



## National Spot Exchange Limited

Circular

Ref. No.: NSEL/TRD/2012/057

March 3, 2012

Dear Members,

### **Commencement of Spot Trading in Mustard Oil Ex-Jaipur (T+2) 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 'Mustard Oil Ex-Jaipur' Contract will be available for trading from **Monday, the 5<sup>th</sup> March 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 26<sup>th</sup> 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. Mohammad Tahir at +91 94147 65252 or through email at mohammad.tahir@nationalspotexchange.com
- 2) Mr. Sachindra Gupta at +91 94149 33500 / 83020 33500 or through email at sachindra.gupta@nationalspotexchange.com

For and on behalf of

**National Spot Exchange Ltd.**

**H. B. Mohanty**  
**Asst. Vice President**

Encl.: As above



### Contract Specifications of Mustard Oil Ex-Jaipur (T+2) Contract

<b>Commodity Details</b>	
Commodity	Mustard Oil
Symbol	<b>RMSOILJPR2</b>
Description	Mustard Oil (Solvent Extracted)
<b>Contract Specifications</b>	
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 <b>Trade to Trade Basis</b> and result into compulsory delivery.
Trading Period	Monday to Saturday except Exchange specified holiday's in advance.
Trading Session	Monday to Friday - 10:00 AM to 6:00 PM Saturday - 10:00 AM to 2:00 PM
<b>Trading Related Parameters</b>	
Trading Unit	10 MT
Quotation / Base Value	10 Kg
Tick Size (minimum price movement)	10 paise
Daily Price Limits	4%
Price Quote	<b>Ex-Jaipur NSEL warehouse exclusive of Sales Tax / VAT if applicable and other taxes if any.</b>
Initial Margin	2%
Maximum Order Size	500 MT
<b>Delivery Related Parameters</b>	
Delivery Unit	10 MT (with tolerance limit of 5%) which means that if the seller delivers any quantity between 9.50 MT to 10.50 MT, it will be construed as adequate discharge of his delivery obligation of 10 MT, though he will get the value only for actual quantity delivered by him.
Delivery Period Margin	10%
Delivery Center(s)	Exchange accredited storage tanks at Jaipur
Delivery Logic	Compulsory
<b>Auction Related Parameters</b>	
Symbol for auction Buy-in	<b>ABMOILJPR2</b>
Symbol for auction Sell-out	<b>ASMOILJPR2</b>
Auction Period	5:00 PM to 5:30 PM on the T+2 day



**Settlement Schedule:**

<b>Particulars</b>	<b>Day</b>	<b>Pay-In</b>	<b>Pay-Out</b>
Funds – Normal	T+2	Up to 1:00 PM	At 5:30 PM
Commodities – Normal	T+2	Up to 2:30 PM	At 5:00 PM
Commodities – Auction	T+3	Up to 11:00 AM	At 1:00 PM
Funds – Auction	T+3	Up to 12:00 Noon	At 1:00 PM

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

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<b>Name of Quality Certificate Agency</b>	<b>:</b>	<b>M/s National Spot Exchange Ltd.</b>
<b>Address of the Warehouse</b>	<b>:</b>	Tank No. A, B, C and D, RNJ Oils and Fats Pvt. Ltd., G-70, 71 Sarna Dunger Industrial Area, Jhotwara Extn. , Jaipur – 302013, Rajasthan  Tank No. 1 to 13, S.R. Proteins Pvt. Ltd., 86(A), Industrial Area, Jhotwara, Jaipur – 302 013, Rajasthan
<b>Contact Person</b>	<b>:</b>	Mr. Mohammad Tahir
<b>Mobile No.</b>	<b>:</b>	+91 94147 65252
<b>Email</b>	<b>:</b>	mohammad.tahir@nationalspotexchange.com warehousing@nationalspotexchange.com
<b>Warehouse Timings</b>	<b>:</b>	8:00 AM to 8:00 PM

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**Quality Parameter**

<b>Parameters</b>	<b>Specifications</b>
Color	35 unit in (1/4") cell
ODOR	Pungent
FFA (%)	0.75 Max.
Peroxide Value (Meq / Kg)	5.0 Max.
MIV (%)	0.20 Max.
Iodine Value	96 - 112
RI @ 40 <sup>0</sup> C	1.4646 - 1.4662
USM (%)	1.2 Max.
Saponification Value	168 - 177
Percentage of natural essential content	0.25 to 0.6

**Adulteration:**

- The oil should be free from Argemone Oil.
- The oil should be free from Mineral Oil.
- The oil should be free from Hydrocyanic Acid.

The commodity not confirming above parameter shall be rejected. There will be no premium or discount on account of quality.

**Charges relating to Trading, Settlement and delivery**

**A) Storage Charges:**

- ₹ 125/- per MT per Month (1 month billing cycle exclusive of tax, if any).
- These charges are inclusive of insurance charges.
- Storage Charges are waived off for those members and their constituents, who sale Mustard Oil on RMSOLJPR25 out of the delivery receivable against the purchase position of RMSOILJPR2 contracts.

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

Sr. No.	Charges	Amount	Remarks
<b>Charges to be levied on members having buying position in this contract and for meeting the delivery obligations arising out of their sale position on the same trading day against (T+25) contracts.</b>			
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 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.
<b>Additional Delivery Charges and QC charges against Trade in (T+2) contract only over and above the Transaction Charges.</b>			
1.	<b>Sampling and Quality certification charges</b>	₹ 750/- per lot of 10 MT payable by the seller at the time of delivery of physical stock.	This is payable by the seller to the Exchange in case of delivery of physical stock i.e. tendering fresh delivery of commodities by the seller. However, this charge <b>will not be levied</b> if the commodities are sold in Mustard Oil (T+25) Contract Ex-Jaipur on the same day of trading.
2.	<b>Delivery Charges</b>	₹ 1,000/- per lot of 10 MT payable by the seller at the time of delivery of physical stock.	This is payable by the seller to the Exchange in case of delivery of physical stock i.e. tendering fresh delivery of commodities by the seller. However, this charge <b>will not be levied</b> if the commodities are sold in Mustard Oil (T+25) Contract Ex-Jaipur on the same day of trading.



## **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 2:30 PM on any working day before executing trade, 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.
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.

### **Quality Inspection & Sampling Procedure:**

1. Any member desirous of depositing Mustard Oil at Exchange Accredited Storage Tanks shall send their tank lorries to exchange authorized surveyor and their laboratories at Jaipur for quality inspection and analysis before unloading into the exchange accredited storage tanks located at Jaipur.
2. Factory seals placed on the tank Lorries are checked and broken by the exchange authorized surveyor.
3. Samples are then drawn by the exchange authorized surveyor from the bottom valve of each compartment of each tank lorry and mixed to form one representative Bottom sample.
4. Samples are also drawn by the exchange authorized surveyor from the top manhole of each compartment of each tank lorry and mixed to form one representative Top sample.
5. Both samples are registered and entered into the exchange authorized surveyor laboratory for analysis.
6. Cargoes meeting contractual specifications are accepted certified at the storage tank at Jaipur for unloading.
7. Cargoes not meeting the specification are rejected and returned to the supplier / seller. A certificate of rejection is issued.
8. Weight of each tank lorry is supervised over a weighbridge before unloading.
9. Unloading of material into the storage tank is supervised by exchange authorized surveyor.
10. On completion of unloading, weighment of empty tank Lorries are supervised.



11. Storage tanks are gauged and sealed after every operation by exchange authorized surveyor.
12. The deductions on account of contract specifications 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.
13. 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.
14. All deposits during the crop's season period November to October will be issued a quality certificate with validity upto October next year.
15. On expiry of the validity period of the stocks deposited, the stocks will have to be revalidated.

### **Issue of Warehouse Receipt**

Warehouse receipt (on delivery unit basis i.e. 10 MT) along with a quality certificate will be issued by designated warehouse for all Mustard Oil kept in the designated warehouse. The process flow for issuance of Warehouse Receipt, Quality Certificate along with other documents would be as under:

<b>Document</b>	<b>Issued by</b>	<b>Period</b>	<b>Annexure</b>
Quality Certificate	Quality Certifying Agency	D Upto 5:00 PM	-
Warehouse Receipt	Warehouse	D+1 Upto 1:00 PM	-

Where **D** stands for the date of deposit of the commodity in the warehouse.

### **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 Mustard Oil will be done on first cum first serve basis. No vehicle will be allowed for withdrawing the goods after 8:00 PM in the evening. The warehouse manager's decision will be final in this case.
2. The Depositor, who wishes to withdraw his stock, may get the commodity Quality checked. In case of any variations of the quality from quality specification in the storage receipt, the premium / discount would be adjusted subsequently.

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 the identity Proof which has been mentioned in the letter of authority (ID proof of his representative such as Voter ID / PAN / Passport to enable the Exchange) along with the Original Authority Letter and Original Warehouse Receipt for lifting the stock from the accredited warehouse.



### Other Terms and conditions

**Delivery logic:** Compulsory delivery.

**Short Selling is Strictly Prohibited:** All sellers should possess commodities before giving sale order.

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

**Exemption from Delivery period margin for Seller:** Delivery Period Margin will be exempted if the seller submits warehouse receipt and quality certificate i.e. "**CERTIFIED STOCK**" on or before the closing hours of the trading day. The commodity will be called as "**CERTIFIED STOCK**" when the commodity is deposited at Exchange Accredited Warehouse and Quality Certificate is issued.

**Taxes, Duties, Cess and Levies:** EX-WAREHOUSE – Jaipur (VAT applicable in Mustard oil is 5%) Inclusive of all charges / taxes if applicable till delivered at Warehouse, but excluding VAT.

All the Buyer's / Sellers tendering commodity / or taking delivery shall have necessary Registration from the applicable Tax Authorities and obtain other licenses, if any, required by them. In case the seller / Buyer does not have a Sales Tax Registration number, then he shall appoint an Agent / Nominee who has the required Tax Registration and deliver / take the goods through him.

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 of 10 MT with a tolerance limit of +/- 5%.

**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.





## Format of Tax Invoice

TAX INVOICE

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

Sr. No.	Particulars	Weight (Kg)	Rate (₹ / Kg / Quintal )	Amount (₹)
	Mustard Oil			
				-
			Less Discount	-
			Tax / VAT@5%	
			Total Amount	-
			Freight Charges	-
			Other Charges	-
			Gross Total	

Rupees  
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Date:

Place:

Seal

Authorized Signatory.

\*VAT TIN No.: -  
\*CST TIN No.: -  
APMC licence No.  
PAN No:  
(\* Seller's VAT / CST No.)

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