contract specification.
8. On receipt of commodity at the warehouse and during unloading the same, random sampling for quality analysis of physical properties and test weight will be done by the quality certifying agent based at the exchange warehouse. If required, the bags will be opened and will be spread on the floor for verification / analysis.
9. The deductions on account of foreign matter, standard filling / Bharti, condition of bags and test weight results shall be duly mentioned in the quality certificate. The decision of the "Exchange and its Authorized Surveyor" shall be final and binding on all in respect of the delivery, method of sampling and analysis, samples taken and the size of the samples for ascertaining the quality. In case the Buyer raises quality issues subsequently, the same will be redressed as per the Bye-laws / Business Rules of the Exchange.
10. Any stock brought to the warehouse will be checked for quality and quantity. There upon warehouse receipt will be issued with a maximum validity of 12 months subject to crop year ending on 31st March.
11. Warehouse receipt (on delivery unit basis i.e. 1 Bag of 100 Kgs) along with a quality certificate will be issued by designated warehouse for all Wheat kept in the designated warehouse.



12. All deposits during the crop's season period March to February will be issued a quality certificate with validity upto February next year.
13. On expiry of the validity period of the stocks deposited, the depositor / buyer has to take out the goods from the warehouse within 5 days from the date of expiry of validity period by allowing a standard deduction up to 1.6% 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 Wheat 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

Delivery logic: Compulsory delivery. Transactions on trade to trade basis will be permitted and all trades will result into compulsory delivery.

Mode of communication: Official Communication with the exchange in regards to commodity delivery should be done only through E-mail / Fax or courier.

Taxes, Duties, Cess and Levies: EX-WAREHOUSE – Kalol. Inclusive of APMC cess but excluding VAT and other charges. The invoices submitted against such sales will clearly show that APMC Cess is already collected on such commodities and the person raising such APMC cess paid invoice should be competent to raise such invoice under Gujarat State APMC Act and Gujarat Sales Tax Act. The buyer shall be liable to pay VAT / Sales Tax on the purchase amount and the seller shall get the VAT credit on submission of invoice to the buyer under the copy to the Exchange.. 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.

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

Odd Lot Treatment: Deliveries must be in multiple 101 Kg with a tolerance limit of +/- 500 gms.

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 (format enclosed as Annexure 6).

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.



Annexure 6

Format of Tax InvoiceTAX INVOICE

Original	Copy
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Buyer's Name			
Buyer's Address			
Buyer's LST / VAT Registration Number			
Delivery Order / Challan No./ Date of Transaction		_____ / _____	
Invoice No.		Invoice Date	

Sr. No.	Particulars	Weight (Kg)	Rate (₹ / Kg / Quintal)	Amount (₹)
	Wheat			
				-
			Less Discount	-
			Tax / VAT@4%	
			Total Amount	-
			Freight Charges	-
			Other Charges	-
			Gross Total	

₹.....

Date:

Place:

Seal

Authorized Signatory.

*VAT TIN No.: -

w.e.f.

*CST TIN No.: -

w.e.f.

PAN No.

(* Seller's VAT / CST No.)

**Commodity Inward Document (CID)**Serial No. **Pre-printed** _____

Date: _____

Warehouse

Warehouse Name : _____

Address : _____

Depositor Details

Name : _____

Address & Contact No. : _____

Contact Person : _____

Commodity DetailsCommodity Name : _____ No. of Bags /
Units : _____
(Including / excluding gunny
wt.)**Weight of Commodity** : _____ MT**Lot No. Details** _____**Spot Rate** _____ / Qntl / KG**Weighbridge Details**

Name : _____

License No. : _____

Mode of Warehouse 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 : _____

Sampling Details _____

Sampling Agency : _____

No. of Samples : _____

Name & Signature of Sampler : _____

Remarks _____Signature of Client /
Representative : _____

Name of Client / Representative : _____

Signature of Warehouse Manager / Service
Provider : _____

Name of Authorized Person : _____



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 Warehouse 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 Warehouse.
- c) The Warehouse manager undertakes to store and delivery goods only in the packages in which they are originally received. If the packing of the commodity is not suitable for storage purposes then Warehouse manager have every right to reject or refill the bags and client will pay all refilling charges under extra service rendered by the Warehouse.
- d) The Warehouse Receipt with the commodity grade will be issued after Quality Certification.
- e) In case, the depositor wants Warehouse Receipt in electronic form, the depositor is required to fill demat accounts related details as above.
