



**NCDEX SPOT Exchange Limited**

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Circular to all Trading and Clearing Members of the Exchange

Circular No : NCDEX SPOT/TRADING/005/2012/005

Date : 27<sup>th</sup> January 2012

Subject : Contract Specifications & Special Terms and Conditions for Jeera at Unjha

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Trading & Clearing members are hereby requested to take a note of the contract Specifications & Special Terms and Conditions effective from 25<sup>th</sup> January 2012 for the Jeera Contract to be launched at Unjha.

Commodity	Symbol	Ex- Location
Jeera	JERAGOLDUJ	Unjha

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

For Further Information/Clarification, Please Contact

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**# ANNEXURE 1:- CONTRACT SPECIFICATIONS FOR JEERA GOLD**

Type of Contract	<b>Spot Trading Contract</b>													
Trading System	NCDEX SPOT Exchange Trading System													
Symbol	JERAGOLDUJ													
Name of Commodity	JEERA													
Basis	Ex-Warehouse Jeera inclusive of Mandi Tax & Exclusive of Sales Tax/VAT													
Unit of Trading	3 MT													
Delivery Unit	3 MT													
Quotation/Base Value	Rs Per Quintal													
Tick Size	Re 1/ Per Quintal													
Buyer Margin %	10%													
Quality specification	<table border="1"> <thead> <tr> <th>Commodity Specifications</th> <th>Basis</th> </tr> </thead> <tbody> <tr> <td><b>Moisture</b></td> <td>8% (Max)</td> </tr> <tr> <td><b>Foreign Matter</b></td> <td>1% (Max)</td> </tr> <tr> <td><b>Seeds with Stalks</b></td> <td>8% (Max)</td> </tr> <tr> <td><b>Damaged, Discolored, Weeviled, Shriveled &amp; immature Seeds</b></td> <td>2% (Max)</td> </tr> <tr> <td><b>Test Weight (On Count Basis)</b></td> <td>Maximum 300 seeds per gram</td> </tr> </tbody> </table> <p>Jeera should be of Indian Origin &amp; machine cleaned. Free from sand, silica, pebbles and any other edible/non edible seeds</p>		Commodity Specifications	Basis	<b>Moisture</b>	8% (Max)	<b>Foreign Matter</b>	1% (Max)	<b>Seeds with Stalks</b>	8% (Max)	<b>Damaged, Discolored, Weeviled, Shriveled &amp; immature Seeds</b>	2% (Max)	<b>Test Weight (On Count Basis)</b>	Maximum 300 seeds per gram
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Quantity variation	+/- 2% max													
Delivery Centre	NCDEX Spot Exchange Accredited Warehouses at Unjha													
Standard Allowances	0.32 %													
Delivery Logic	All trade positions at the end of the trading day will result into delivery.													
Trading Hours	Monday to Friday: 10:00 AM to 06:30 PM Saturday: 10:00 AM to 2:00 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	The Sellers authorized by <b>M/s. B S Commodities &amp; Exports Private Limited. Unjha</b> will deposit the Jeera at the accredited warehouse before putting a sell order. The Buyer will need to make an advance payment in the form of margin with his member before putting a buy order.
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 Contract	JERAGOLDUJ contract Jeera cannot be delivered at any other Exchange other than NCDEX Spot Exchange.
Settlement	T+ 2 days; 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 Saturday.
Transaction Charges	NCDEX Spot will charge 0.15% of the traded Value as transaction charges from the Buyer.
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 JEERA ON 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**  
The person or entity who has offered Jeera for sale on the Exchange platform in accordance with the prescribed Rules, General and Special Terms and Conditions of the Exchange.
  
- e. **BUYER**  
The person or entity who has offered to purchase Jeera on the Exchange platform in accordance with the prescribed Terms and Conditions of the Exchange.
  
- f. **DELIVERY CENTRE/S**  
The Exchange Accredited Warehouses which is/are notified as the delivery centre/s. Initially, the location for delivery pursuant to trades in Jeera would be at Unjha.
  
- 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 Accredited 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 Jeera 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 Unjha.
3. The Seller shall, through the trading member, offer and the Buyer shall, through the trading member offer, respectively, to sell and to buy Jeera 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 positions at the end of trading hours 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 throughout 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. During the stipulated trading hours, a member shall not be allowed to put in a sell order in excess of his Free Commodity balance.

Free Commodity balance is calculated by using the below formula

Quantity Locked	xx
Less: - Qty already traded	xx
Less: - Open Sell orders	xx
Less: - Withdrawal requests	xx
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Free Commodity Balance	XX

11. Margins shall be charged on the buy positions only.
12. Short selling of commodities shall not be allowed on the trading platform.
13. A margin amount of 10% 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.
14. No margin shall be charged from the seller.
15. Time for Trading:  
Monday to Friday 10:00 AM to 6.30 PM (IST)  
Saturday 10:00 AM to 02:00 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.

**16. Unit of Trading & Unit for Price Quotation:**

- Offers for sale & purchase can be made in lots of 3MT 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.

17. All unmatched outstanding orders will be cancelled at the end of the trading hours.

**Seller/Depositor**

1. Only those authorized depositors by **M/s. B S Commodities & Exports Private Limited. Unjha**, who have deposited the Jeera in the Exchange accredited warehouse and whose quality is in accordance with the specifications prescribed by the Exchange from time to time may sell Jeera on the Exchange platform.
2. When the Seller deposits the Jeera into the Exchange accredited 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, the Warehouse shall issue Deposit Acknowledgment Slip (DAS) and shall process the deposit of the commodity. The goods shall be subjected to assaying and only upon the goods being certified as accepted within the specified norms of quality mentioned in the contract specification, the warehouse shall accept the goods for storage. The DAS shall be valid till the assaying report is received by the Warehouse.
3. Upon completion of assaying process and successful certification of the goods, the commodity quantity shall be entered into CMS as electronic credit.

4. The details of the deposit will have to be entered into CMS (Commodity Management System) by the accredited Warehouse.
5. Seller shall ensure availability of Jeera equivalent to the quantity of Jeera 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.
6. 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.
7. Failure to deposit & lock in sufficient quantity of Jeera 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.
8. Seller may unlock any quantity of Jeera prior to execution of trade on any given day and may request release of goods if deposited in the CMS.
9. 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.
10. The warehouse shall have to be informed by the Member regarding any withdrawal of the goods.
11. The member /member's representative (whose details are created in the CMS) can take the physical delivery of the requested quantity of Jeera from the warehouse on presentation of necessary proofs.

12. **Undertaking from Depositor:** Every depositor shall have to provide an undertaking in the prescribed format to the Warehouse at the time of deposit to the effect that:

- The DAS/s issued is/are for the limited purpose of entry into CMS for trading on the Exchange platform.
- The depositor can withdraw the goods only as per process of withdrawal through member and warehouse in the CMS.
- The goods deposited by him are not under any lien or encumbrance.
- The goods being deposited are owned by the depositor or the depositor has complete legal authority to sell and transfer the goods.

13. Warehouse shall issue a Lot No. to the Seller for every tradable lot which is deposited.

For eg :- if a depositor has brought in 9MT of Jeera, then the warehouse shall issue 3 separate e-deposit as lot no. to the Seller on net quantity after deducting standard allowance as mentioned in the contract specifications.

14. **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.
- b. 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, and 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.
15. The seller should ensure that Jeera delivered on the exchange platform is Mandi fee paid.

**Buyer:**

1. 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 Jeera 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.
2. The Buyer shall be entitled to visually inspect the stock at the Accredited Warehouse prior to trading.
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+2<sup>nd</sup> day by 11.30 AM. *(pls see Annexure 2 for time & activity flow for trading & settlement)*
5. Any Buyer shall, for removal of Jeera from the warehouse, contact the warehouse person and arrange for such removal / delivery.
6. The Buyer shall have to take delivery of the Jeera from the accredited 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 Jeera from the Accredited Warehouse.
8. Buyer or the Buyer's authorized representative shall, on or after the T+2<sup>nd</sup> 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. Documentary 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 proof's 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. Any reference as to contentions of difference in quality or quantity of the goods delivered shall have to be referred to the Warehouse and the Exchange within 3 days from the date of settlement and the Exchange shall not entertain any reference with regard to settlement after such period.
13. 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.

14. Failure to bring in the balance amount (i.e. 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.
15. 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. 50% to Seller Member for the opportunity loss incurred by him.
  - b. 30% towards building a Settlement Guarantee Fund.
  - c. 20% to NCDEX Spot Exchange to cover Operational Expenses.
16. There shall be penalty levied on the Buyer non-performance compensation if the Buyer client fails to collect the physical commodity within the stipulated time period.
- 17 Buyer shall bear the warehousing charges from the date of early pay-in settlement or regular settlement (T+2) as the case may be, till the date of actual physical delivery.

#### **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 transfer of funds from member settlement account to Exchange settlement account can be done online through payment gateway. The Exchange would recognize only those funds balances which are transferred

from member settlement account to the Exchange settlement account through payment gateway.

- 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.

## **2. Assaying:**

- Jeera should be delivered in 60 Kg gross weight basis with a variation of +/- 2 % in new or sound unmodified Jute bags (with liner) without any patches. It should be free from sand, silica, pebbles and any other edible/non-edible seeds.
- The assaying certificate for Jeera at NCDEX Spot Exchange must mention validity date which will be 4 months (120 Days) from the date of deposit of the commodity.
- Any Validated goods will be allowed to be traded on the NCDEX Spot Platform till 7 days before expiry.
- **M/s. B S Commodities & Exports Private Limited, Unjha** would be responsible for any quality related issue other than moisture.

## **3. Settlement:**

- All trade positions at the End of Day (EOD) shall result in compulsory delivery. i.e. 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 adjustments in the designated account by or before the Exchange cut-off time on T+2nd day as permitted.

- Seller shall issue an invoice to the Buyer at the traded price.
- The amount due towards levies/taxes & shortage/excess of quantity/grade premium & discount shall be settled at the traded price and invoices shall be raised accordingly.
- The sale tax 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.
- 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.

#### **4. Premium /Discount:**

- No Premium/Discount for grade is applicable for the contract.

#### **5. Risk Management:**

- Members are requested to refer to the circular No: NCDEXSPOT/RISK/002/2009/028 dated January 15<sup>th</sup>, 2009 for further details.

#### **6. Complaints & Dispute Redressal:**

- Any dispute 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.

- In case of any quality related issue, the after proper investigation by Exchange & the Seller if any claim is found correct then seller will buy back at the spot market rate of Unjha with maximum 2% discount as fixed by NCDEX Spot.
- No quantity/quality related issues will be accepted once the Jeera has been taken out of the warehouse and no reference complaining on quantity or quality shall be entertained when made after the close of market hours on the 3rd day from the date of settlement or thereafter.

**Annexure 2:- Time & Activity Flow for Settlement:**

<b>Day</b>	<b>Activity</b>	<b>Time</b>
T	Trading Hours	10:00 am - 06:30 pm
T+1	Buyer for regular settlement shall provide client details through CS Tracker.	Upto 6:30 pm
T+1	Seller for regular settlement shall provide details of lots and taxes through CS tracker.	Upto 6:30 pm
T+2	Funds Pay-In	11:30 am
T+2	Penalty Settlement	2:00 pm
T+2	Commodity Payout	2:00 pm
T+2	Funds Payout	2:00 pm