



NCDEX SPOT Exchange Limited

Circular to all trading and clearing members of the Exchange

Circular No. : NCDEX SPOT/TRADING/037/2010/051

Date : 21st July 2010

Subject : Contract Specifications & Special terms and conditions for PEC Moong
Tanzania CY 2010 Location Panvel

Trading & Clearing members are hereby requested to take a note of the contract specifications & special terms and conditions for the PEC MOONG Moong Tanzania of Tanzanian origin Contract to be launched on the Exchange platform on July 21, 2010.

Commodity	Contract Symbol	Ex- Location
PEC MOONG of Tanzanian Origin	PECMONGTNZ	PANVEL

The Contract Specifications along with the Special terms and conditions are given in **Annexure 1**.

The contract and the transactions therein will be subject to Rules, General as well as Special terms & conditions, circulars, directives & notices which the Spot Exchange issues from time to time.

For and on behalf of
NCDEX Spot Exchange Limited

Praveen Hiremath

Vice President

Products & Business Development Group

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ANNEXURE 1:- CONTRACT SPECIFICATIONS FOR PEC MOONG OF TANZANIAN ORIGIN

Type of contract	Spot trading Contract
Trading system	NCDEX SPOT Exchange Trading System
Symbol	PECMONGTNZ
Name of Commodity	PEC MOONG of Tanzanian origin (IR no. 245, 213 and 207)
Basis	Ex-Panvel, on "As is where is" basis Inclusive of Import Duties but Exclusive of Sales Tax/VAT, Mandi Cess and other taxes/levies, if applicable.
Unit of trading	8 MT
Delivery unit	8 MT
Quotation/base value	Rs per quintal
Tick size	Re.1 per quintal
Buyer Margin %	8 %
Delivery Centre	Ashra B-1 Ashra Complex at Panvel
Delivery Logic	All trade positions during the day will result into compulsory delivery.
Trading hours	Mondays through Friday. 11:00 AM to 07.30 PM The SPOT Exchange may vary the above timing with due notice. The Exchange may suspend or resume trading at any time at its absolute discretion.
Seller/Buyer pre-requisites	PEC Limited would need to deposit the PEC MOONG of Tanzanian origin at the notified Warehouse before placing a sell order. Only PEC limited would be entitled to put sale orders in this contract. The Buyer will need to have sufficient margin balance before placing a buy order. Buyer would be responsible for checking the commodity sample at the warehouse before placing Buy Order. Any complaints regarding quality of the commodity would be entertained thereafter.



Price Limits	No price circuit filter would be applicable for the contract .However, the exchange would impose dummy circuit filter of 20% to avoid punching errors, if any.
Type of contracts	If the settlement day happens to be a Saturday/Sunday or Holiday, then the settlement shall happen on the next working day.
Opening of contracts	Contracts of one day duration each shall be available for trading from Monday to Friday.
Transaction Charges	Buyer need to pay NCDEX SPOT transaction charges at the time of final settlement to the exchange. The transaction charges are Rs. 350 / lot. The lot size is 8 MT and multiple of 8 MT.
Applicable terms and conditions	All transactions shall be subject to special terms and conditions annexed herewith and all parties shall be deemed to have agreed to the above contract specifications and the special terms and conditions



SPECIAL TERMS & CONDITIONS FOR THE SALE & PURCHASE of PEC GREEN MOONG OF TANZANIAN ORIGIN ON THE NCDEX SPOT EXCHANGE LTD.

DEFINITIONS

- a. **AUTOMATED TRADING SYSTEM** shall mean the computer system including hardware, software and related communication systems made available by the Exchange for online selling and buying of goods.

- b. **the EXCHANGE**
`the Exchange' shall mean the NCDEX SPOT Exchange Ltd.

- c. **SELLER**
PEC offered Green Moong of Tanzanian origin for sale on the Exchange platform in accordance with the prescribed Rules, general and special terms and conditions of the Exchange. Only PEC limited would be entitled to put Sell Orders.

- e. **BUYER**
The person or entity who has offered to purchase imported Tanzanian on the Exchange platform in accordance with the prescribed terms and conditions of the Exchange.

- f. **DELIVERY CENTRE/S**
The Warehouses location for delivery pursuant to trades in PEC MOONG of Tanzanian origin would be at Ashra B-1 Ashra Complex Mumbai –Goa Highway Road Panvel.

- g. **COMMODITY MANAGEMENT SYSTEM:** - The Commodity Management System (CMS) is a technology interface which facilitates deposit and withdrawal of holdings of commodities stored in the notified Warehouse and the pay-in of funds towards trading in commodities on the NCDEX Spot Exchange.

- h. **CS TRACKER:** - **CS TRACKER** is a technology interface which facilitates settlement of levies & the short/excess quantities of the traded commodities as well as premium and discount on the commodity grade.

Terms & Conditions:-

1. All the transactions, contracts, deals and trades for sale/purchase of PEC MOONG of Tanzanian origin of the variety as notified herein by the Exchange entered into through the Automated Trading System of the Exchange shall be governed by the terms and conditions stipulated herein below and any further terms and conditions as may be specified or informed by the Exchange from time to time.
2. The location for delivery pursuant to trades on the Exchange shall be at Panvel.
3. PEC Limited shall offer and the Buyer shall, through the trading member offer, respectively, to sell and to buy PEC MOONG of Tanzanian origin of quality and details as specified in the contract specifications herein on the automated trading system and the Seller as well as the Buyer shall be bound by all the terms and conditions stated herein and also by the Rules and General Terms and Conditions or directives notified by the Exchange.
4. Trade would occur on the Exchange trading platform whereby buy and sell orders are matched on price-time priority and on any other parameter/s put in place by the Exchange from time to time.
5. All trade position shall have to be settled by giving and taking delivery of the commodity traded.



6. The Buyers/Sellers shall not be permitted to square-off their sell or buy positions during the trading day.
7. The Sellers or Buyers who are not registered as members of the Exchange can trade by placing their orders through a registered member or becoming a registered member of the Exchange.
8. The members can give quotes on their own behalf or on behalf of clients for different quantities through out the trading hours.
9. The member shall be permitted to modify the buy/sell quotes till the time of matching on the Exchange trading platform.
10. Margins shall be charged on the buy positions only.
11. Short selling of commodities shall not be allowed on the trading platform.
12. A margin amount of 8% of the purchase order value shall be charged from the Buyers towards buy trade position. The percentage of margin amount towards buy trade position shall be as deemed and decided by the Exchange and shall also be subject to revision at the discretion of the Exchange.
15. No margin shall be charged from the seller
16. **Time for trading:-**
Monday through Friday 11:00 AM to 07:30 PM (IST)
All timings are as per Indian Standard Time. No trading shall take place on any day which is declared as holiday by the Exchange at its absolute discretion. The Exchange reserves the right to suspend or stop trading at any time at its absolute discretion.
17. **Unit of Trading & Unit for price Quotation:-**
 - Offers for sale & purchase can be made in lots of 8MT or multiples thereof.

- The unit of price quotation shall be Rs./quintal
- The orders/trades will be on ex-Commodity basis and will be quoted on the basic rate basis i.e. exclusive of all taxes/levies.
- Price to be quoted in delivered weight and quality basis on 'as is where is' basis. All taxes/levies/cess etc will be charged extra and applicable as at actuals.

Seller/Depositor.

1. PEC Limited will deposit the PEC MOONG of Tanzanian origin in the Ashra warehouse.
2. When the Seller deposits the PEC MOONG of Tanzanian origin into the Exchange notified warehouse, the same will be subject to visual inspection, inspection as to the soundness of packing etc. by the Warehouse and upon being satisfied of the nature and sound packing of the commodity
3. The details of the deposit will have to be entered into CMS (Commodity Management System) by the notified Warehouse.
4. Seller shall ensure availability of PEC MOONG of Tanzanian origin equivalent to the quantity of PEC MOONG of Tanzanian origin to be traded, in the Commodity Management System (CMS) put in place by the Exchange prior to entering sell order through the trading platform and shall electronically lock the same in the CMS.
5. The Seller Member shall lock-in the quantity of goods intended to be sold on the Exchange in the CMS as per prescribed procedure. Such lock-in quantity/lots will be available for trading only on successful lock-in by the member,
6. Failure to deposit & lock in sufficient quantity of PEC MOONG of Tanzanian origin as aforesaid in the Exchange delivery system would result in rejection



of sell order when placed through the automated trading system. The Seller Member shall place the sell order after getting online confirmation in the CMS about the lock-in of the quantity.

7. Seller may unlock any quantity of PEC MOONG of Tanzanian origin prior to execution of trade on any given day and may request release of goods if deposited in the CMS.
8. Seller may modify his price from time to time or cancel the order before any order is matched with any Buyer as per process put in place by the Exchange.
9. The warehouse shall have to be informed by the Member regarding any withdrawal of the goods.
10. The member /member's representative (whose details is created in the CMS) can take the physical delivery of the requested quantity of PEC MOONG of Tanzanian origin from the warehouse on presentation of necessary proofs.
11. Warehouse shall issue a lot no. to the Seller for every tradable lot which is deposited.
For eg :- if a depositor has brought in 24MT of PEC MOONG of Tanzanian origin, then the warehouse shall issue 3 separate e-deposit as lot no. to the Seller.
12. **Withdrawal of non-traded goods:** Withdrawal requests for the free balance of commodity can be placed online. If the depositor wishes to withdraw the goods from the Warehouse in any of the following stages,
 - a. after electronic deposit in the CMS and before lock-in the lot in the CMS,

- i. after lock-in of the lot no. and till the time there is no sell order placed on the trading system of the Exchange by the member concerned on behalf of the depositor,
then the depositor shall have to follow the process for release of commodity through the CMS system only.

Currently, as per the system put in place,

- a. the depositor has to place a "Withdrawal Request" through his Member CMS module for processing.
 - b. The depositor has to then submit his photo id, signature proof along with the CMS deposit details to the Warehouse.
 - c. Upon verification and satisfaction by the warehouse, the requested withdrawal quantity will get released through the CMS as per process put in place.
13. The seller should ensure that the PEC MOONG of Tanzanian origin delivered on the exchange platform is Mandi fee paid.

Buyer

1. The Buyer must visually inspect the stock at the notified Warehouse from designated IR nos. 245, 213 and 207 before placing the buy order. Buyer would be responsible for checking the commodity sample at the warehouse before placing Buy Order. Any complaints regarding quality of the commodity would be entertained thereafter.
2. Buyers shall, before placing an order through the automated trading system, have sufficient margin balance as prescribed by the Exchange, in the settlement account for the quantity of PEC MOONG of Tanzanian origin proposed to be purchased. The buying member before placing an order shall ensure that funds towards such margin are transferred through payment gateway to the settlement bank account of the Exchange and allocate towards margin balances. In the event of shortage of funds, the buy orders will be rejected in the system.

3. Buyer can modify quantity and price quoted or may also withdraw any buy order before the order is matched /executed on the automated trading system
4. After the matching of quotes, the Buyer shall bring the full purchase consideration including adjustments for excess/shortage quantity, grade premium/discount if any and all the applicable taxes. The cut off time for payment of full consideration would be T+ 4th day by 11.30 am. (*pls see Annexure 2 for time & activity flow for trading & settlement*)
5. Any Buyer shall, for removal of PEC MOONG of Tanzanian origin from the warehouse, contact the warehouse person and arrange for such removal / delivery.
6. The Buyer shall have to take delivery of the PEC MOONG of Tanzanian origin from the notified warehouse at the delivery centre either himself or through an authorized representative in the manner given below.
7. The profile of the Buyer/Buyer's representative will have to be created by the Buyer Member in the CMS in the manner provided, prior to taking physical delivery of PEC MOONG of Tanzanian origin from the notified Warehouse.
8. Buyer or the Buyer's authorized representative shall, on or after the T+ 4th day or such other day as may be permitted, go to the Warehouse with necessary identity proof as per profile created in the CMS after intimating the Warehouse. The Buyer's authorized representative shall have to carry a duly signed authorization letter of the Buyer at the time of taking delivery at the Warehouse.
9. Documental Proof' (Photo identity) to be submitted by the Buyer's authorized representative at the time of taking delivery of the physical goods (Any one of the below).

Passport
Driving License
Voters Identity Card
PAN card

10. Warehouse shall verify the identity proof submitted by the Buyer or his authorized representative with the proofs recorded in the CMS.
11. Buyer/Buyer's authorized representative & warehouse shall confirm physical delivery in the CMS by registering the identity proofs in the manner provided.
12. The Buyer may, through his buying member, before the matching/execution of his order, send his request for release of the funds any time through the system put in place by the Exchange and the funds will be credited to the settlement account of the buying member, unless such amount is the amount payable by such Buyer/buying member.
13. Failure to bring in the balance amount (ie. total obligation less advance payment already made) payable towards the purchase consideration shall attract non-performance compensation as decided and deemed fit by the Exchange. A non-performance compensation of an amount equal to **Allocated Quantity defaulted *DSP * Margin Percentage** shall be recovered from the margin already lying with the Exchange on the net buy positions.
14. The non-performance compensation shall be recovered from the advance payment already paid by the Buyer Member. The non-performance compensation recovered from the Buyer Member shall be utilized to compensate the Exchange and the Seller Member & the Settlement Guarantee fund in the below ratio.
 - a. 30% to Seller Member for the opportunity loss incurred by him
 - b. 40% towards building a Settlement Guarantee Fund.
 - c. 30% to NCDEX Spot Exchange to cover operational expenses

15. There shall be warehouse charges and surveyor charges levied on the Buyer non-performance compensation if the Buyer client fails to collect the physical commodity within the stipulated time period.
16. Buyer shall bear the warehousing charges from the settlement date till the date of actual physical delivery.
17. The Seller's responsibility shall cease once the goods leave the warehouse premises and no claim from the buyer will be entertained thereafter.
18. The Buyer will not be allowed to segregate /sort the stocks during lifting. However, sweeping and water damaged cargo will be allowed to be segregated.
19. PEC will give 4 days free lifting period from the date of Trade means no warehousing charges and loading charges levied from the buyer for traded quantity.

Other terms & conditions.

1. Deposit /Withdrawal of Funds

- Deposit and withdrawal of funds to the Members settlement account can be done through any of banking channel (Cheque/RTGS/Cash/NET) available.
- The Exchange would recognize only those funds balances which are available in the Exchange settlement account.
- The buy order can be placed only if sufficient margin balances are available to the account of the concerned Buyer with the Exchange.
- The margin balances with the Exchange can be maintained online
- Request for withdrawal of funds from the Settlement a/c will be processed in the succeeding Bank pay-out run as per schedule notified.

- PEC shall ensure MOONG of Tanzanian origin delivered shall be packed in clean, dry, sound, double, new or unmended polypropylene (PP) or jute bags in merchantable condition and/ or any other accepted industry standard material with the mouth of the bag stitched disallowing sweating/ spilling. The packaging of PEC MOONG of Tanzanian origin should be in standard bags of 50 kg (Gross weight).
- **Being PEC specific contract no other seller are allowed for selling of goods from the Ashra complex.**
- Re-trading of goods are not allowed, means after buying no further selling is allowed from the buyer, only PEC ltd is allowed as “seller”

4. **Settlement**

- All the trade positions shall result in compulsory delivery. ie the Buyer shall have to take delivery and the Seller shall have to give delivery of the physical commodity.
- At the EOD, Members would receive an accurate listing of all trades done during the day based on which the member is obliged to pay/receive funds and/or commodities.
- The Buyer shall have to ensure availability of the full consideration including differential quantity & grade premium & discount adjustments in the designated account by or before the Exchange cut-off time on T+4 th day as permitted.
- Seller shall issue an invoice to the Buyer at the Trade price.
- The amount due towards levies/taxes & shortage/excess of quantity/grade premium & discount shall be settled at the Trade price and invoices shall be raised accordingly.
- The sale tax and differential amount payout to the Seller member would be done only after confirmation of receipt of invoice by the Buyer member.
- The time & activity flow for settlement is available in the annexure 2

- Delivery and other charges at the time of deposit are to be borne by the Seller.
- Delivery and lifting charges at the time of taking physical delivery are to be borne by the Buyer after expiry of 04 days free lifting period.
- The Seller has to assign the locked-in lots for the trades in the manner prescribed by or before the Exchange cut-off time as detailed in Annexure 2
- The Exchange reserves the right to assign any locked-in lots for settlement upon the failure on the part of the Seller to assign lots for settled trades.

5. Premium /Discount

- No premium/discount for grade is applicable for PEC MOONG of Tanzanian origin
- No premium/discount for location is applicable for PEC MOONG of Tanzanian origin.

6. Risk Management- Members are requested to refer to the circular No: NCDEX SPOT/RISK/002/2009/028 dtd January 15th, 2009 for further details.

7. Complaints & Dispute Redressal

Any dispute other than quality parameters of Commodity arising between the Seller and the Buyer may be referred to the dispute resolution mechanism as put in place by the SPOT Exchange. However such dispute shall be brought to the notice of the SPOT Exchange latest by, on or before the close of market hours of the 3rd day from the date of settlement (pay-in and pay-out) after which the SPOT Exchange shall not entertain any reference in that regard.

Annexure 2:- Time & Activity Flow for Settlement

Day	Activity	Time
T	Trading hours	11:00 am- 07:30 pm
T+1 to T+3	Buyer for regular settlement shall provide client details through CS Tracker	Upto 6.00 pm
T+1 to T+3	Seller for regular settlement shall provide details of lots and taxes through CS tracker	Up to 6.00 pm
T+1 upto Maximum T+4	Funds payin	Upto 11.30 PM
T+1 upto Maximum T+4	Commodity payout	Immediately After Funds Payin
T+1 upto Maximum T+4	Funds Payout	Subsequent Bank Run After Respective Buyer's Funds Payin
T+4	Penalty & Default Settlement	As decided by Exchange