

Annexure

MASTER CIRCULAR – COMMODITY DERIVATIVE SEGMENT

- CHAPTER 1 - CORE SGF AND STANDARDIZED STRESS TESTING FOR CREDIT RISK FOR COMMODITY DERIVATIVES
- CHAPTER 2 - Comprehensive Risk Management Framework for National Commodity Derivatives Exchanges
- CHAPTER 3 - ALTERNATE RISK MANAGEMENT FRAMEWORK (ARMF) IN CASE OF NEAR ZERO & NEGATIVE PRICES
- CHAPTER 4 - OPTIONS ON COMMODITY FUTURES - PRODUCT DESIGN AND RISK MANAGEMENT FRAMEWORK – MODIFICATION IN EXERCISE MECHANISM
- CHAPTER 5 - DESIGN OF COMMODITY INDICES AND PRODUCT DESIGN FOR FUTURES ON COMMODITY INDICES
- CHAPTER 6 - CUT-OFF TIME FOR GENERATION OF LAST RISK PARAMETER FILE (RPF) FOR CLIENT'S MARGIN COLLECTION PURPOSE AND MODIFICATION IN FRAMEWORK TO ENABLE VERIFICATION OF UPFRONT COLLECTION OF MARGINS FROM CLIENTS IN COMMODITY DERIVATIVES SEGMENT
- CHAPTER 7 - INTRODUCTION OF OPTIONS ON COMMODITY INDICES – PRODUCT DESIGN AND RISK MANAGEMENT FRAMEWORK
- CHAPTER 8 - DELIVERY & SETTLEMENT PROCESS
- CHAPTER 9 - WAREHOUSING OPERATIONS
- CHAPTER 10- Collateral Management (Liquid Assets): Commodity Derivatives Segment
- CHAPTER 11 - CLEARING & SETTLEMENT PROCESS

CHAPTER 1- CORE SGF AND STANDARDIZED STRESS TESTING FOR CREDIT RISK FOR COMMODITY DERIVATIVES

Ref. - SEBI/HO/CDMRD/DRMP/CIR/P/2018/111 dated July 11, 2018

1. Adequacy of SGF - Vide circular **SEBI/HO/CDMRD/DRMP/CIP/P/2016/86 dated September 16, 2016**, SEBI had continued norms related to, inter-alia, Settlement Guarantee Fund (SGF) and Stress test to determine **adequacy of SGF** prescribed by erstwhile Forward Markets Commission for National Commodity Derivatives Exchanges.

SEBI Circular no. SEBI/HO/CDMRD/DRMP/CIR/P/2016/86 September 16, 2016 stipulates that as per Section 131 (4) of the Finance Act, 2015 all rules, directions, guidelines, instructions, circulars, or any like instruments, made by the erstwhile Forward Markets Commission (FMC) or the Central Government applicable to recognized associations under the Forward Contracts Regulation Act, 1952 (FCRA) would continue to remain in force for a period of one year from the date on which FCRA was repealed (September 29, 2015), or till such time as notified by SEBI, whichever is earlier. Further, SEBI has removed the yearly cap to the contribution requirement by exchange to SGF (5% of gross revenue net of income tax).

Erstwhile FMC had, from time-to-time prescribed norms for national commodity derivatives exchanges on Settlement Guarantee Fund (SGF), Stress Test to determine adequacy of SGF and Base Minimum Capital (BMC) through the following circulars:

- a. Circular No. 13/5/2006-MKT/III(Vol.1) dated 23rd February 2007
 - b. Circular No. 13/5/2006-MKT/III(Vol.1) dated 6th November 2007
 - c. Circular No. 6/12/2012-MKT-I dated 8th March 2013
 - d. Circular No. 2/2/2008-MKT-II dated 23rd August 2013
 - e. Circular No. 2/2/2008-MKT-II dated 14th March 2014
2. Risk management norms - Vide circular **SEBI/HO/CDMRD/DRMP/CIR/P/2018/52 dated March 21, 2018**, SEBI had inter-alia prescribed that post transfer of clearing and settlement functions from commodity derivatives exchanges to Clearing Corporations and hence, Indian Clearing Corporation Limited (ICCL) shall be required to comply with the risk management norms prescribed by SEBI for Commodity Derivative segment of Bombay Stock Exchange (**BCX**).
 - a. **Minimum Liquid Net-worth**- Members of ICCL in the commodity derivatives segment shall maintain a minimum Liquid Net-worth of at least INR 50 Lakhs at all points of time and shall not have any Base Minimum Capital requirement.

(Clearing member's liquid assets after adjusting for applicable margins shall be referred to as 'Liquid Net-worth' of the clearing member. Initial margins, ELM, additional margins or any other

margins as may be specified by SEBI from time to time shall be deducted from the liquid assets of a clearing member to arrive at 'Liquid Net-worth' of member).

- b. Acceptance of Fixed Deposit Receipts (FDRs) as collateral** - SEBI has issued circular CIR/MRD/DRMNP/65/2016 dated July 15, 2016 on **"Acceptance of Fixed Deposit Receipts (FDRs) by Clearing Corporations"** to Recognized Clearing Corporations (ICCL & other CCs).

Therefore, ICCL is advised to implement the following –

- (i) ICCL shall not accept Fixed Deposit Receipts (FDRs) from their trading / clearing members as collateral, which are issued by the trading / clearing member themselves or banks who are associate of trading / clearing member.
- **Explanation** - for this purpose, 'associate' shall have the same meaning as defined under Regulation 2 (b) of SECC Regulations 2012.
- (ii) Trading / Clearing Members who have deposited their own FDRs or FDRs of associate banks shall replace such collateral, with other eligible collateral as per extant norms, within a period of six months from the date of issuance of SEBI circular dated March 21, 2018.

Furthermore, BCX shall comply with the provisions of that circular that Trading / Clearing members of BCX, who have deposited their own FDRs or FDRs of associate banks, shall **replace such collateral with other eligible collateral as per extant norms**, within a period of three months from the date of issuance of SEBI Circular dated March 21, 2018.

- c. Margin provisions for intra-day crystallized losses** - SEBI has issued circular CIR/MRD/DRMNP/008/2018 dated January 08, 2018, on "Margin provisions for intra-day crystallized losses" to ICCL and other recognized clearing corporations. Commodity Derivatives Exchanges shall also comply with the provisions of that circular within three months from the date of this circular.
- (i) The margining system of ICCL currently levies margin based on net buy value (Buy – Sales value of underlying) of unsettled trades in the BCX (BSE commodity derivative) segment and based on the net open positions (Open Interest) in the BCX segments. As such, the risk of crystallized obligations (Profit / Loss on trade) incurred due to intra-day trades does not get fully captured in the margining system and consequently in the ICCL's risk management system for the purpose of providing further exposure to the clearing member.
- (ii) Based on the recommendation of the SEBI's Risk Management Review Committee, in order to mitigate such risk, the following has been decided by ICCL:
- The intra-day crystallized losses shall be monitored and blocked by ICCL from the free collateral on a real-time basis only for those transactions which are subject to upfront

margin. For this purpose, crystallized losses can be offset against crystallized profits at a client level, if any.

- If crystallized losses exceed the free collateral available with the ICCL, then the entity shall be put into risk reduction mode as specified in **Para 7 of SEBI Circular no. CIR/MRD/DP/34/2012 dated December 13, 2012.**
- Crystallized losses shall be calculated based on **weighted average prices of trades** executed.
- Adjustment of intraday crystallized losses shall not be done from exposure free liquid networth of ICCL.

3. Vide circular **CIR/MRD/DRMNP/25/2014 dated August 27, 2014**, SEBI had issued *norms related to Core Settlement Guarantee Fund, default waterfall, stress testing, back testing etc.* for recognized Clearing Corporations and Stock Exchanges.

Based on the granular norms related to formation of core settlement guarantee fund, stress testing and default procedures which would bring greater clarity and uniformity as well as align the same with international best practices while enhancing the robustness of the present risk management system in the Indian Clearing Corporation Limited (ICCL) for BCX segment, the norms are being laid down for achieving mainly the following objectives:

CLAUSE 5-Objective of Core SGF

- Indian Clearing Corporation Limited (ICCL) shall have a fund called Core SGF for BCX segment of each Recognised Stock Exchange (SE) to guarantee the settlement of trades executed in respective segment of the BSE (Stock Exchange).
- In the event of a clearing member (member) failing to honour settlement commitments, the Core SGF shall be used to fulfill the obligations of that member and complete the settlement without affecting the normal settlement process.

CLAUSE 6-Corpus of Core SGF

The corpus of the fund should be adequate to meet out all the contingencies arising on account of failure of any member(s). The risk or liability to the fund depends on various factors such as trade volume, delivery percentage, maximum settlement liability of the members, the history of defaults, capital adequacy of the members, the degree of safety measures employed by the ICCL / BSE etc. A fixed formula, therefore, cannot be prescribed to estimate the risk or liability of the fund. However, in order to assess the fair quantum of the corpus of Core SGF, Clearing Corporation (CC) should consider the following factors:

- Risk management system in force
- Current and projected volume/turnover to be cleared and settled by the CC on guaranteed basis

- Track record of defaults of members (number of defaults, amount in default)

CLAUSE 16-Default Waterfall

The default waterfall of ICCL for any segment shall generally follow the following order –

- I. monies of defaulting member (including defaulting member's primary contribution to Core SGF(s) and excess monies of defaulter in other segments).
- II. Insurance, if any.
- III. ICCL resources (equal to 5% of the BCX segment MRC).
- IV. Core SGF of the segment in the following order:
 - (1) Penalties
 - (2) ICCL contribution to the extent of at least 25% of the segment MRC
 - (3) Remaining Core SGF: ICCL contribution, BSE contribution and non-defaulting members' primary contribution to Core SGF on pro-rata basis.
- V. Proportion of remaining ICCL resources (excluding ICCL contribution to core SGFs of other segments and higher of INR 100 Crore or the capital requirement towards orderly winding down of critical operations and services) equal to ratio of segment MRC to sum of MRCs of all segments. (*)
- VI. ICCL / BSE contribution to Core SGFs of other segments (after meeting obligations of those segments) and remaining ICCL resources to that extent as approved by SEBI.
- VII. Capped additional contribution by non-defaulting members of the segment. (**)
 - (i) ICCL shall call for the capped additional contribution only once during a period of 30 calendar days regardless of the number of defaults during the period. The period of 30 calendar days shall commence from the date of notice of default by ICCL to market participants.
 - (ii) ICCL shall have relevant regulations / provisions for non-defaulting members to resign unconditionally within the abovementioned period of 30 calendar days, subject to member closing out / settling any outstanding positions, paying the capped additional contribution and any outstanding dues to SEBI. No further contribution shall be called from such resigned members.
 - (iii) The maximum capped additional contribution by non-defaulting members shall be **lower of 2 times of their primary contribution to Core SGF or 10% of the Core SGF of the segment on the date of default in case of commodity derivatives segment.**
 - (iv) The maximum capped additional contribution by non-defaulting members shall be **lower of 2 times of their primary contribution to Core SGF or 20% of the Core SGF of the segment on the date of default in case of derivatives segment.**
 - (v) In case of shortfall in recovery of assessed amounts from non-defaulting members, further loss can be allocated to **Layer 'VI'** with approval of SEBI.
- V. Any remaining loss to be covered by way of pro-rata haircut to payouts. (***)

(*) INR 100 Crore to be excluded only when remaining ICCL resources (excluding CC contribution to core SGFs of other segments) are more than INR 100 Crore.

(**) ICCL shall limit the liability of non-defaulting members towards additional contribution to a multiple of their required primary contribution to Core SGF and the framework regarding the same should be disclosed. In case of shortfall in recovery of assessed amounts from non-defaulting members, further loss can be allocated to **layer 'VI'** with approval of SEBI.

(***) In case loss allocation is effected through haircut to payouts, any subsequent usage of funds shall be with prior SEBI approval. Further, any exit by ICCL post using this layer shall be as per the terms decided by SEBI in public interest.

CLAUSES 17 – 21-Stress testing and back testing for commodity derivatives segment

- (17) ICCL shall effectively measure, monitor, and manage its credit exposures to its participants and those arising from its payment, clearing, and settlement processes.
- (18) **Stress test for credit risk:** ICCL shall carry out daily stress testing for credit risk using at least the standardized stress testing methodology prescribed for commodity derivatives segment in the Annexure-I.
- (19) ICCL shall develop own scenarios for a variety of 'extreme but plausible market conditions' (in terms of **both defaulters' positions** and possible price changes in liquidation periods, including the risk that liquidating such positions could have an impact on the market) and carry out stress testing using self-developed scenarios.
- (20) **Liquidity stress test and adequacy of liquidity arrangements:** ICCL shall daily test the adequacy of its liquidity arrangements to ensure that its liquid resources are adequate to meet simultaneous default of **at least two clearing members** and their associates that would generate the largest aggregate liquidity obligation for the ICCL in extreme but plausible market conditions and compare such obligation with the resources mentioned hereunder:
 - a) Cash
 - b) Committed lines of credit available to ICCL
- (21) **Reverse stress test:** ICCL shall periodically carry out reverse stress tests designed to identify under which market conditions and under what scenarios the combination of its margins, Core SGF and other financial resources prove insufficient to meet its obligations (e.g. simultaneous default of top N members or N% movement in price of top 2 scrips by turnover or 20% movement in price of top N scrips by turnover etc.)

(22) **Back testing for adequacy of margins:** ICCL shall daily conduct back testing of the margins collected vis-à-vis the actual price changes for the contracts being cleared and settled in every segment to assess appropriateness of its margining models.

4. It has been decided that Clearing Corporations clearing commodity derivatives transactions shall comply with the provisions of **SEBI circular dated August 27, 2014**. The said circular inter-alia stipulated norms for *Minimum Required Corpus of Core SGF (MRC) for each segment* of each stock exchange at **para 7** of the circular. In addition to those norms, **minimum threshold value of MRC for commodity derivatives segment of any stock exchange shall be INR 10 Crores**.

Minimum Required Corpus of Core SGF (MRC)

CLAUSE 7- SEBI circular dated August 27, 2014

Evaluation of Minimum Required Corpus of Core SGF (MRC) for BCX segment of ICCL shall be subject to the following:

- i. The MRC shall be fixed for a month.
- ii. By 15th of every month, ICCL shall review and determine the MRC for next month based on the results of daily stress tests of the preceding month. (For example, by 15th February, CC shall determine MRC for March based on results of various stress tests conducted in January). ICCL shall also review and determine by 15th of every month, the adequacy of contributions made by various contributors and any further contributions to the Core SGF required to be made by various contributors (as per **clause 8 - Contribution to Core SGF**) for the next month.
- iii. For every day of the preceding month (i.e., January as per example in (ii) above), uncovered loss numbers shall be estimated by the various stress tests for credit risk conducted by the ICCL for the segment (as per clause 18) and highest of such numbers shall be taken as worst-case loss number for the day.
- iv. Average of all the daily worst case loss numbers determined in (iii) above shall be calculated.
- v. The MRC for next month (i.e. March as per example in (ii) above) shall be higher of the average arrived in at step iv above and the segment MRC as per previous review (i.e. review done on 15th January for the month of February).

5. Revision in computation of Core Settlement Guarantee Fund in Commodity Derivatives Segment

(Ref: SEBI/HO/MRD/MRD-POD-1/P/CIR /2023/78 dated May 23, 2023, page 1-2)

- **Alignment of Core SGF**
CLAUSE 4 - SEBI circular dated August 27, 2014

Based on the granular norms related to formation of core settlement guarantee fund vide SEBI circular dated August 27, 2014, stress testing (Annexure-I) and default procedures which would bring greater clarity and uniformity as well as align the same with international best practices while enhancing the robustness of the present risk management system in the Indian Clearing Corporation Limited (ICCL), the norms are being laid down for achieving mainly the following objectives:

- a. create a core fund (called core settlement guarantee fund), within the SGF, against which no exposure is given and which is readily and unconditionally available to meet settlement obligations of clearing corporation in case of clearing member(s) failing to honour settlement obligation.
 - b. align stress testing practices of clearing corporations with FMI principles (norms for stress testing for credit risk, stress testing for liquidity risk and reverse stress testing including frequency and scenarios).
 - c. capture in stress testing, the risk due to possible default in institutional trades
 - d. harmonize default waterfalls across clearing corporations.
 - e. limit the liability of non-defaulting members in view of the Basel capital adequacy requirements for exposure towards Central Counterparties (CCPs).
 - f. ring-fence commodity derivatives segment of ICCL from defaults in other segments bring in uniformity in the stress testing and the risk management practices of different clearing corporations especially with regard to the default of members.
- **Contribution to Core SGF**
CLAUSE 8- SEBI circular dated August 27, 2014

At any point of time, the contributions of various contributors to Core SGF of any segment shall be as follows:

- a. **Clearing Corporation contribution:** ICCL contribution to Core SGF shall be at least 50% of the MRC. ICCL shall make this contribution from its own funds as part of its net worth.
- b. **Stock Exchange contribution:** BSE's (SE) contribution to Core SGF shall be at least 25% of the MRC (can be adjusted against transfer of profit by Stock Exchange as per Regulation 33 of SECC Regulations, which may be reviewed in view of these guidelines).

ICCL in Commodity Derivatives Segment shall align their core SGF as per aforesaid clauses 4 & 8 of SEBI circulars dated August 27, 2014 as well as July 11, 2018 and excess contribution, if any, may be returned to the contributing stakeholders on a pro-rata basis, after taking due approval from SEBI.

6. Further, in light of the different features and concerns of commodity derivatives markets, it has also been decided to prescribe **modified standardized stress testing scenarios and methodology** (as given in **Annexure-I**) for carrying out daily stress testing for credit risk for commodity derivatives.

ICCL shall use the same for carrying out daily stress testing for credit risk in commodity derivatives within three months from the date of issuance of this circular.

7. Clearing corporations are directed to:

- a.** take necessary steps to put in place systems for implementation of the circular, including necessary amendments to the relevant bye-laws, rules and regulations;
- b.** bring the provisions of this circular to the notice of their members and also disseminate the same on its website;
- c.** implement the provisions of this circular and communicate to SEBI the status of implementation.

ANNEXURE-I: STANDARDISED STRESS TESTING FOR COMMODITY DERIVATIVES SEGMENT

Part A. Scenarios

Historical Scenarios

(1) Peak Historical Return - Price movement in respect of each underlying over the Margin Period of Risk (MPOR) period during the last 15 years to be considered:

- **Scenario 1A:** Maximum percentage rise over MPOR period
- **Scenario 1B:** Maximum percentage fall over MPOR period

(2) Peak historical price volatility - Historical price volatility (EWMA volatility) in respect of each commodity during the previous 15 years is to be considered. Percentage price movement equal to 3.5 times the peak historical volatility adjusted for applicable MPOR period of the commodity shall be considered (subject to a maximum of 110% of the price movement considered for the commodity under the peak historical return scenario):

- **Scenario 2A:** Percentage price rise
- **Scenario 2B:** Percentage price fall

(3) Augmented historical - Exchange shall identify top 10 days during the previous 15 years based on average of absolute percentage price change across all commodities witnessed over the MPOR period. For each of the day, exchange shall identify percentage price change in each commodity (in case of unavailability of prices in any of the commodity on any of the identified days, price change equal to applicable initial margin in the commodity to be considered). All the price movements to be scaled up by 10%.

Thus, one scenario corresponding to each of the 10 identified days shall be generated.

Hypothetical scenarios

(4) Stressed MPOR - It shall be assumed that liquidation of open positions would require 5 days and percentage price movement equal to 3.5 times current volatility adjusted for 5-day period (i.e., scaling up by square root of 5) shall be considered.

- **Scenario 4A:** Percentage rise over 5-day period
- **Scenario 4B:** Percentage fall over 5-day period

(5) Stressed PSR and VSR - Price movement in respect of each underlying to the extent of 1.5 times the normal price scan range (PSR) over the MPOR period and change in implied volatility equal to 1.5 times the normal volatility scan range (VSR) shall be considered.

- **Scenario 5A:** Underlying price increasing by 1.5 PSR adjusted for MPOR period, volatility increasing by 1.5 VSR.
- **Scenario 5B:** Underlying price decreasing by 1.5 PSR adjusted for MPOR period, volatility increasing by 1.5 VSR.

BSE shall carry out stress tests using each of the scenarios given in Part A as follows:

- a. By stressing positions in all commodities simultaneously
- b. By first identifying top 10 commodities based on O1 and stressing 1 commodity at a time (ignoring positions in other commodities and the corresponding margins)

Part B. Methodology - The percentage price movements identified in each of the above scenarios shall be applied to the commodity price on the day for which the stress test is being done. All open positions shall be assumed to be squared up at the theoretical price corresponding to the revised prices / volatility of the underlying in each of the scenarios. For each clearing member, the credit exposure to ICCL shall be calculated as follows:

- a) The time of stress test shall be end of day.
- b) It shall be assumed that clearing member will default in paying the settlement obligations and all outstanding positions will be squared off at the theoretical price corresponding to the revised price/volatility of the underlying in the scenario.
- c) Loss shall be calculated at client portfolio level.
- d) For each client, residual loss shall be equal to → (loss due to close-out of client positions—margin supporting that specific client's positions).
- e) All residual losses (residual profits to be ignored) for all clients shall be grossed to compute total residual losses due to client positions.
- f) Loss due to close-out of proprietary positions shall be considered.
- g) Loss at (e) and loss at (f) and the net pay-in / pay-out requirement of the clearing member shall be assessed against required margins (excluding margin supporting client positions and excess collateral, if any) and other mandatory deposits of defaulting member to calculate credit exposure of Clearing Corporation to the member. Equity scrips as collateral, if any, shall be valued with minimum 20% haircut.

To begin with, for each of the **scenarios in Part A**, ICCL shall calculate —

- A. Credit exposure due to simultaneous default of **at least 2 clearing members** (and their associates) causing highest credit exposure.
- B. 25% of the credit exposure due to simultaneous default of all clearing members.

However, within a year from the deadline of implementation of the circular, for each of the scenarios in Part A, ICCL shall calculate —

- A. Credit exposure due to simultaneous default of **at least 2 clearing members** (and their associates) causing highest credit exposure.
- B. 50% of the credit exposure due to simultaneous default of all clearing members.

Furthermore, below mentioned circulars used as references are available on SEBI website at www.sebi.gov.in at “**Legal Framework - Circulars.**”

Sr. no.	SEBI Reference Circular No.	Dated	Subject Matter
1.	SEBI/HO/MRD/MRD-POD-1/P/CIR/2023/78	May 23, 2023	Revision in computation of Core Settlement Guarantee Fund in Commodity Derivatives Segment
2.	CIR/MRD/DRMNP/008/2018	July 11, 2018	Core SGF and standardised stress testing for credit risk for commodity derivatives
3.	SEBI/HO/CDMRD/DRMP/CIR/P/2018/52	March 21, 2018	Risk Management norms for commodity derivatives
4.	SEBI/HO/CDMRD/DRMP/CIR/P/2016/86	September 16, 2016	Settlement Guarantee Fund, Stress Testing and Base Minimum Capital
5.	CIR/MRD/DRMNP/65/2016	July 15, 2016	Acceptance of Fixed Deposit Receipts (FDRs) by Clearing Corporations
6.	CIR/MRD/DRMNP/25/2014	August 27, 2014	Core Settlement Guarantee Fund, Default Waterfall and Stress Test
7.	CIR/MRD/DP/34/2012	December 13, 2012	Pre-trade Risk Controls

CHAPTER 2 - Comprehensive Risk Management Framework for National Commodity Derivatives Exchanges

REF.- SEBI circular no. CIR/CDMRD/DRMP/01/2015 dated October 01, 2015

1. INTRODUCTION

The core of the risk management system of national commodity derivatives exchanges (Bombay Stock Exchange i.e. BSE) shall comprise of the following:

- i.** Liquid Assets: Liquid assets shall be deposited by members with BSE in compliance with the norms specified herewith to cover various margin and deposit requirements.
- ii.** Initial Margins (IM): Value at risk (VaR) margins to cover potential losses for at least 99% of the days subject to minimum percentage floor value as prescribed by SEBI from time to time.
- iii.** Extreme Loss Margins (ELM): Margins to cover the loss in situations that lie outside the coverage of the VaR based initial margins.
- iv.** Additional Margins: Margins imposed on both long and short sides over and above the other margins would be called additional margins.
- v.** Tender Period Margin / Pre-expiry Margin: BSE shall levy tender period / pre-expiry margin which may be increased gradually every day beginning from the pre-determined number of days before the expiry of the contract as applicable.
- vi.** Delivery Period Margin: Appropriate delivery period margin shall be levied by Exchanges on the long and short positions marked for delivery till the pay-in is completed by the member. Once the delivery period margin is levied, all other applicable margins may be released.
- vii.** Minimum Liquid Networth Requirement: Initial margins, ELM, Additional margins, or any other margins as may be specified by SEBI from time to time shall be deducted from the liquid assets of a clearing member. The clearing member's liquid assets after adjusting for applicable margins shall be referred to as 'Liquid Networth' of the clearing member. Clearing Members shall maintain 'Liquid Networth' as specified by SEBI from time to time.
- viii.** MTM (Mark to Market) Settlement: Mark to market settlement on all open positions of clients / members shall be done daily in cash.
- ix.** Base Minimum Capital: Exposure free deposit required from all members (Trading members / Clearing members).

- x. Settlement Guarantee Fund (SGF): BSE shall maintain SGF which shall be used by BSE only for the purpose of providing a settlement guarantee.

2. LIQUID ASSETS

The types of liquid assets acceptable by BSE from their members and the applicable haircuts and concentration limits are listed below:

Item	Minimum Haircut (see Note 'a')	Limits
Cash Equivalents		
Cash	0	No limit
Bank fixed deposits	0	No limit
Bank guarantees	0	Limit on exchange's exposure to a single bank. (see Note 'b').
Securities of the Central Government	10%	No limit
Units of liquid mutual funds or government securities mutual funds. (by whatever name called which invest in government securities)	10%	No limit
Other Liquid Assets		
Liquid Equity Shares. (Group-I) (see Note 'd')	Same as the VaR margin for the respective shares. (see note 'd')	Limit on BSE's exposure to a single issuer. (see Note 'e')
Mutual fund units other than those listed under cash equivalents	Same as the VaR margin for the units computed using the traded price on stock exchange, if available, or else, using the NAV of the unit treating it as a liquid security. (as per methodology given in Para 5.1 of circular MRD/DoP/SE/Cir-07/2005 dated February 23, 2005).	
Corporate Bonds having rating of AA or above (or with similar rating nomenclature) by recognized credit rating agencies.	Fixed percentage based or VaR based Haircut. A higher haircut may be considered to cover the expected time frame for liquidation. To begin with the haircut shall be a minimum of 10%.	Not to exceed 10% of the total liquid assets of the clearing member. (see Note 'e')
Bullion	20%	Total commodities collateral for any clearing member shall not exceed 15% of the total liquid assets of the clearing member. (see Note 'f')
Gold ETF	20%	
Steel	60%	
Agricultural Commodities	40%	

Figure 2.1

NOTE:

- a.** Valuation of liquid assets shall be done on a daily basis after applying applicable haircuts.
- b.** ICCL shall lay down Exposure Limits either in rupee terms or total Liquid Assets (%) that can be exposed to a single bank directly or indirectly. The total exposure towards any bank would include Bank Guarantees issued by the bank as well as debt or equity securities of the bank which have been deposited by members towards total liquid assets.

Total liquid assets value < 1% exposed to any single bank based on the following criteria.

- networth < INR 500 crores
And
 - not rated P1 (or P1+) or equivalent, by a recognized credit rating agency or by a reputed foreign credit rating agency.
And
 - networth < 10% of total liquid assets deposited with the exchanges shall be exposed to all such banks put together.
- c.** Cash equivalents shall be at least 50% of liquid assets excluding other Liquid Assets in excess of total Cash Equivalents.
 - d.** Determining Equity shares falling in Group-I and based on this, appropriate VaR margin shall be considered for these securities, data disseminated by BSE having equity platform shall be referred. BSE is already required to compute the same on regular basis in accordance with SEBI Circular MRD/DoP/SE/Cir-07/2005 dated February 23, 2005.
 - e.** BSE shall adequately diversify their collateral to avoid any concentration of exposure towards any single entity and the same shall be within the limits as may be prescribed by SEBI from time to time.
 - f.** Agricultural commodities to be accepted as collateral should be of same quality specification which is deliverable under the contract specification of agricultural commodities derivatives being traded on BSE Commodity Segment.
 - g.** BSE shall accept liquid assets as collateral only as per the list of liquid assets specified in the table (Figure 2.1) above. However, certain types of liquid assets may not be accepted by BSE, specified in the above list based on their risk perception, capability to hold and arrangements for timely liquidation. BSE may stipulate concentration limits at member level / across all members as may be necessary.
 - h.** BSE shall make necessary arrangements to enable timely liquidation of collaterals accepted by them.

3. INITIAL MARGINS (IM)

Ref. – SEBI circular no. SEBI/HO/CDMRD/DRMP/CIR/P/2016/77 dated September 01, 2016

BSE shall impose initial margins sufficient to cover its potential future exposure to participants in the interval **between the last margin collection & the close out of positions following a participant default**. BSE shall therefore estimate the appropriate **Margin Period of Risk (MPOR)** for each product based on liquidity in the product and scale up the initial margins accordingly. However, the MPOR for all commodity derivatives contracts shall be **atleast 2 days**.

BSE is computing VaR based initial margins using **Exponentially Weighted Moving Average (EWMA)** method to obtain the volatility estimate and then calculating initial margin by multiplying the volatility estimate by scaling factor. In order to bring uniformity in calculation of IM, following is prescribed:

- a. **VaR Based:** Initial Margin requirement shall cover a 99% VaR over 1-day horizon & the estimated EWMA volatility (standard deviation) shall be scaled up by 3.5 factor.
 - **Minimum value for Initial Margin (IM) & Margin Period of Risk (MPOR):** Minimum IM and minimum MPOR for commodity derivatives segment stands revised as per SEBI circular no. SEBI/HO/CDMRD/DRMP/CIR/P/2020/15 dated January 27, 2020.
- b. ICCL shall categorize their commodities into **3 categories of volatility** based upon the realized volatility for last 3 years as given below: -

Volatility Category of Commodity	Realized Annualized Volatility criteria
Low	0 to 15%
Medium	Above 15 % to 20%
High	Above 20%

- c. **Realized volatility** shall be calculated from series of daily log normal return of main near month future contracts of the respective commodity.

staggered delivery (sd)	Rollover of daily log normal return
applicable	to next month contract on start of 'sd' period
not applicable	on the day after near month contract expiry

- d. BSE having maximum average daily turnover across all derivative contracts on the respective commodity based on last 6 months' period shall be termed as Lead Exchange. ICCL (Clearing Corporation) of BSE (Lead Exchange) shall do the categorization of the respective commodities and same shall be intimated to all other CCs to adopt.
- e. Based on volatility category, **minimum initial margin (IM) and minimum MPOR** shall be as under:

	Minimum IM	Minimum MPOR

Volatility Category of Commodity	Non-Agri	Agri	Non-Agri	Agri
Low	6%	8%	2	3
Medium	8%	10%	2	3
High	10%	12%	3	4

- f. Floor values** prescribed for IM in table above need not be scaled up by MPOR.
- g. ICCL shall review all commodities categories** once in every 6 months' period based upon past 3 years' data. Commodity may be moved from **higher volatility category to lower category** only if it satisfies criteria of the revised category of volatility for 2 consecutive reviews. However, movement from a lower to higher volatility category shall be done based upon a single review.
- h. Categorization** shall be done on 1st March & 1st September of each year on a rolling basis and changes if any shall be made applicable from 1st April and 1st October respectively of each year.
- i. In case derivatives are launched on any new underlying commodity for the 1st time for which no reference futures prices are available, it shall be initially categorized based upon prices available in the spot markets subject to a minimum of Medium Category of volatility. Re-categorization of such commodity** from higher to lower category of volatility can only be done after 2 consecutive reviews.
- **Margin Computation at client portfolio level:** Margins shall be computed at portfolio level of each individual client comprising client's positions in futures contracts across different maturities.
 - **For Trading / Clearing Member level** margins computation, margins would be grossed across various clients.
 - **For proprietary positions of the Trading Member,** margins would also be treated as that of a client for margin computation.
 - **Spread margin benefit** – Spread margin benefit shall be permitted in the following cases.
 - a.** Different expiry date contracts of the same underlying.
 - b.** 2 contracts variants having the same underlying commodity.
 - (i) BSE may provide spread benefit in initial margin across futures contracts in a commodity complex** provided the following conditions are met –
 - (iii) Minimum coefficient of correlation (r) between futures prices of the two commodities is 0.90.**
 - (iv) Back testing for adequacy of spread margin to cover MTM has been carried out for a minimum period of 1 year (back testing for at least 250 days wherein daily settlement futures prices used for back testing have been determined from traded futures prices).**
 - (v) Initial margin after spread benefit has been able to cover MTM on at least 99% of the days as per back testing.**

(ii) Maximum benefit in initial margin on spread positions is **restricted to 50%**.

(iii) No benefit in ELM shall be provided for spread positions (i.e. ELM shall be charged on both individual legs).

(iv) BSE is free to charge higher margins depending upon their risk perception.

(v) Margin benefit on spread positions shall be **entirely withdrawn latest by the start of tender period or the start of the expiry day, whichever is earlier**.

(iii) To be eligible for initial margin benefit, each individual contract in the spread shall be from amongst the **first three six expiring contracts** in the 2 commodities only.

(iv) BSE shall continuously monitor dynamics of the commodities & their correlation & if there are changes such that spread margin benefit is no longer appropriate to be given, shall take appropriate further course of action.

(i) In case of calendar spreads or spreads consisting of 2 contract variants having the same underlying commodity (wherein currently 75% benefit in initial margin is permitted), benefit in initial margin shall be permitted when each individual contract in the spread is from amongst the **first six expiring contracts**.

- **Real Time Computation:** The margins should be computed on real time basis. The computation of portfolio initial margin would have 2 components.

- computation of initial margin (EWMA volatility scaled up by 3.5) for each individual contract.
- these contract initial margins would be applied to the actual portfolio positions to compute the portfolio initial margin.

BSE is permitted to update EWMA volatility estimates for contracts at discrete time points each day (**with a gap of not more than 2 hours between any 2 consecutive updates & at the end of the trading session**) and the latest available scaled up Weighted Moving Average (WMA) volatility estimates would be applied to member / client portfolios on a real time basis.

4. EXTREME LOSS MARGIN (ELM): ELM of 1% on gross open positions shall be levied & deducted from the liquid assets of the clearing member on an online, real-time basis.

Minimum value of initial margins shall be subject to following floor values: -

Minimum IM	Margin
Nickel	6%
Other Commodities	5%

5. **ADDITIONAL MARGINS:** BSE may levy Additional Margins based on their evaluation in specific situations as may be necessary.

6. **TENDER PERIOD MARGIN**

- (i) BSE shall levy **Tender period / Pre-expiry margin** on gradual incremental basis every day beginning from the pre-determined number of days before the contract expiry as applicable.
- (ii) BSE shall determine the quantum of tender period margin as appropriate based on the risk characteristics of the particular commodity.

Ref.- SEBI circular no. SEBI/HO/CDMRD/DNPMP/CIR/P/2019/83 dated July 26, 2019

7. **STAGGERED DELIVERY PERIOD IN COMMODITY FUTURES CONTRACTS**

- **Definition:** Staggered delivery period is the period, beginning few working days prior to expiry of any contract and ending with expiry, during which sellers / buyers having open position may submit an intention to give/take delivery.
- **Underlying Assets:** All compulsory delivery commodity futures contracts (agriculture commodities as well as non-agriculture commodities) shall have a staggered delivery period.
- **Duration of staggered delivery period:** minimum duration shall be at least 5 working days. However, BSE shall have the flexibility to set higher duration of staggered delivery period for any commodity futures contract, as deemed fit.
- **Applicable Margin:** BSE shall start imposing **pre-expiry margin** (as prescribed vide SEBI circular no. CIR/CDMRD/DRMP/01/2015 dated October 01, 2015) latest by the start of the staggered delivery period.

8. **DELIVERY PERIOD MARGIN**

- a. **Delivery period margins** shall be higher of:
 - a. $3\% + 5 \text{ day } 99\% \text{ VaR of spot price volatility}$
 - (Or)
 - b. 20%

BSE may impose higher margins if deemed fit. If extant delivery period margins on certain commodities are higher than that specified above, the extant delivery period margins shall continue.

- Once the **delivery period margin** is levied, all other applicable margins may be released.

9. MEASURES IN CASE OF REPEATED SHORTFALL IN MARGIN / PAY-IN

In case of **repeated margin / pay-in shortfalls** beyond a threshold amount by any member in a month, following risk mitigation measures shall be initiated by BSE (Commodity Derivatives Exchange).

- a. The member be put in square off mode & required to reduce positions.
- b. The member be charged initial margins at a higher rate for the next 1 month.

(Or)

The member be subjected to a penal exposure free deposit equal to the cumulative funds / margin shortage over previous 1 month kept with BSE for the next month.

- c. BSE shall keep a close watch on such member.

10. CONCENTRATION MARGINS

- BSE shall impose adequate concentration margins (only on concentrated positions) for liquidation of concentrated positions in any commodity risk contingent measures.
- Threshold value for concentration margin comprises of factors including open interest, concentration & estimated time to liquidation based on prevailing liquidity & possible reduction in liquidity in times of market stress etc.
- Quantum of concentration margins may vary based on concentration level.

11. REGAINING MATCHED BOOK

- a. In the event of a member / client default in pay-in / margin obligations, BSE may employ the below given alternative tools to liquidate positions and regain a matched book based on the conditions of market liquidity, volatility, size of position to be liquidated etc.
 - b. Any of the following alternative tools may be resorted to only in extremely rare occasions when BSE reasonably expects for not being able to restore a matched book by choosing the alternatives above it & also records the reasons for the same in writing.
- a. **Alternative 1:** Liquidation in normal market in orderly manner (with relaxed price limits, if required).
 - b. **Alternative 2:** Auction of the positions within a specified price band.
 - c. **Alternative 3:** Voluntary tear-up at last mark-to-market price along with compensation (%age of last mark-to-market price = twice the daily price limit) & penalty (5%, to be credited to SGF).
 - d. **Alternative 4:** Partial tear-up (pro-rata against members / clients having opposite positions) at last mark-to-market price along with compensation (%age of last mark-to-market price = thrice the daily price limit) and penalty (5%, to be credited to SGF).

12. MARGIN COLLECTION AND ENFORCEMENT

- All applicable margins shall be deducted by BSE from the Liquid Assets of the clearing members on an online, real-time basis.
- Margins applicable on client positions have to be compulsorily collected from the clients and reported to the BSE by the members.
- Members are required to collect Initial Margin & ELM upfront from their clients as applicable at the time of the trade.
- For other margins (MTM margin, Additional margin, delivery margin or any other margin as prescribed by BSE) members shall have time till 'T+2' working days to collect from their clients.
- Period of T+2 days has been allowed to members to collect margin from clients to the extent of practical difficulties to levy penalty & should not be construed as 2 days buffer to pay margin due from clients.

13. MARK TO MARKET (MTM) SETTLEMENT

- All open positions of a futures contract would be settled daily, only in cash, based on the Daily Settlement Price (DSP).
- DSP shall be reckoned & disseminated by BSE at the end of every trading day.
- Mark to market gains & losses shall be settled in cash before the trading starts on T+1 day.
- If mark-to-market (MTM) obligations aren't collected before start of the next day's trading, BSE shall collect correspondingly higher initial margin (scaling up by a factor of $\sqrt{2}$) to cover the potential losses over the time elapsed in the collection of margins.

Ref.- SEBI circular no. SEBI/HO/CDMRD/DRMP/CIR/P/2016/90 dated September 21, 2016

14. EARLY PAY-IN FACILITY

1. BSE shall provide **early pay-in facility** to market participants permitting market participants to deposit certified goods to BSE accredited warehouse against relevant futures contracts sold.
2. For such short positions against which **early pay-in** has been made, based on risk perception, BSE may **exempt imposition of all types of margins**.
3. However, BSE shall continue to **collect mark to market (MTM) margins** from such market participants against such positions.
4. For compulsory delivery & seller's option contracts, delivery to the extent of open position at the contract expiry shall be mandatory after claiming early pay-in facility on the position.
5. BSE should impose for extremely strict penalties including disciplinary actions against such members who fail to do so.

15. BASE MINIMUM CAPITAL (BMC) FOR CLEARING MEMBERS

(i) BSE shall have BMC requirements for their clearing members as given below.

Sr. No.	Members	BMC Amount ₹
(i)	Without Algo trading	25 Lacs
(ii)	With Algo trading	50 Lacs

- No exposure will be given by the Exchange on this BMC.
- 25% of the above deposit shall be cash component & balance 75% can be in Fixed Deposit / Bank Guarantee.
- These funds would be kept in a separate account by BSE.
- BMC would be refunded to the members at the time of surrender of membership considering that no unsettled claim & no arbitration cases are pending against the member respectively.

16. RISK REDUCTION MODE (RRM)

BSE shall ensure that the trading members / clearing members are mandatorily put in **risk-reduction mode (RRM)** when 90% of the member's Liquid Assets available for adjustment against margins / deposits gets utilized for margins / deposits (to be complied within 6 months from the date of circular no. CIR/CDMRD/DRMP/01/2015 dated October 01, 2015 coming into effect). Such risk reduction mode shall include the following:

- a. All unexecuted orders shall be cancelled once trading member himself or his clearing member breaches 90% collateral utilization level.
- b. Only orders with **Immediate or Cancel** attribute shall be permitted in this mode.
- c. All new orders shall be checked for sufficiency of margins and such potential margins shall be blocked while accepting the orders in the system.
- d. Trading member shall be moved back to the normal risk management mode as & when the collateral utilization level of the trading member as well as his clearing member is lower than 90%.

17. ADDITIONAL AD-HOC MARGINS

BSE shall have the right to impose **additional risk containment measures** over and above the risk containment system mandated by SEBI.

- Additional risk management measures (like ad-hoc margins) would normally be required only to deal with unanticipated circumstances while designing the risk management system. If ad-hoc margins are imposed with any degree of regularity, BSE should examine those circumstances reasonably & can accordingly incorporated into the risk management system mandated by SEBI. BSE is encouraged to analyze & shall appraise SEBI for further action.
- Any additional margins imposed by BSE shall be based on objective criteria without any discrimination between members based on subjective criteria.
- Transparency is an important regulatory goal and therefore BSE shall make every effort to make the risk management systems fully transparent through public disclosures.

18. EXCHANGE CONTRIBUTION TO SETTLEMENT GUARANTEE FUND (SGF)

- Currently BSE makes risk assessment on SGF on quarterly basis and are required to make fresh contribution to SGF in case of any shortfall.
- BSE (Exchange) contribution in any year is currently capped to 5% of the gross revenue (net of Income Tax).
- **Amendment** - The **said cap (5%) to the contribution requirement is hereby removed** and BSE shall be required to meet the **shortfall in full** as indicated in quarterly assessments.

19. DEFAULT WATERFALL

Till clearing and settlement of trades in commodity derivatives segment are transferred to Indian Clearing Corporation Limited (ICCL), the BSE's default waterfall shall follow the following order:

- Defaulting member's monies (including contribution to SGF)
- Insurance, if any
- Exchange resources equal to 5% of SGF
- SGF resources in the following order:
 - (i) Penalties and investment income on SGF
 - (ii) 25% of BSE contribution to SGF
 - (iii) Remaining (non-defaulting members' and BSE) contribution to SGF on pro-rata basis.
 - Remaining BSE resources (excluding INR 100 Crore*)
 - Capped additional contribution by non-defaulting members (equal to their required contribution to SGF)
 - Any remaining loss to be covered by way of pro-rata haircut to payouts.

*INR 100 Crore to be excluded only when remaining exchange resources are more than INR 100 Crore.

20. EXTRACT OF PRINCIPLE 6 (MARGIN) OF COMMITTEE ON PAYMENT AND SETTLEMENT SYSTEMS (CPSS)- INTERNATIONAL ORGANIZATION OF SECURITIES COMMISSIONS (IOSCO)

CPSS-IOSCO Principles for Financial Market Infrastructure (PFMI) inter alia prescribes under **Key Considerations for Principle 6 on margin** that margining model should to the extent practicable and prudent, limit the need for destabilizing, pro-cyclical changes.

CLAUSE 3.6.10 OF PRINCIPLES FOR FINANCIAL MARKET INFRASTRUCTURE (PFMI) stipulates:-

“Limiting procyclicality: A CCP should appropriately address pro-cyclicality in its margin arrangements. In this context, pro-cyclicality typically refers to changes in risk-management practices that are positively correlated with market, business, or credit cycle fluctuations and that may cause or exacerbate financial instability.”

Example - in a period of rising price volatility or credit risk of participants, a Central Counterparty (CCP) may require additional initial margin for a given portfolio beyond the amount required by the current margin model. This could **exacerbate market stress and volatility further**, resulting in **additional margin requirements**.

- To support this objective, a CCP could consider increasing the size of its prefunded default arrangements to limit the need and likelihood of large / unexpected margin calls in times of market stress.
- These procedures may create additional costs for CCPs & their participants in periods of low market volatility due to higher margin / prefunded default arrangement contributions, but they may also result in additional protection & potentially less costly & less disruptive adjustments in periods of high market volatility.

21. LEAN PERIOD IN AGRI COMMODITIES

- b1.** In the case of Agri commodities, as observed that during **lean period (i.e. the period before the arrival of new crop)** there is often uncertainty about the arrivals of new crop.
- b2.** This may lead to **higher volatility in prices of commodities** during this period.
- b3.** ICCL shall levy additional lean period margin of 2% on contracts expiring during lean period.
- b4.** BSE (Lead Exchange) shall determine the lean period in consultation with their relevant Product Advisory Committee & disclose the same on their websites.

22. CROSS MARGIN IN COMMODITY INDEX FUTURES AND ITS UNDERLYING CONSTITUENT FUTURES OR ITS VARIANTS

- Computation of cross margin benefit
 - **Cross margin benefit of 75 % on Initial Margin** may be allowed for eligible offsetting positions of index futures and futures of its underlying constituents or its variants.
 - **Extreme Loss Margin and Mark to Market Margin** shall continue to be levied.
 - Cross margin benefit shall be computed at the client level on an online real time basis and provided to the trading member / clearing member & this benefit in turn shall be passed on to the client.
 - Separate Accounts
- 12) Clients may be allowed to maintain **2 accounts with trading member / clearing member** viz. arbitrage account (which holds fully replicated portfolio) & non-arbitrage account.
- 13) This is for the purpose of allowing clients **to convert a partially replicated portfolio into a fully replicated portfolio by taking opposite positions in 2 accounts.**
- 14) A fully replicated portfolio is one which has exact **offsetting positions of index futures contract** and all its constituent futures contracts or its variants.
- 15) However, for the purpose of compliance and reporting requirements, positions across both the accounts shall be taken together & the client shall continue to have a unique client code.
- Eligibility
 - (i) Contracts belonging to **Index futures and underlying constituents / its variants** shall belong to same expiry month or to the nearest expiry month & should be from amongst the **first three expiring contracts only.**
 - (ii) Cross Margin benefit on the eligible positions shall be **entirely withdrawn latest by the start of the tender period** for the constituent futures of the index or its variants or start of the expiry day, whichever is earlier.
 - (iii) ICCL / BSE **introduces cross margin benefit**, after back testing for adequacy of cross margin to cover Mark to Market losses (MTM) for a minimum period of 6 months.
 - (iv) Initial margin after cross margin benefit should be able to cover MTM on at least 99% of the days as per back testing.



- **Default**

In the event of a default by a trading member / clearing member, whose clients have availed cross margin benefit, ICCL shall have the option to:

- (i) Hold the positions in the cross-margin account till expiry, in its own name.
 - (ii) Liquidate the positions / collateral & use the proceeds to meet the default obligation.
- **Agreement** - BSE / ICCL shall enter into an agreement with the trading member / clearing member, clearly laying down the distribution of liability / responsibility in the event of a default.

CHAPTER 3- ALTERNATE RISK MANAGEMENT FRAMEWORK (ARMF) IN CASE OF NEAR ZERO & NEGATIVE PRICES

Ref.- SEBI circular no. SEBI/HO/CDMRD/DRMP/CIR/P/2020/176 dated September 21, 2020

➤ Alternative Risk Management Framework

- In recent times, extreme volatility has been observed in commodity prices globally, particularly in the case of **Crude Oil**, wherein the prices had unprecedentedly gone down to **zero** and subsequently, even **negative**.
- In such a scenario, **margins** equivalent to even **100% of the futures price** would not have been sufficient to cover the steep upward or downward price variations in the futures market.

In order to enable **risk management framework** to handle such a scenario of '**near zero**' and **negative prices**, Alternate Risk Management Framework (**ARMF**) shall be applicable for any underlying commodities / futures that are susceptible to the possibility of **near zero and negative prices**: -

- Commodities that need specialized storage space in physical markets, which, if not followed, may cause environmental hazards or have other external implications.
(AND)
- Commodities that can't be disposed of / destroyed with ease i.e. disposal / destruction of such commodities may cause an environmental hazard or may incur significant cost.

➤ Activation of Alternate Risk Management Framework (ARMF)

- ICCL foresees the possibility of negative / near zero prices in any commodity, then for such commodity derivatives, it shall activate an ARMF. This framework will be capable of estimating the risk in the event of negative / near zero prices of the underlying / futures.
- Shift to the ARMF shall be conditional, based on triggers indicating the likelihood of **near zero / negative prices**. Some of the conditions / circumstances which are indicative in nature & may warrant the activation of the ARMF are illustrated below.

- 3.4.i** Fall in commodity prices by more than 50% within 20 trading days, while comparing the intra-day highest & lowest prices.
- 3.4.ii** For internationally referenced contracts, the international exchange / clearing corporation having the benchmark contract decides to introduce such measures for negative prices.
- 3.4.iii** Options contracts having strike price values of near zero / negative are introduced by BSE for trading.

- 3.4.iv Price of the underlying commodity / futures contract comes down to the level equal to or lower than the maximum price movement observed over the MPOR (Margin Period of Risk) in past 12 months.
- 3.4.v Any other conditions as per the discretion of ICCL, which might indicate the likelihood of negative prices.

- In case, 1 or more of the above-mentioned conditions or any other additional conditions that may be identified by ICCL becomes applicable, ICCL in consultation with BSE will take a formal decision whether to activate the ARMF. ICCL shall subsequently also communicate its decision to the market and other Stock Exchanges / Clearing Corporations (CCs). If ICCL (Lead CC), as defined in SEBI circular no. SEBI/HO/CDMRD/DRMP/CIR/P/2020/15 dated January 27, 2020, has activated the ARMF, then the other CCs shall also follow the same.
- ICCL shall strive to intimate to the market, well in advance, the threshold price level, below which the ARMF shall be activated.

➤ Characteristics of the ARMF in Regular Risk Management Framework

22A. Normal Distribution

- i. Prices are assumed to be log-normally distributed and volatility is calculated based on the difference in log prices.
- ii. Assumption valid only for positive prices as logarithm of zero / negative prices is not defined.
- iii. When ARMF gets triggered, prices shall follow normal distribution & volatility shall be based on the absolute differences in prices.
- iv. Volatility shall be determined based on EWMA (Exponentially Weighted Moving Average) as per the parameters of the regular framework.

22B. Minimum Margin in Absolute terms

2.1 Floor value for initial margin is prescribed in percentage terms.

3.1 For prices turn negative, floor value (%) shall be applied on the absolute price levels. Further, floor value shall also be prescribed in absolute (₹) terms.

4.1 Higher of the 2 values shall be the applicable floor for initial margin.

5.1 ICCL shall determine such floor value based on past price movements & past margin amounts of such commodities.

22C. Spread margin benefit

- Correlation between different contracts on the same underlying may not hold in the event of near zero / negative prices.
- Margin benefit on spread positions shall be completely withdrawn upon the activation of the ARMF.

22D. Option Pricing Model

- Theoretical option price determination shall be done using appropriate models like the **Bachelier model or any other model** applied on negative underlying prices.

22E. Pre-expiry margins

- Pre-expiry margins shall be imposed on **cash settled contracts** wherein the underlying commodity is deemed susceptible to possibility of near zero and / or negative prices as identified by BSE / ICCL under ARMF circular.
- In case of these contracts, pre-expiry margins shall be levied during the last 5 trading days prior to expiry date, wherein they shall increase by 5% every day.

22F. Extreme Loss Margin (ELM)

- In case the price of any futures contract goes below a threshold, ELM shall be levied on such threshold price or absolute price of the contract, whichever is higher.
- ICCL shall decide threshold price in respect of each commodity on which ELM under the ARMF shall be made applicable.

22G. Other margins

- ICCL may levy other margins such as additional margins, special margins, concentration margins etc. as per their own discretion.

➤ **Deactivation of ARMF**

3.1 The following principles shall be taken into account by CCs for deactivation of the ARMF i.e. switching from alternate to regular risk management framework: -

3.2 De-activation of ARMF shall be done when the conditions that triggered the activation of ARMF no longer prevail. The exit from the ARMF shall be done after a reasonable time-lag for avoiding frequent switching between alternate & regular frameworks. In case of ARMF entry & exit for specific price points, the exit point shall be kept sufficiently above the entry point to avoid frequent switching between alternate & regular frameworks.

3.3 ARMF's de-activation & re-activation of regular framework will be done when the margin requirement under the 2 frameworks sufficiently converges.

- **Observation of a zero or negative prices shall have to be excluded from model under regular margin framework since log return involving zero or negative price is not defined.**



CHAPTER 4 - OPTIONS ON COMMODITY FUTURES- PRODUCT DESIGN AND RISK MANAGEMENT FRAMEWORK – MODIFICATION IN EXERCISE MECHANISM

Ref. - SEBI circular no. SEBI/HO/CDMRD/DMP/CIR/P/2017/55 dated June 13, 2017

i. Risk Management Framework

BSE shall adopt **risk management framework** compliant with the CPMI-IOSCO Principles for Financial Market Infrastructures, including the following:

- Margining model and quantum of initial margins - BSE shall adopt **initial margin models** & parameters that are risk-based and generate margin requirements sufficient to cover potential future exposure to participants / clients in the interval **between the last margin collection and the close out of positions** following a participant / client default.
- Model should focus on :-
 - use a conservative time estimate for positions close out (including in stressed market conditions).
 - have an appropriate method for measuring credit exposure that accounts for relevant risk factors and portfolio effects.
 - to the extent practicable & prudent, limit the need for destabilising, pro-cyclical changes.
- Initial margin requirement - **shall be adequate to cover 99% VaR (Value at Risk) and Margin Period of Risk (MPOR)** shall be at least 2 days. In case of **portfolio based margining**, this requirement applies to each portfolio's distribution of future exposure.

BSE shall fix prudent **price scan range (PSR), volatility scan range (VSR)** and / or plausible changes in any other parameters impacting options price. BSE shall impose appropriate **short option minimum margin, calendar spread charge & extreme loss margin (ELM)** for option contracts.

- ii. Margining at client level - BSE shall impose initial margins at the level of portfolio of individual client comprising of his positions in futures and options contracts on each commodity.
- iii. Real time computation - Though the margining models may update various scenarios of parameter changes (underlying price, volatility etc.) at discrete time points each day (at least every 2-hours), the latest available scenarios shall be applied to client portfolios on a real time basis.

- iv. **Mark-to-market** - BSE shall mark to market the options positions by deducting / adding current market options value (positive for long options & negative for short options) times the number of long / short options in the portfolio from/to the margin requirement. Thus, mark to market gains and losses would not be settled in cash for options positions.
- v. Risks pertaining to options that devolve into futures on expiry
 - i. When **options devolve into futures position**, specifically for long option positions to be exercised, BSE shall start sensitizing the option holders of the **impending increase in margins** at least few days in advance, based on their risk perception.
 - ii. BSE may also consider gradually collecting increased margins during the last few days for having adequate margins to cover the futures risk position that will be created on **devolvement of options into futures**.
 - iii. As per the provisions of **SEBI circular SEBI/HO/CDMRD/ DRMP/ CIR/P /2016/80 dated September 07, 2016, penalty is levied on members for short-collection / non-collection of the initial margins beyond T + 2 working days.**

For each member	
'a'*	Per day penalty as % of 'a'
(< INR 1 lakh) and (< 10% of applicable margin)	0.5
(>= INR 1 lakh) or (>= 10% of applicable margin)	1.0

**a = short-collection / non-collection of margins per client per day*

Penalty for such short-collection / non-collection **due to increase in initial margins resulting from devolvement of options into futures** may not be levied by BSE for the 1st day.

CHAPTER 5 - DESIGN OF COMMODITY INDICES AND PRODUCT DESIGN FOR FUTURES ON COMMODITY INDICES

Ref. - SEBI circular no. SEBI/HO/CDMRD/DNPMP/ CIR/P/2019/71 dated June 18, 2019

a. DESIGN OF COMMODITY INDICES

(i) Types of Indices - Composite (i.e., comprising of commodities from more than one sector) as well as sectoral indices, meeting the eligibility criteria prescribed herein are permitted. For being eligible to launch derivatives upon, BSE shall ensure that indices are compliant with IOSCO Principles for Financial Benchmarks and necessary disclosures to be made on their websites. Further, BSE shall ensure that an index is not susceptible to manipulation and shall make mandatory disclosure with respect to the Index design parameters on BSE website.

(ii) Name - index name should include BSE's name on which the constituents of index are traded.

(iii) Eligibility criteria - Constituents of the commodity index shall meet the criteria given below
–

(vii) Constituent futures contracts should be in existence on BSE platform for **at least previous 12 months**.

(viii) Contracts have **traded for at least 90%** of the trading days during previous 12 months.

(ix) Average daily turnover of the constituent futures contracts during the previous 12 months is at least:

1. ₹75 Crore for agricultural & agri-processed commodities

2. ₹500 Crore for all other commodities.

(Constituents having at least 80% combined index weightage shall meet this criterion & no single constituent not meeting this criterion shall have a weightage of more than 15% in the index). However, above turnover requirements shall not be applicable for sectoral indices subject to adequate liquidity.

(iv) Re-balancing

a. Index constituents & their weightages shall be at least annually selected & rebalanced. BSE shall decide & disclose the constituents & index weightages at least 3 months before the actual re-balancing of the index.

- b.** However, in case of ban / suspension of trading of an index constituent, following action shall be taken by exchange-
 - i. Reselection of commodities (excluding banned/suspended commodities)*
 - ii. Recalculation of weightage*
- c.** Index changes shall be implemented only after market hours.

(v) Weights of constituents

- a.** Index constituents will be assigned weightages based on their production value & liquidity value with appropriate weightages pre-decided by BSE (provided that weightage of either shall not be less than 25%).
 - (i) Liquidity value* = total traded value of the index constituent on BSE platform in the preceding 12 months prior to the construction / announcement of index re-balancing.
 - (ii) Production value* = average of deliverable supply value of underlying commodity for past 5 financial years prior to the construction / announcement of index re-balancing.
- b.** In order to ensure that no single commodity dominates a composite index, ***maximum weightage for any index constituent in a composite index shall be capped at 30% & minimum weightage shall be at least 1%.*** (not be applicable for sectoral indices)
- c.** Index having multiple commodity groups, BSE may put maximum & minimum weightages for a commodity group.

(vi) Computation and Roll Over

- a.** Index value shall ordinarily be computed **using the nearest expiry futures index prices** constituents so that liquid contracts prices are used for index construction.
- b.** BSE shall put in place a transparent methodology (including roll over dates, various constituents which will be rolled over from nearest to next expiry, weights of nearest & next expiry contracts during each of the roll over day for such constituents etc.) for gradual roll over of the index constituents to next expiry taking into account the liquidity in the underlying nearest / next expiry contracts.
- (vii)** Real time dissemination - index value shall be updated on real time continuous basis & shall be displayed on BSE website.

- (viii) Dissemination of methodology - BSE shall ensure a transparent methodology of index construction, calculation, dates and details of roll over, dates etc., report on compliance with IOSCO principles etc., & disseminate the same on BSE website.

b. PRODUCT DESIGN FOR FUTURES ON COMMODITY INDICES

- a. Trading Hours: shall be in line with trading hours for constituent futures of underlying index. However, on the day of its expiry, Index futures contract shall expire at 5:00 pm.
- b. Size of the Contract - At least ₹5 lakh at the time of market introduction.
- c. Tenor of the Contract - maximum contracts tenor shall be 12 months.
- d. Available Contracts - BSE shall decide the number of contracts, its duration & launch calendar based on market requirements.
- e. Position Limits –
- 5.A Client level - Higher of 5% of the total open interest in commodity index futures or 1000 lots.**
- 5.B Trading Member level - Higher of 15% of the total open interest in commodity index futures or 10000 lots.**
- f. Daily Price Limit - BSE shall decide appropriate daily price limits based on historical price movement of the indices.
- g. Settlement Mechanism - Final Settlement for futures on commodity index shall be done in cash.
- h. Final Settlement Price - shall be the underlying index price based on **Volume Weightage Average Price** of the underlying index constituents between **4:00 pm and 5:00 pm** on the expiry day of Index futures contract.
- i. Expiry date - BSE shall have the flexibility to set the expiry date for contracts. However, expiry date may not coincide with the roll-over period of underlying index.
- j. Application - Before launching any futures contract on an index, BSE with commodity derivative segment shall submit contract specifications proposal and risk management framework to SEBI, for approval.

c. RISK MANAGEMENT FRAMEWORK

BSE shall adopt risk management framework compliant with the CPMI-IOSCO Principles for Financial Market Infrastructures, including the following:

- a.** Margining model and quantum of initial margins: BSE shall adopt **initial margin models** & parameters that are risk-based and generate margin requirements sufficient to cover potential future exposure to participants / clients in the interval between the last margin collection & close out of positions following a participant / client default.

The model should be based on the following parameters.

- 1.** use a conservative estimate of the time horizons for close out of positions (including in stressed market conditions).
- 2.** have an appropriate method for measuring credit exposure that accounts for relevant risk factors & portfolio effects.
- 3.** to the extent practicable and prudent, limit the need for destabilising, pro-cyclical changes.

Initial margin requirement shall be adequate to cover at least **99% VaR (Value at Risk) & Margin Period of Risk (MPOR)** for at least 2 days. In case of **portfolio-based margining**, this requirement applies to each portfolio's distribution of future exposure.

Accordingly, BSE shall fix prudent price scan range and / or plausible changes in any other parameters impacting futures price.

- b.** Margining at client level: BSE shall impose initial margins at individual client portfolio level.
- c.** Real time computation: Though the margining models may update various scenarios of parameter changes (underlying price, volatility etc.) at discrete time points each day (at least every 2 hours), the latest available scenarios shall be applied to client portfolios on a real time basis.

CHAPTER 6- CUT-OFF TIME FOR GENERATION OF LAST RISK PARAMETER FILE (RPF) FOR CLIENT'S MARGIN COLLECTION PURPOSE AND MODIFICATION IN FRAMEWORK TO ENABLE VERIFICATION OF UPFRONT COLLECTION OF MARGINS FROM CLIENTS IN COMMODITY DERIVATIVES SEGMENT

Ref. - SEBI circular no. SEBI/HO/CDMRD/CDMRD_DRM/P/CIR/2021/689 dated December 16, 2021

As per **SEBI vide Circular no. SEBI/HO/CDMRD/DRMP/CIR/P/2019/149 dated November 29, 2019**, the cut off time for the purpose of determining minimum threshold of margins (Initial Margin / Extreme Loss Margin) shall be collected by Members from their clients shall be 5:00 PM for **commodity derivative contracts** having trading hours beyond 5:00 PM due to the limitations with availability of banking channels beyond 5:00 PM.

Risk Parameter Files currently used by the ICCL **for collecting margins from the Members** shall also be used for generating margin obligations from the clients during trading hours in the commodity derivatives segment.

a. Framework of upfront collection of margins from clients

- Further, for **commodity derivatives segment**, ICCL shall send an additional **minimum 2 snapshots** for commodity derivative contracts which are traded till 9:00 PM and **additional minimum 3 snapshots** for the commodity derivatives contracts which are traded till 11:30/11:55 PM. Margins/EOD margins shall be determined as per the relevant Risk Parameter Files.

CHAPTER 7 - INTRODUCTION OF OPTIONS ON COMMODITY INDICES – PRODUCT DESIGN AND RISK MANAGEMENT FRAMEWORK

Ref. - SEBI circular no. SEBI circular no. SEBI/HO/CDMRD/DNP/CIR/P/2022/34 dated March 24, 2022

4.1 Risk Management Framework

ICCL shall adopt **risk management framework** in compliant with the CPMI-IOSCO Principles for Financial Market Infrastructures (FMI), including the following:

i. Margining model and quantum of initial margins

- ICCL shall adopt **initial margin models** & parameters that are risk-based.
- ICCL shall generate margin adequate requirements to cover potential future exposure to participants / clients in the interval between the last margin collection & close out of positions following a participant / client default.

ii. Criteria for Initial margin models

- 6.A** use of conservative estimate w.r.t. time horizons for close out of positions (including in stressed market conditions).
- 6.B** have an appropriate method for measuring credit exposure that accounts for relevant risk factors and portfolio effects.
- 6.C** to the extent practicable & prudent, limit the need for destabilizing, pro-cyclical changes.

iii. Initial margin & other margin requirements

- i. Initial margin shall be adequate to cover at least 99% VaR (Value at Risk).
- ii. Margin Period of Risk (MPOR) shall be at least 2 days.
- iii. In case of portfolio-based margining, this requirement applies to each distribution of portfolio's exposure.
- iv. Accordingly, ICCL shall fix prudent price scan range (PSR), volatility scan range (VSR) and/or plausible changes in any other parameters impacting options price.
- v. ICCL shall impose appropriate **short option minimum margin, calendar spread charge, extreme loss margin, concentration margins, additional margins, pre-expiry margin** etc. for option contracts.

iv. Margining at client level - ICCL shall impose initial margins at the portfolio level of individual client.

- v. **Real time computation** - Though the margining models may update various scenarios of parameter changes (underlying price, volatility etc.) at discrete time points each day (at least every 2 hours), the **latest available scenarios** shall be applied to client portfolios on a real-time basis.

- vi. **Mark-to-Market** - ICCL shall mark-to-market the options positions by adding current market options value (+ve for long options & -ve for short options) to the margin requirement. Thus, mark to market gains & losses would not be settled in cash for options positions.

Furthermore, below mentioned circulars used as references are available on SEBI website at www.sebi.gov.in at “**Legal Framework - Circulars.**”

Sr. no.	SEBI Reference Circular No.	Dated	Subject Matter
2	CIR/CDMRD/DRMP/01/2015	October 01, 2015	Comprehensive Risk Management Framework for National Commodity Derivatives Exchanges
2	SEBI/HO/CDMRD/DRMP/CIR/P/2016/77	September 01, 2016	Additional risk management norms for National Commodity Derivatives Exchanges
2	SEBI/HO/CDMRD/DRMP/CIR/P/2016/80	September 07, 2016	Mechanism for regular monitoring of and penalty for short-collection / non-collection of margins from clients
2	SEBI/HO/CDMRD/DRMP/CIR/P/2016/90	September 21, 2016	Staggered delivery, early delivery system, early pay-in facility, penalty on delivery default, fixation of FSP and changes in expiry dates
2	SEBI/HO/CDMRD/DRMP/CIR/P/2016/130	December 02, 2016	Spread margin benefit
2	SEBI/HO/CDMRD/DMP/CIR/P/2017/55	June 13, 2017	Options on Commodity Futures- Product Design and Risk Management Framework
2	SEBI/HO/CDMRD/DRMP/CIR/P/2018/51	March 20, 2018	Spread margin benefit in commodity futures contracts
2	SEBI/HO/CDMRD/DNPMP/ CIR/P/2019/71	June 18, 2019	Design of Commodity Indices and Product Design for Futures on Commodity Indices
2	SEBI/HO/CDMRD/DNPMP/CIR/P/2019/83	July 26, 2019	Staggered Delivery Period in Commodity futures contracts

Sr. no.	SEBI Reference Circular No.	Dated	Subject Matter
2	SEBI/HO/CDMRD/DRMP/CIR/P/2020/15	January 27, 2020	Review of Margin Framework for Commodity Derivatives Segment
2	SEBI/HO/CDMRD/DRMP/CIR/P/2020/176	September 21, 2020	Alternate Risk Management Framework Applicable in case of Near Zero and Negative Prices
2	SEBI/HO/CDMRD/DRMP/CIR/P/2021/20	February 23, 2021	Pre-Expiry Margin on commodities under Alternate Risk Management Framework
2	SEBI/HO/CDMRD/CDMRD_DRM/P/CIR/2021/586	June 29, 2021	Cross Margin in Commodity Index Futures and its underlying constituent futures or its variants
2	SEBI/HO/CDMRD/DRMP/CIR/P/2021	August 9, 2021	Calendar Spread margin benefit in commodity futures contracts
2	SEBI/HO/CDMRD/CDMRD_DRM/P/CIR/2021/689	December 16, 2021	Cut-off Time for generation of last Risk Parameter File (RPF) for client's margin collection purpose and modification in framework to enable verification of upfront collection of margins from clients in commodity derivatives segment
2	SEBI/HO/CDMRD/DNP/CIR/P/2022/34	March 24, 2022	Introduction of Options on Commodity Indices – Product Design and Risk Management Framework
2	SEBI/HO/MRD/MRD-PoD-1/P/CIR/2023/136	August 04, 2023	Master Circular for Commodity Derivatives Segment



CHAPTER 8 - DELIVERY & SETTLEMENT PROCESS

Table of Contents

Sr. No	Subject	Reference Notice No.	Notice Date
➤	Delivery and Settlement Procedure for Almond	20200618-5	18 th Jun 2020
➤	Delivery and Settlement Procedure Gold Mini Futures Contract	20191018-17	18 th Oct 2019
➤	Delivery and Settlement Procedure Gold Futures Contract	20191018-16	18 th Oct 2019
➤	Delivery and Settlement Procedure Silver Futures Contract	20191018-13	18 th Oct 2019
➤	Delivery and Settlement Procedure of Silver Micro (KG) Futures	20191018-15	18 th Oct 2019
➤	Delivery and Settlement Procedure of Silver Mini Futures	20191018-14	18 th Oct 2019
➤	Delivery and Settlement Procedure of Copper Futures	20240328-11	28 th Mar 2024
➤	Delivery and Settlement Procedure of Zinc Futures	20240328-11	28 th Mar 2024

Delivery and Settlement Procedure for Almond

Delivery Logic	Compulsory Delivery
Tender Period (Staggered Delivery Period)	The tender period would be the last 5 trading days (including expiry day) of the contract.
Delivery Period	Last 5 trading days (including expiry day) of the contract and 2 working days after expiry of the contract.
Buyer's Delivery Intention	Buyer shall give intention of taking delivery on any tender day, during tender period, till 3.00 p.m. except Saturdays, Sundays and Trading Holiday.
Delivery Intention by Seller	The seller shall give intention of tendering delivery on any tender day, during tender period, till 3.00 p.m.
Dissemination of Information on Tendered Delivery by Seller and Buyer	BSE/ICCL will inform members through website regarding delivery intentions of the seller and buyer members by 03:30 PM on the respective tender days and expiry days.
Initial Margin	As per SEBI circular -SEBI/HO/CDMRD/DRMP/CIR/P/2020/15 dated 27th January 2020
Extreme Loss Margin	1%
Additional and/ or Special Margin	An additional margin (on both buy & sell side) and/ or special margin (on either buy or sell side) at such percentage, as may be deemed fit, will be imposed by the Exchange/Regulator, as and when is necessary, in respect of all outstanding positions.
Tender Period Margin	4.00% incremental margin for last 5 trading days (including expiry day) of the contract on all outstanding positions. Such margin will be addition to initial, additional and special and/ or any other additional margin, if any
Delivery Period Margin	Delivery period margins shall be higher of: 3% + 5 day 99% VaR of spot price volatility Or 20%

Exemption from all Margins	All applicable margins will be released on receipt of Commodity pay-in by Seller through CDSL Commodity Repository Ltd. (CCRL) towards the pay-in obligation. However, ICCL shall continue to collect mark to market margins from Sellers.
Delivery Pay-in of Commodities	<p>The seller will have to do the delivery pay-in through Repository Account with CDSL Commodity Repository Ltd. (CCRL) by earmarking his existing valid commodity balance in the CCRL Repository Account towards the pay-in obligation.</p> <p>On Tender Days: On any tender days by 3:00 p.m. except Saturdays, Sundays and Public Holidays. Marking of delivery will be done on the tender days based on the intentions received from the sellers after the trading hours.</p> <p>On Expiry: On expiry all the open positions shall be marked for delivery. Delivery pay-in will be on Expiry Day + 1 basis by 05:00 p.m. except Saturdays, Sundays and Public Holidays.</p>
Funds Pay-in	Tender/Expiry Day +2 working day by 11:00 a.m.
Funds Pay-out	Tender/Expiry Day +2 working day by 5.00 p.m.
Delivery Pay-out	Tender/Expiry Day +2 working day by 05.00 p.m.
Delivery Marking	<p>On the respective tender days after the end of the day .</p> <p>All outstanding long and short positions will be marked for delivery at the expiry of the contract.</p>
Staggered Delivery Allocation	<p>Delivery allocation will be done as per the mechanism put in place by the ICCL</p> <p>The buyer to whom the delivery is allocated will not be allowed to refuse delivery.</p>
Penal Provision	<p>Seller Default:</p> <p>3% of Settlement Price + replacement cost (difference between settlement price and average of three highest of the last spot prices of 5 succeeding days after the commodity pay-out date, if the average price so determined is higher than Settlement Price, else this component will be zero.)</p> <p>Norms for apportionment of penalty –</p>

	<p>a. At least 1.75% of Settlement Price shall be deposited in the Settlement Guarantee Fund (SGF) of the ICCL.</p> <p>b. Up to 0.25% of Settlement Price may be retained by the ICCL towards administration expenses.</p> <p>c. 1% of Settlement Price + replacement cost shall go to buyer who was entitled to receive delivery.</p> <p>Over and above the prescribed penalty, ICCL shall take suitable penal/disciplinary action against any intentional / willful delivery default by seller.</p> <p>Buyer default shall not be permitted.</p>
Delivery Order Rate (DOR)	Settlement/closing price on the respective tender days except on expiry date. On expiry date the delivery order rate shall be Final Settlement Price (FSP)
Taxes, Duties, Cess and Levies	Ex-Navi Mumbai APMC (Within 100 km radius) excluding all GST, taxes, duties, levies, charges as applicable but inclusive of import duty.
Odd Lot Treatment	Not Applicable
Adjustment of Transportation Cost	Not Applicable
Warehouse/Cold Storage, Insurance and Transportation Charges etc.	<ol style="list-style-type: none"> To be borne by the seller up to commodity pay-out date. To be borne by the buyer after commodity pay-out date.
Buyer's option for lifting of Deliver	Buyer will not have any option about choosing the place of delivery and will have to accept the delivery as per allocation made by the ICCL.
Delivery Centre	Navi Mumbai (Within 100 Kms radius from the APMC/municipal limits)
Location Premium/Discount	Not Applicable.
Delivery of Goods	<p>Each delivery shall be in multiples of delivery lots and shall be designated for only one delivery center and one location in such center.</p> <p>The goods delivered through CCRL Repository Account should be valid as per contract specifications up to minimum 15 days' after the expiry of the contract from the ICCL approved quality certifying agency/s.</p> <p>Delivery once submitted cannot be withdrawn or cancelled or changed, unless so agreed by the ICCL. Goods tendered under delivery shall be in conformity with the contract specifications.</p>
Deliverable Grade of Underlying Commodity	The selling members tendering delivery will have the option of delivering such grades as per the contract specifications. The buyer will not have any option to select a particular grade and the delivery offered by the seller and allocated by the ICCL shall be binding on him.
Quality Premium/Discount	Quality related to crackouts shall be accepted with premium/discount as under:

	<p>a. Certified Crackouts to be of 70 % to be based on the net edible yield, below 68% rejected.</p> <p>b. Allowable crackout 68 % and above with premium/ discount</p> <p>c. More than 73% -No Premium</p> <p>The above premium/ discount will be calculated in accordance with the grade matrix as communicated by ICCL from time to time.</p>
<p>Legal Obligation</p>	<p>Every member delivering and receiving goods through CCRL Repository Account by way of delivery shall provide appropriate tax forms wherever required as per law and as customary.</p>
<p>Extension of Delivery Period</p>	<p>As per ICCL decision due to a force majeure or otherwise.</p>
<p>Applicability of Regulations</p>	<p>The general provisions of Byelaws, Rules and Regulations of the ICCL and decisions taken by SEBI/ the Board of Directors/ Relevant Authority of the ICCL in respect of matters specified in this document shall form an integral part of this contract.</p> <p>The ICCL or SEBI, as the case may be, may further prescribe additional measures relating to delivery procedures, warehousing, cold storage, quality certification, margining, and risk management from time to time.</p> <p>Members and market participants who enter into buy and sell transactions on BSE need to be aware of all the factors that go into the mechanism of trading, clearing & settlement, as well as all provisions of the ICCL's Bye Laws, Rules, Regulations, circulars, directives, notifications of the ICCL as well as of the Regulators, Government and other authorities.</p> <p>It is the sole obligation and responsibility of the Members and market participants to ensure that apart from the approved quality standards stipulated by the BSE/ICCL, the commodity deposited / traded / delivered through the Approved warehouses/cold storages of ICCL is in due compliance with the applicable regulations laid down by authorities like Food Safety Standard Authority of India, AGMARK,BIS, Warehousing Development and Regulatory Authority (WDRA),Orders under Packaging and Labelling etc., as also other State/Central laws and authorities issuing such regulations in this behalf from time to time, including but not limited to compliance of provisions and rates relating to Sales Tax/GST, APMC Tax, Mandi Tax, LBT, octroi, stamp duty, etc. as may become due & payable under any law, rules or regulations, applicable from time to time on the underlying commodity of any contract offered for deposit / trading / delivery and that BSE/ ICCL shall not be responsible or liable on account of any non-compliance thereof.</p> <p>All the Sellers giving delivery of goods and all the buyers taking delivery of goods shall have the necessary GST Registration as required under the Goods & Service Tax (GST) Act applicable to the jurisdiction of the delivery centers and obtain other necessary licenses, if any.</p>



	<p>In respect of all contracts executed by the Members on BSE, it shall be the responsibility of the respective members to pay all applicable statutory fee, stamp duty, taxes and levies in respect of all deliveries as well as futures contracts directly to the concerned Central/State/Local Government Departments and the BSE/ICCL shall not be held liable or accountable or responsible on account of any non-compliance thereof.</p> <p>The ICCL is not responsible and shall not be held liable or accountable or responsible for value of the goods/stock of the commodities stored/lying in ICCL designated.</p> <p>warehouse/s/cold storage/s, and which is fully/partially confiscated / seized by any local or statutory or any other authority for any reason whatsoever or for any deterioration in quality of the goods stored due to above reason or which have passed the Final Expiry date and continue to remain in the ICCL accredited warehouse/cold storage. The decision of the ICCL shall be final and binding to all Members and their constituents in this regard. (The interpretation or clarification given by the ICCL on any terms of this delivery and settlement procedure shall be final and binding on the members and other market participants).</p>
--	--

Delivery Logic	Compulsory Delivery
Tender Period (Staggered Delivery Period)	The tender period would be the last 5 trading days (including expiry day) of the contract except for a special trading session (eg. Diwali Muhurat Trading).
Delivery Period	Last 5 trading days (including expiry day) of the contract and 1 working days after expiry of the contract.
Buyer's Delivery Intention	Buyer shall give intention of taking delivery on any tender day, during tender period, till 7.30 p.m. except Saturdays, Sundays and Trading Holiday.
Delivery Intention by Seller	The seller shall give intention of tendering delivery on any tender day, during tender period, till 7.30 p.m. except Saturdays, Sundays and Trading Holiday.
Dissemination of Information on Tendered Delivery by Seller and Buyer	BSE/ICCL will inform members through website regarding delivery intentions of the seller and buyer members by 08:00 PM on the respective tender days and expiry days. The web-address link shall also be available on the TWS.
Tender Period Margin	5% incremental margin for last 5 trading days on all outstanding positions. Such margin will be addition to initial, additional and special and/ or any other additional margin, if any
Delivery Period Margin	Delivery period margins shall be higher of: <ol style="list-style-type: none"> 1. 3% + 5 day 99% VaR of spot price volatility Or 2. 25%
Exemption from Tender and Delivery Period Margin	Tender & Delivery Period margin will be released on receipt of Commodity pay-in by Member through Collateral Management System towards the pay-in obligation. However, ICCL shall continue to collect mark to market margins from Sellers.
Delivery Pay-in	<p>The seller will have to do the delivery pay-in through Collateral Management System by earmarking his existing valid commodity balance towards the pay-in obligation.</p> <p><u>On Tender Days:</u> On any tender days by 7:30 p.m. except Saturdays, Sundays and Trading Holidays. Marking of delivery will be done on the tender days based on the intentions received from the sellers after the trading hours.</p> <p><u>On Expiry:</u></p>

	On expiry all the open positions shall be marked for delivery. Delivery pay-in will be on E + 1 basis by 11:00 a.m. except Saturdays, Sundays, and Trading Holidays.
Funds Pay-in	Tender/Expiry Day +1 working day by 11:00 a.m.
Funds Pay-out	Tender/Expiry Day +1 working day by 5.00 p.m.
Delivery Pay-out	Tender/Expiry Day +1 working day by 5.00 p.m.
Mode of Communication	ICCL Collateral Management System.
Delivery Marking	On the respective tender days after the end of the day. All outstanding long and short positions will be marked for delivery at the expiry of the contract.
Staggered Delivery Allocation	Delivery allocation will be done as per the mechanism put in place by the ICCL. The buyer to whom the delivery is allocated will not be allowed to refuse delivery.
Penal Provision	<p>Seller Default:</p> <p>3% of Settlement Price + replacement cost (difference between settlement price and higher of the last spot prices on the commodity pay-out date and the following day, if the spot price so arrived is higher than Settlement Price, else this component will be zero.)</p> <p>Norms for apportionment of penalty –</p> <ol style="list-style-type: none"> 1. At least 1.75% of Settlement Price shall be deposited in the Settlement Guarantee Fund (SGF) of the ICCL. 2. Up to 0.25% of Settlement Price may be retained by the ICCL towards administration expenses. 3. 1% of Settlement Price + replacement cost shall go to buyer who was entitled to receive delivery. <p>Over and above the prescribed penalty, ICCL shall take suitable penal/ disciplinary action against any intentional / willful delivery default by seller.</p> <p>Buyer default shall not be permitted.</p>
Delivery Order Rate (DOR)	Settlement/closing price on the respective tender days except on expiry date. On expiry date the delivery order rate shall be Final Settlement Price. (FSP)

Buyer's Obligation	Buyer default shall not be permitted
Close Out of Outstanding Positions	All outstanding positions on the expiry of contract, not settled by way of delivery in the aforesaid manner, will be settled as per the FSP with penalty as per penal provisions.
Verification by the Buyer at the Time of Release of Delivery	At the time of taking delivery, the buyer can check his delivery in front of designated vault personnel. If he is satisfied with the quantity and quality of material, then Vault will release the goods. If Buyer is not satisfied with the quality, he can request for assaying by any of the ICCL approved Independent Assayers. If the buyer chooses for assaying, designated vault person will carry the goods to the Assayer's facilities, get it assayed and bring it back to designated vault along with assayer's certificate. The report shall be final and binding on both buyer and seller. In case of variation in quality in the Independent Assayer's report from the original report submitted, the buyer and seller will have to mutually negotiate the final settlement proceeds within 1 working day from receipt of assayer's report. The cost of this assaying as well as cost of transportation from designated vault to assayer's facilities to and fro will be borne by the buyer. The vault charges during such period will be borne by the buyers. If the buyer does not opt for assaying at the time of lifting delivery, then he will not have any further recourse to challenge the quantity or quality subsequently and it will be assumed that he has received the quantity and quality as per the delivery obligation by the seller.
Delivery Centre(s)	Exchange Designated Vault at Ahmedabad.
Legal Obligation	The members will provide appropriate tax forms wherever required as per law and as customary.
Taxes, Duties, Cess and Levies	Ex-Ahmedabad, Inclusive of all taxes / levies relating to import duty, customs to be borne by the Seller; but excluding GST, any other additional tax, Cess, or surcharge as may become due & payable under any law, rules or regulations, applicable from time to time, to be borne by the buyer. Buyers and sellers shall have necessary tax registrations applicable to the jurisdiction of the delivery centres.
Vault, Insurance and Transportation Charges	<ul style="list-style-type: none"> ➤ To be borne by the seller up to commodity payout date. ➤ To be borne by the buyer after commodity payout date.
Evidence of Stocks in Possession	At the time of issuing Delivery Intention, the Member must satisfy the ICCL that he holds stocks of the quantity and quality specified in the Delivery Intention at the declared delivery center by giving delivery pay-in through Collateral Management System by earmarking existing valid commodity balance in the Collateral Management System towards the pay-in obligation.
Validation Process	On receipt of delivery, the designated vault personnel will do the following validations: <ol style="list-style-type: none"> 8. Whether the person carrying Gold is the designated clearing agent of the member. 9. Whether the selling member is the bonafide member of the

	<p>BSE/ICCL</p> <p>10. Whether the quantity being delivered is from BSE/ICCL approved refinery.</p> <p>11. Whether the serial numbers of all the bars is mentioned in the packing list provided.</p> <p>12. Whether the individual original assay certificates are accompanied with the Gold Mini Bars Any other validation checks, as they may desire.</p>
<p>Delivery Process</p>	<p>In case any of the above validation fails, the designated vault will contact the ICCL office and take any further action only as per instructions received from the ICCL in writing. If all validations are through, then the designated vault personnel will put the Gold in the vault. Then the custodian of designated vault will issue appropriate receipt/acknowledgement slip for having received the goods. Designated vault in front of the selling member's clearing agent, will deposit the said metal into their vault.</p>
<p>Quality Adjustment</p>	<p>The price of gold is on the basis of 995 purity. In case a seller delivers 999 purity, he would get a premium. In such case, the sale proceeds will be calculated by way of delivery order rate * 999/ 995.</p>
<p>Procedure of Taking Delivery from the Vault</p>	<p>For the purpose of taking delivery of goods fully or partially, the Member shall raise withdraw request in Collateral Management System authorising a representative on his behalf to take the delivery. Authorize representative will present a withdrawal request letter to vault which shall be given by the member on the letter head The withdrawal request by the Member shall consist of the following details:</p> <p>Name of the authorised representative. Name of the Commodity along with quantity. Name of the Vault along with the location. Signature of the authorised representative. Proof of Identity viz. PAN card, Aadhar, Voter ID. Photo identity proof duly attested by the Member.</p> <p>The above-mentioned details are required to be updated in the Collateral Management System. ICCL would send the instruction to the Vault authorities directly for delivery of commodity.</p> <p>Based on the said details, the Vault will issue the requested quantity to the authorised representative who has to present himself personally at the Vault along with the requisite photo identity proof in original.</p> <p>The Vault officials will, upon final scrutiny/checking of the identity, deliver goods to the representative of the Member. The Vault officials in case of any discrepancy or doubt or any other reason may refuse to issue the goods to the representative under the intimation to the ICCL.</p> <p>The delivery given to the representative shall be final & binding to the Member and their constituents at all times.</p>



Deliverable Grade of Underlying Commodity	The selling members tendering delivery will have the option of delivering such grades 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 ICCL shall be binding on him.
Extension of Delivery Period	As per ICCL decision due to a force majeure or otherwise.
Applicability of Regulations	<p>The general provisions of Byelaws, Rules and Regulations of the ICCL and decisions taken by SEBI/ the Board of Directors/ Relevant Authority of the ICCL in respect of matters specified in this document shall form an integral part of this contract. The ICCL or SEBI, as the case may be, may further prescribe additional measures relating to delivery procedures, vaulting, quality certification, margining, and risk management from time to time.</p> <p>Members and market participants who enter into buy and sell transactions on BSE need to be aware of all the factors that go into the mechanism of trading, clearing & settlement, as well as all provisions of the ICCL's Bye Laws, Rules, Regulations, circulars, directives, notifications of the ICCL as well as of the Regulators, Government and other authorities.</p> <p>It is the sole obligation and responsibility of the Members and market participants to ensure that apart from the approved quality standards stipulated by the BSE/ICCL, the commodity deposited / traded / delivered through the Approved warehouses/Vaults of ICCL is in due compliance with the applicable regulations laid down by authorities like BIS, Orders under Packaging and Labelling etc., as also other State/Central laws and authorities issuing such regulations in this behalf from time to time, including but not limited to compliance of provisions and rates relating to GST, APMC Tax, Mandi Tax, LBT, octroi, stamp duty, etc. as may become due & payable under any law, rules or regulations, applicable from time to time on the underlying commodity of any contract offered for deposit / trading / delivery and that BSE/ ICCL shall not be responsible or liable on account of any non-compliance thereof.</p> <p>All the Sellers giving delivery of goods and all the buyers taking delivery of goods shall have the necessary GST Registration as required under the Goods & Service Tax (GST) Act applicable to the jurisdiction of the delivery centers and obtain other necessary licenses, if any.</p> <p>In respect of all contracts executed by the Members on BSE, it shall be the responsibility of the respective members to pay all applicable statutory fee, stamp duty, taxes and levies in respect of all deliveries as well as futures contracts directly to the concerned Central/State/Local Government Departments and the BSE/ICCL shall not be held liable or accountable or responsible on account of any non-compliance thereof.</p>



	<p>The buyer shall have to lodge their claim against quality and/or quantity of goods/ delivery allocated to them while retaining disputed goods in the designated vault itself (without lifting them out of the vault), if any, within 48 hours from the date of scheduled pay out of the ICCL and failing which, no claim shall be entertained by the ICCL thereafter.</p> <p>The ICCL is not responsible and shall not be held liable or accountable or responsible for value of the goods/stock of the commodities stored/lying in ICCL designated warehouse/s, vault and which is fully/partially confiscated / seized by any local or statutory or any other authority for any reason whatsoever or for any deterioration in quality of the goods stored due to above reason or which have passed the Final Expiry date and continue to remain in the ICCL accredited warehouse. The decision of the ICCL shall be final and binding to all Members and their constituents in this regard. (The interpretation or clarification given by the ICCL on any terms of this delivery and settlement procedure shall be final and binding on the members and other market participants).</p>
--	--

Delivery Logic	Compulsory Delivery
Tender Period (Staggered Delivery Period)	The tender period would be the last 5 trading days (including expiry day) of the contract except for a special trading session (eg. Diwali Muhurat Trading)
Delivery Period	Last 5 trading days (including expiry day) of the contract and 1 working days after expiry of the contract.
Buyer's Delivery Intention	Buyer shall give intention of taking delivery on any tender day, during tender period, till 7.30 p.m. except Saturdays, Sundays and Trading Holiday.
Delivery Intention by Seller	The seller shall give intention of tendering delivery on any tender day, during tender period, till 7.30 p.m. except Saturdays, Sundays and Trading Holiday.
Dissemination of Information on Tendered Delivery by Seller and Buyer	BSE/ICCL will inform members through website regarding delivery intentions of the seller and buyer members by 08:00 PM on the respective tender days and expiry days. The web-address link shall also be available on the TWS.
Tender Period Margin	5% incremental margin for last 5 trading days on all outstanding positions. Such margin will be addition to initial, additional and special and/ or any other additional margin, if any
Delivery Period Margin	Delivery period margins shall be higher of: 3% + 5 day 99% VaR of spot price volatility Or 25%
Exemption from Tender and Delivery Period Margin	Tender & Delivery Period margin will be released on receipt of Commodity pay-in by Member through Collateral Management System towards the pay-in obligation. However, ICCL shall continue to collect mark to market margins from Sellers.
Delivery Pay-in	The seller will have to do the delivery pay-in through Collateral Management System by earmarking his existing valid commodity balance towards the pay-in obligation. <u>On Tender Days:</u> On any tender days by 7:30 p.m. except Saturdays, Sundays and Trading Holidays. Marking of delivery will be done on the tender days based on the intentions received from the sellers after the trading hours. <u>On Expiry:</u>

	On expiry all the open positions shall be marked for delivery. Delivery pay-in will be on E + 1 basis by 11:00 a.m. except Saturdays, Sundays and Trading Holidays.
Funds Pay-in	Tender/Expiry Day +1 working day by 11:00 a.m.
Funds Pay-out	Tender/Expiry Day +1 working day by 5.00 p.m.
Delivery Pay-out	Tender/Expiry Day +1 working day by 5.00 p.m.
Mode of Communication	ICCL Collateral Management System.
Delivery Marking	On the respective tender days after the end of the day. All outstanding long and short positions will be marked for delivery at the expiry of the contract.
Staggered Delivery Allocation	Delivery allocation will be done as per the mechanism put in place by the ICCL The buyer to whom the delivery is allocated will not be allowed to refuse delivery.
Penal Provision	<p>Seller Default:</p> <p>3% of Settlement Price + replacement cost (difference between settlement price and higher of the last spot prices on the commodity pay-out date and the following day, if the spot price so arrived is higher than Settlement Price, else this component will be zero.)</p> <p>Norms for apportionment of penalty –</p> <ol style="list-style-type: none"> At least 1.75% of Settlement Price shall be deposited in the Settlement Guarantee Fund (SGF) of the ICCL. Up to 0.25% of Settlement Price may be retained by the ICCL towards administration expenses. 1% of Settlement Price + replacement cost shall go to buyer who was entitled to receive delivery. <p>Over and above the prescribed penalty, ICCL shall take suitable penal/ disciplinary action against any intentional / willful delivery default by seller.</p> <p>Buyer default shall not be permitted.</p>
Delivery Order Rate (DOR)	Settlement/closing price on the respective tender days except on expiry date. On expiry date the delivery order rate shall be Final Settlement Price. (FSP)

Buyer's Obligation	Buyer default shall not be permitted
Close Out of Outstanding Positions	All outstanding positions on the expiry of contract, not settled by way of delivery in the aforesaid manner, will be settled as per the FSP with penalty as per penal provisions.
Verification by the Buyer at the Time of Release of Delivery	At the time of taking delivery, the buyer can check his delivery in front of designated vault personnel. If he is satisfied with the quantity and quality of material, then Vault will release the goods. If Buyer is not satisfied with the quality, he can request for assaying by any of the ICCL approved Independent Assayers. If the buyer chooses for assaying, designated vault person will carry the goods to the Assayer's facilities, get it assayed and bring it back to designated vault along with assayer's certificate. The report shall be final and binding on both buyer and seller. In case of variation in quality in the Independent Assayer's report from the original report submitted, the buyer and seller will have to mutually negotiate the final settlement proceeds within 1 working day from receipt of assayer's report. The cost of this assaying as well as cost of transportation from designated vault to assayer's facilities to and fro will be borne by the buyer. The vault charges during such period will be borne by the buyers. If the buyer does not opt for assaying at the time of lifting delivery, then he will not have any further recourse to challenge the quantity or quality subsequently and it will be assumed that he has received the quantity and quality as per the delivery obligation by the seller.
Delivery Centre(s)	Exchange Designated Vault at Ahmedabad. *
Legal Obligation	The members will provide appropriate tax forms wherever required as per law and as customary.
Taxes, Duties, Cess and Levies	Ex-Ahmedabad, Inclusive of all taxes / levies relating to import duty, customs to be borne by the Seller; but excluding GST, any other additional tax, Cess, or surcharge as may become due & payable under any law, rules or regulations, applicable from time to time, to be borne by the buyer. Buyers and sellers shall have necessary tax registrations applicable to the jurisdiction of the delivery centres.
Vault, Insurance and Transportation Charges	<ul style="list-style-type: none"> ➤ To be borne by the seller up to commodity payout date. ➤ To be borne by the buyer after commodity payout date.
Evidence of Stocks in Possession	At the time of issuing Delivery Intention, the Member must satisfy the ICCL that he holds stocks of the quantity and quality specified in the Delivery Intention at the declared delivery center by giving delivery pay-in through Collateral Management System by earmarking existing valid commodity balance in the Collateral Management System towards the pay-in obligation.
Validation Process	On receipt of delivery, the designated vault personnel will do the following validations: <ul style="list-style-type: none"> a. Whether the person carrying Gold is the designated clearing agent of the member.

	<p>b. Whether the selling member is the bonafide member of the BSE/ICCL</p> <p>c. Whether the quantity being delivered is from BSE/ICCL approved refinery.</p> <p>d. Whether the serial numbers of all the bars is mentioned in the packing list provided.</p> <p>e. Whether the individual original assay certificates are accompanied with the Gold Bars</p> <p>Any other validation checks, as they may desire.</p>
<p>Delivery Process</p>	<p>In case any of the above validation fails, the designated vault will contact the ICCL office and take any further action only as per instructions received from the ICCL in writing. If all validations are through, then the designated vault personnel will put the Gold in the vault. Then the custodian of designated vault will issue appropriate receipt/acknowledgement slip for having received the goods. Designated vault in front of the selling member's clearing agent, will deposit the said metal into their vault.</p>
<p>Quality Adjustment</p>	<p>The price of gold is on the basis of 995 purity. In case a seller delivers 999 purity, he would get a premium. In such case, the sale proceeds will be calculated by way of delivery order rate * 999/ 995.</p>
<p>Procedure of Taking Delivery from the Vault</p>	<p>For the purpose of taking delivery of goods fully or partially, the Member shall raise withdraw request in Collateral Management System authorising a representative on his behalf to take the delivery. Authorize representative will present a withdrawal request letter to vault which shall be given by the member on the letter head The withdrawal request by the Member shall consist of the following details:</p> <p>Name of the authorised representative. Name of the Commodity along with quantity. Name of the Vault along with the location. Signature of the authorised representative. Proof of Identity viz. PAN card, Aadhar, Voter ID. Photo identity proof duly attested by the Member.</p> <p>The above-mentioned details are required to be updated in the Collateral Management System. ICCL would send the instruction to the Vault authorities directly for delivery of commodity.</p> <p>Based on the said details, the Vault will issue the requested quantity to the authorised representative who has to present himself personally at the Vault along with the requisite photo identity proof in original.</p> <p>The Vault officials will, upon final scrutiny/checking of the identity, deliver goods to the representative of the Member. The Vault officials in case of any discrepancy or doubt or any other reason may refuse to issue the goods to the representative under the intimation to the ICCL.</p>

	The delivery given to the representative shall be final & binding to the Member and their constituents at all times.
Deliverable Grade of Underlying Commodity	The selling members tendering delivery will have the option of delivering such grades 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 ICCL shall be binding on him.
Extension of Delivery Period	As per ICCL decision due to a force majeure or otherwise.
Applicability of Regulations	<p>The general provisions of Byelaws, Rules and Regulations of the ICCL and decisions taken by SEBI/ the Board of Directors/ Relevant Authority of the ICCL in respect of matters specified in this document shall form an integral part of this contract. The ICCL or SEBI, as the case may be, may further prescribe additional measures relating to delivery procedures, vaulting, quality certification, margining, and risk management from time to time.</p> <p>Members and market participants who enter into buy and sell transactions on BSE need to be aware of all the factors that go into the mechanism of trading, clearing & settlement, as well as all provisions of the ICCL's Bye Laws, Rules, Regulations, circulars, directives, notifications of the ICCL as well as of the Regulators, Government and other authorities.</p> <p>It is the sole obligation and responsibility of the Members and market participants to ensure that apart from the approved quality standards stipulated by the BSE/ICCL, the commodity deposited / traded / delivered through the Approved warehouses/Vaults of ICCL is in due compliance with the applicable regulations laid down by authorities like BIS, Orders under Packaging and Labelling etc., as also other State/Central laws and authorities issuing such regulations in this behalf from time to time, including but not limited to compliance of provisions and rates relating to GST, APMC Tax, Mandi Tax, LBT, octroi, stamp duty, etc. as may become due & payable under any law, rules or regulations, applicable from time to time on the underlying commodity of any contract offered for deposit / trading / delivery and that BSE/ ICCL shall not be responsible or liable on account of any non-compliance thereof.</p> <p>All the Sellers giving delivery of goods and all the buyers taking delivery of goods shall have the necessary GST Registration as required under the Goods & Service Tax (GST) Act applicable to the jurisdiction of the delivery centers and obtain other necessary licenses, if any.</p> <p>In respect of all contracts executed by the Members on BSE, it shall be the responsibility of the respective members to pay all applicable statutory fee, stamp duty, taxes and levies in respect of all deliveries as well as futures contracts directly to the concerned Central/State/Local Government Departments and the BSE/ICCL shall not be held liable or accountable or responsible on account of any non-compliance thereof.</p>



	<p>The buyer shall have to lodge their claim against quality and/or quantity of goods/ delivery allocated to them while retaining disputed goods in the designated vault itself (without lifting them out of the vault), if any, within 48 hours from the date of scheduled pay out of the ICCL and failing which, no claim shall be entertained by the ICCL thereafter.</p> <p>The ICCL is not responsible and shall not be held liable or accountable or responsible for value of the goods/stock of the commodities stored/lying in ICCL designated warehouse/s, vault and which is fully/partially confiscated / seized by any local or statutory or any other authority for any reason whatsoever or for any deterioration in quality of the goods stored due to above reason or which have passed the Final Expiry date and continue to remain in the ICCL accredited warehouse. The decision of the ICCL shall be final and binding to all Members and their constituents in this regard. (The interpretation or clarification given by the ICCL on any terms of this delivery and settlement procedure shall be final and binding on the members and other market participants).</p>
--	--

***Note : Additional delivery center for Gold traded on BSE platform added at Chennai, Hyderabad, Kochi, Bengaluru, Kolkata, Mumbai and New Delhi a vide BSE Circular No. 20230816-26 dated 16th August 2023**

Delivery and Settlement Procedure Silver Futures Contract

Delivery Logic	Compulsory Delivery
-----------------------	----------------------------

Tender Period (Staggered Delivery Period)	The tender period would be the last 5 trading days (including expiry day) of the contract except for a special trading session (eg. Diwali Muhurat Trading)
Delivery Period	Last 5 trading days (including expiry day) of the contract and 1 working days after expiry of the contract.
Buyer's Delivery Intention	Buyer shall give intention of taking delivery on any tender day, during tender period, till 7.30 p.m. except Saturdays, Sundays and Trading Holiday.
Delivery Intention by Seller	The seller shall give intention of tendering delivery on any tender day, during tender period, till 7.30 p.m. except Saturdays, Sundays and Trading Holiday.
Dissemination of Information on Tendered Delivery by Seller and Buyer	BSE/ICCL will inform members through website regarding delivery intentions of the seller and buyer members by 08:00 PM on the respective tender days and expiry days. The web-address link shall also be available on the TWS.
Tender Period Margin	5% incremental margin for last 5 trading days on all outstanding positions. Such margin will be addition to initial, additional and special and/ or any other additional margin, if any
Delivery Period Margin	Delivery period margins shall be higher of: 3% + 5 day 99% VaR of spot price volatility Or 25%
Exemption from Tender and Delivery Period Margin	Tender & Delivery Period margin will be released on receipt of Commodity pay-in by Member through Collateral Management System towards the pay-in obligation. However, ICCL shall continue to collect mark to market margins from Sellers.
Delivery Pay-in	The seller will have to do the delivery pay-in through Collateral Management System by earmarking his existing valid commodity balance towards the pay-in obligation. <u>On Tender Days:</u> On any tender days by 7:30 p.m. except Saturdays, Sundays and Trading Holidays. Marking of delivery will be done on the tender days based on the intentions received from the sellers after the trading hours. <u>On Expiry:</u> On expiry all the open positions shall be marked for delivery. Delivery pay-in will be on E + 1 basis by 11:00 a.m. except Saturdays, Sundays and Trading Holidays.

Funds Pay-in	Tender/Expiry Day +1 working day by 11:00 a.m.
Funds Pay-out	Tender/Expiry Day +1 working day by 5.00 p.m.
Delivery Pay-out	Tender/Expiry Day +1 working day by 5.00 p.m.
Mode of Communication	ICCL Collateral Management System.
Delivery Marking	On the respective tender days after the end of the day. All outstanding long and short positions will be marked for delivery at the expiry of the contract.
Staggered Delivery Allocation	Delivery allocation will be done as per the mechanism put in place by the ICCL. The buyer to whom the delivery is allocated will not be allowed to refuse delivery.
Penal Provision	<p>Seller Default:</p> <p>3% of Settlement Price + replacement cost (difference between settlement price and higher of the last spot prices on the commodity pay-out date and the following day, if the spot price so arrived is higher than Settlement Price, else this component will be zero.)</p> <p>Norms for apportionment of penalty –</p> <ol style="list-style-type: none"> At least 1.75% of Settlement Price shall be deposited in the Settlement Guarantee Fund (SGF) of the ICCL. Up to 0.25% of Settlement Price may be retained by the ICCL towards administration expenses. 1% of Settlement Price + replacement cost shall go to buyer who was entitled to receive delivery. <p>Over and above the prescribed penalty, ICCL shall take suitable penal/ disciplinary action against any intentional / willful delivery default by seller.</p> <p>Buyer default shall not be permitted.</p>
Delivery Order Rate (DOR)	Settlement/closing price on the respective tender days except on expiry date. On expiry date the delivery order rate shall be Final Settlement Price. (FSP)
Buyer's Obligation	Buyer default shall not be permitted
Close Out of Outstanding Positions	All outstanding positions on the expiry of contract, not settled by way of delivery in the aforesaid manner, will be settled as per the FSP with penalty as per penal provisions.
Verification by the Buyer at the Time of Release of Delivery	At the time of taking delivery, the buyer can check his delivery in front of designated vault personnel. If he is satisfied with the quantity and quality of material, then Vault will release the goods. If Buyer is not satisfied with the quality, he can request for assaying by any of the ICCL approved Independent Assayers. If the buyer chooses for assaying, designated vault person will carry the goods to the

	<p>Assayer's facilities, get it assayed and bring it back to designated vault along with assayer's certificate. The report shall be final and binding on both buyer and seller. In case of variation in quality in the Independent Assayer's report from the original report submitted, the buyer and seller will have to mutually negotiate the final settlement proceeds within 1 working day from receipt of assayer's report. The cost of this assaying as well as cost of transportation from designated vault to assayer's facilities to and fro will be borne by the buyer. The vault charges during such period will be borne by the buyers. If the buyer does not opt for assaying at the time of lifting delivery, then he will not have any further recourse to challenge the quantity or quality subsequently and it will be assumed that he has received the quantity and quality as per the delivery obligation by the seller.</p>
Delivery Centre(s)	Exchange Designated Vault at Ahmedabad.
Legal Obligation	The members will provide appropriate tax forms wherever required as per law and as customary.
Taxes, Duties, Cess and Levies	<p>Ex-Ahmedabad, Inclusive of all taxes / levies relating to import duty, customs to be borne by the Seller; but excluding GST, any other additional tax, Cess, or surcharge as may become due & payable under any law, rules or regulations, applicable from time to time, to be borne by the buyer.</p> <p>Buyers and sellers shall have necessary tax registrations applicable to the jurisdiction of the delivery centers.</p>
Vault, Insurance and Transportation Charges	<ol style="list-style-type: none"> To be borne by the seller up to commodity payout date. To be borne by the buyer after commodity payout date.
Evidence of Stocks in Possession	At the time of issuing Delivery Intention, the Member must satisfy the ICCL that he holds stocks of the quantity and quality specified in the Delivery Intention at the declared delivery center by giving delivery pay-in through Collateral Management System by earmarking existing valid commodity balance in the Collateral Management System towards the pay-in obligation.
Validation Process	<p>On receipt of delivery, the designated vault personnel will do the following validations:</p> <ol style="list-style-type: none"> Whether the person carrying Silver is the designated clearing agent of the member. Whether the selling member is the bonafide member of the BSE/ICCL Whether the quantity being delivered is from BSE/ICCL approved refinery. Whether the serial numbers of all the bars is mentioned in the packing list provided. <p>Any other validation checks, as they may desire.</p>
Delivery Process	In case any of the above validation fails, the designated vault will contact the ICCL office and take any further action only as per instructions received from the ICCL in writing. If all validations are through, then the designated vault personnel will put the Silver in the vault. Then the custodian of designated vault will issue appropriate

	receipt/acknowledgement slip for having received the goods. Designated vault in front of the selling member's clearing agent, will deposit the said metal into their vault.
Quality Adjustment	The price of Silver is on the basis of 999 purity. If the quality is less than 999, it will be rejected.
Quantity adjustment	The tolerance limit will be +/- 3 kg. The weight of silver bar must be between 27 kg to 33 kg.
Procedure of Taking Delivery from the Vault	<p>For the purpose of taking delivery of goods fully or partially, the Member shall raise withdraw request in Collateral Management System authorising a representative on his behalf to take the delivery. Authorize representative will present a withdrawal request letter to vault which shall be given by the member on the letter head The withdrawal request by the Member shall consist of the following details:</p> <p>Name of the authorised representative. Name of the Commodity along with quantity. Name of the Vault along with the location. Signature of the authorised representative. Proof of Identity viz. PAN card, Aadhar, Voter ID. Photo identity proof duly attested by the Member.</p> <p>The above-mentioned details are required to be updated in the Collateral Management System. ICCL would send the instruction to the Vault authorities directly for delivery of commodity.</p> <p>Based on the said details, the Vault will issue the requested quantity to the authorised representative who has to present himself personally at the Vault along with the requisite photo identity proof in original.</p> <p>The Vault officials will, upon final scrutiny/checking of the identity, deliver goods to the representative of the Member. The Vault officials in case of any discrepancy or doubt or any other reason may refuse to issue the goods to the representative under the intimation to the ICCL.</p> <p>The delivery given to the representative shall be final & binding to the Member and their constituents at all times.</p>
Deliverable Grade of Underlying Commodity	The selling members tendering delivery will have the option of delivering such grades 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 ICCL shall be binding on him.
Extension of Delivery Period	As per ICCL decision due to a force majeure or otherwise.
Applicability Of Regulations	The general provisions of Byelaws, Rules and Regulations of the

ICCL and decisions taken by SEBI/ the Board of Directors/ Relevant Authority of the ICCL in respect of matters specified in this document shall form an integral part of this contract. The ICCL or SEBI, as the case may be, may further prescribe additional measures relating to delivery procedures, vaulting, quality certification, margining, and risk management from time to time.

Members and market participants who enter into buy and sell transactions on BSE need to be aware of all the factors that go into the mechanism of trading, clearing & settlement, as well as all provisions of the ICCL's Bye Laws, Rules, Regulations, circulars, directives, notifications of the ICCL as well as of the Regulators, Government and other authorities.

It is the sole obligation and responsibility of the Members and market participants to ensure that apart from the approved quality standards stipulated by the BSE/ICCL, the commodity deposited / traded / delivered through the Approved warehouses/Vaults of ICCL is in due compliance with the applicable regulations laid down by authorities like BIS, Orders under Packaging and Labelling etc., as also other State/Central laws and authorities issuing such regulations in this behalf from time to time, including but not limited to compliance of provisions and rates relating to GST, APMC Tax, Mandi Tax, LBT, octroi, stamp duty, etc. as may become due & payable under any law, rules or regulations, applicable from time to time on the underlying commodity of any contract offered for deposit / trading / delivery and that BSE/ ICCL shall not be responsible or liable on account of any non-compliance thereof.

All the Sellers giving delivery of goods and all the buyers taking delivery of goods shall have the necessary GST Registration as required under the Goods & Service Tax (GST) Act applicable to the jurisdiction of the delivery centers and obtain other necessary licenses, if any.

In respect of all contracts executed by the Members on BSE, it shall be the responsibility of the respective members to pay all applicable statutory fee, stamp duty, taxes and levies in respect of all deliveries as well as futures contracts directly to the concerned Central/State/Local Government Departments and the BSE/ICCL shall not be held liable or accountable or responsible on account of any non-compliance thereof.

The buyer shall have to lodge their claim against quality and/or quantity of goods/ delivery allocated to them while retaining disputed goods in the designated vault itself (without lifting them out of the vault), if any, within 48 hours from the date of scheduled pay out of the ICCL and failing which, no claim shall be entertained by the ICCL thereafter.

The ICCL is not responsible and shall not be held liable or accountable or responsible for value of the goods/stock of the commodities stored/lying in ICCL designated warehouse/s, vault and which is fully/partially confiscated / seized by any local or statutory or any other authority for any reason whatsoever or for any



	<p>deterioration in quality of the goods stored due to above reason or which have passed the Final Expiry date and continue to remain in the ICCL accredited warehouse. The decision of the ICCL shall be final and binding to all Members and their constituents in this regard. (The interpretation or clarification given by the ICCL on any terms of this delivery and settlement procedure shall be final and binding on the members and other market participants).</p>
--	---

Delivery and Settlement Procedure of Silver Micro (KG) Futures

Delivery Logic	Compulsory Delivery
Tender Period (Staggered Delivery Period)	The tender period would be the last 5 trading days (including expiry day) of the contract.
Delivery Period	Last 5 trading days (including expiry day) of the contract and 2 working days after expiry of the contract.

Buyer's Delivery Intention	Buyer shall give intention of taking delivery on any tender day, during tender period, till 7.30 p.m. except Saturdays, Sundays and Trading Holiday.
Delivery Intention by Seller	The seller shall give intention of tendering delivery on any tender day, during tender period, till 7.30 p.m. except Saturdays, Sundays and Trading Holiday.
Dissemination of Information on Tendered Delivery by Seller and Buyer	BSE/ICCL will inform members through website regarding delivery intentions of the seller and buyer members by 08:00 PM on the respective tender days and expiry days.
Tender Period Margin	5.00% incremental margin for last 5 trading days (including expiry day) of the contract on all outstanding positions. Such margin will be addition to initial, additional and special and/ or any other additional margin, if any
Delivery Period Margin	Delivery period margins shall be higher of: 3% + 5 day 99% VaR of spot price volatility Or 25%
Exemption from Tender and Delivery Period Margin	Tender & Delivery Period margin will be released on receipt of Commodity pay-in by Seller through Collateral Management System or any system prescribed by ICCL towards the pay-in obligation. However, ICCL shall continue to collect mark to market margins from Sellers
Delivery Pay-in	The seller will have to do the delivery pay-in through Collateral Management System by earmarking his existing valid commodity balance towards the pay-in obligation. On Tender Days: On any tender days by 7:30 p.m. except Saturdays, Sundays and Trading Holidays. Marking of delivery will be done on the tender days based on the intentions received from the sellers after the trading hours. On Expiry: On expiry all the open positions shall be marked for delivery. Delivery pay-in will be on E + 2 basis by 11:00 a.m. except Saturdays, Sundays and Trading Holidays.
Funds Pay-in	Tender/Expiry Day +2 working day by 11:00 a.m.
Funds Pay-out	Tender/Expiry Day +2 working day by 5.00 p.m.

Delivery Pay-out	Tender/Expiry Day +2 working day by 5.00 p.m.
Delivery Marking	<p>On the respective tender days after the end of the day .</p> <p>All outstanding long and short positions will be marked for delivery at the expiry of the contract.</p>
Penal Provision	<p>Seller Default:</p> <p>3% of Settlement Price + replacement cost (difference between settlement price and higher of the last spot prices on the commodity pay-out date and the following day, if the spot price so arrived is higher than Settlement Price, else this component will be zero.)</p> <p>Norms for apportionment of penalty –</p> <ul style="list-style-type: none"> • At least 1.75% of Settlement Price shall be deposited in the Settlement Guarantee Fund (SGF) of the ICCL. • Up to 0.25% of Settlement Price may be retained by the ICCL towards administration expenses. • 1% of Settlement Price + replacement cost shall go to buyer who was entitled to receive delivery. <p>Over and above the prescribed penalty, ICCL shall take suitable penal/disciplinary action against any intentional / willful delivery default by seller.</p> <p>Buyer default shall not be permitted. In the case of a default by a buyer, following penalties shall be levied by the ICCL:</p> <p>The ICCL shall review the loss incurred by the non-defaulting Party, i.e. Seller, at its sole discretion, and accordingly, levy penalty on the defaulting buyer. However, such penalty shall be within the overall cap of delivery margins collected by the ICCL from such defaulting buyer.</p> <p>The delivery order rate (the rate at which delivery will be allocated) shall be the closing price (weighted average price of last half an hour) on the respective tender day except on the expiry date.</p> <p>On Expiry: On expiry date, the delivery order rate or final settlement price shall be the Due Date Rate (DDR)/Final Settlement Price (FSP) and not the closing price.</p>
Delivery Order Rate (DOR)	On Staggered Delivery Tender Days:
Close Out of Outstanding Positions	All outstanding positions on the expiry of contract, not settled by way of delivery in the aforesaid manner, will be settled as per the FSP with penalty as per penal provisions.

<p>Verification by the Buyer at the Time of Release of Delivery</p>	<p>At the time of taking delivery, the buyer can check his delivery in front of designated vault personnel. If he is satisfied with the quantity and quality of material, then Vault will release the goods. If Buyer is not satisfied with the quality, he can request for assaying by any of the ICCL approved Independent Assayers. If the buyer chooses for assaying, designated vault person will carry the goods to the Assayer's facilities, get it assayed and bring it back to designated vault along with assayer's certificate. The report shall be final and binding on both buyer and seller. In case of variation in quality in the Independent Assayer's report from the original report submitted, the buyer and seller will have to mutually negotiate the final settlement proceeds within 1 working day from receipt of assayer's report. The cost of this assaying as well as cost of transportation from designated vault to assayer's facilities to and fro will be borne by the buyer. The vault charges during such period will be borne by the buyers. If the buyer does not opt for assaying at the time of lifting delivery, then he will not have any further recourse to challenge the quantity or quality subsequently and it will be assumed that he has received the quantity and quality as per the delivery obligation by the seller.</p>
<p>Delivery Centre(s)</p>	<p>Exchange Designated Vault at Ahmedabad.</p>
<p>Legal Obligation</p>	<p>Every member delivering and receiving goods through Collateral Management System or any system as prescribed by ICCL by way of delivery shall provide appropriate tax forms wherever required as per law and as customary.</p>
<p>Taxes, Duties, Cess and Levies</p>	<p>Ex-Ahmedabad, Inclusive of all taxes / levies relating to import duty, customs to be borne by the Seller; but excluding GST, any other additional tax, Cess, or surcharge as may become due & payable under any law, rules or regulations, applicable from time to time, to be borne by the buyer.</p>
<p>Vault, Insurance and Transportation Charges</p>	<p>a. To be borne by the seller up to commodity payout date. b. To be borne by the buyer after commodity pay-out date.</p>
<p>Validation Process</p>	<p>On receipt of delivery, the designated vault personnel will do the following validations:</p> <ul style="list-style-type: none"> a) Whether the person carrying Silver 1 KG Bar is the designated clearing agent of the member. b) Whether the selling member is the bonafide member of the BSE/ICCL c) Whether the quantity being delivered is from BSE/ICCL approved refinery. d) Whether the serial numbers of all the Silver 1 KG is mentioned in the packing list provided. e) whether the original certificates are accompanied with the Silver 1 Kg bars. <p>Any other validation checks, as they may desire.</p>
<p>Delivery Process</p>	<p>In case any of the above validation fails, the designated vault will contact the ICCL office and take any further action only as per instructions received from the ICCL in writing. If all validations are through, then the designated vault</p>

	<p>personnel will put the Silver 1KG Bar in the vault. Then the custodian of designated vault will issue appropriate receipt/acknowledgement slip for having received the goods. Designated vault in front of the selling member's clearing agent, will deposit the said metal into their vault.</p>
Quality Adjustment	<p>The price of Silver is on the basis of 999 purity. If the quality is less than 999, it will be rejected.</p>
Quantity adjustment	<p>The tolerance limit will be + 0.1000 Kg. The weight of 1 Kg Silver bar must be between 1 Kg to 1.1000 Kg</p>
Making Charges for taking Delivery	<p>Buyer shall have to pay Rs. 400/-(over and above the Closing Price/Final Settlement Price FSP) per Silver Kg bar as a making charge, which shall be paid to the seller.</p>
Procedure of Taking Delivery from the Vault	<p>For the purpose of taking delivery of goods fully or partially, the Member shall raise withdraw request in Collateral Management System or any system prescribed by ICCL, authorising a representative on his behalf to take the delivery. Authorize representative will present a withdrawal request letter to vault which shall be given by the member on the letter head The withdrawal request by the Member shall consist of the following details:</p> <p>Name of the authorised representative. Name of the Commodity along with quantity. Name of the Vault along with the location. Signature of the authorised representative. Proof of Identity viz. PAN card, Aadhar, Voter ID. Photo identity proof duly attested by the Member.</p> <p>The above-mentioned details are required to be updated in the Collateral Management System. ICCL would send the instruction to the Vault authorities directly for delivery of commodity.</p> <p>Based on the said details, the Vault will issue the requested quantity to the authorised representative who has to present himself personally at the Vault along with the requisite photo identity proof in original.</p> <p>The Vault officials will, upon final scrutiny/checking of the identity, deliver goods to the representative of the Member. The Vault officials in case of any discrepancy or doubt or any other reason may refuse to issue the goods to the representative under the intimation to the ICCL.</p> <p>The delivery given to the representative shall be final & binding to the Member and their constituents at all times.</p>
Deliverable Grade of Underlying Commodity	<p>The selling members tendering delivery will have the option of delivering such grades as per the contract specifications. The buyer has no option to</p>

	select a particular grade and the delivery offered by the seller and allocation by the ICCL shall be binding on him.
Extension of Delivery Period	As per ICCL decision due to a force majeure or otherwise as it thinks fit in the interest of the market.
Applicability of Regulations	<p>The general provisions of Byelaws, Rules and Regulations of the ICCL and decisions taken by SEBI/ the Board of Directors/ Relevant Authority of the ICCL in respect of matters specified in this document shall form an integral part of this contract. The ICCL or SEBI, as the case may be, may further prescribe additional measures relating to delivery procedures, vaulting, quality certification, margining, and risk management from time to time.</p> <p>Members and market participants who enter into buy and sell transactions on BSE need to be aware of all the factors that go into the mechanism of trading, clearing & settlement, as well as all provisions of the ICCL's Bye Laws, Rules, Regulations, circulars, directives, notifications of the ICCL as well as of the Regulators, Government and other authorities.</p> <p>All the Sellers giving delivery of goods and all the buyers taking delivery of goods shall have the necessary GST Registration as required under the Goods & Service Tax (GST) Act applicable to the jurisdiction of the delivery centers and obtain other necessary licenses, if any.</p> <p>In respect of all contracts executed by the Members on BSE, it shall be the responsibility of the respective members to pay all applicable statutory fee, stamp duty, taxes and levies in respect of all deliveries as well as futures contracts directly to the concerned Central/State/Local Government Departments and the BSE/ICCL shall not be held liable or accountable or responsible on account of any non-compliance thereof.</p> <p>The buyer shall have to lodge their claim against quality and/or quantity of goods/ delivery allocated to them while retaining disputed goods in the designated vault itself (without lifting them out of the vault), if any, within 48 hours from the date of scheduled pay out of the ICCL and failing which, no claim shall be entertained by the ICCL thereafter.</p> <p>The ICCL is not responsible and shall not be held liable or accountable or responsible for value of the goods/stock of the commodities stored/lying in ICCL designated warehouse/s, vault and which is fully/partially confiscated / seized by any local or statutory or any other authority for any reason whatsoever or for any deterioration in quality of the goods stored due to above reason or which have passed the Final Expiry date and continue to remain in the ICCL accredited warehouse. The decision of the ICCL shall be final and binding to all Members and their constituents in this regard. (The interpretation or clarification given by the ICCL on any terms of this delivery and settlement procedure shall be final and binding on the members and other market participants).</p>



Delivery and Settlement Procedure of Silver Mini Futures

Delivery Logic	Compulsory Delivery
Tender Period (Staggered Delivery Period)	The tender period would be the last 5 trading days (including expiry day) of the contract.
Delivery Period	Last 5 trading days (including expiry day) of the contract and 2 working days after expiry of the contract.
Buyer's Delivery Intention	Buyer shall give intention of taking delivery on any tender day, during tender period, till 7.30 p.m. except Saturdays, Sundays and Trading Holiday.
Delivery Intention by Seller	The seller shall give intention of tendering delivery on any tender day, during tender period, till 7.30 p.m. except Saturdays, Sundays and Trading Holiday.
Dissemination of Information on Tendered Delivery by Seller and Buyer	BSE/ICCL will inform members through website regarding delivery intentions of the seller and buyer members by 08:00 PM on the respective tender days and expiry days.
Tender Period Margin	5.00% incremental margin for last 5 trading days (including expiry day) of the contract on all outstanding positions. Such margin will be addition to initial, additional and special and/ or any other additional margin, if any
Delivery Period Margin	Delivery period margins shall be higher of: 3% + 5 day 99% VaR of spot price volatility Or 25%
Exemption from Tender and Delivery Period Margin	Tender & Delivery Period margin will be released on receipt of Commodity pay-in by Seller through Collateral Management System or any system prescribed by ICCL towards the pay-in obligation. However, ICCL shall continue to collect mark to market margins from Sellers

<p>Delivery Pay-in</p>	<p>The seller will have to do the delivery pay-in through Collateral Management System by earmarking his existing valid commodity balance towards the pay-in obligation.</p> <p>On Tender Days: On any tender days by 7:30 p.m. except Saturdays, Sundays and Trading Holidays. Marking of delivery will be done on the tender days based on the intentions received from the sellers after the trading hours.</p> <p>On Expiry: On expiry all the open positions shall be marked for delivery. Delivery pay-in will be on E + 2 basis by 11:00 a.m. except Saturdays, Sundays and Trading Holidays.</p>
<p>Funds Pay-in</p>	<p>Tender/Expiry Day +2 working day by 11:00 a.m.</p>
<p>Funds Pay-out</p>	<p>Tender/Expiry Day +2 working day by 5.00 p.m.</p>
<p>Delivery Pay-out</p>	<p>Tender/Expiry Day +2 working day by 5.00 p.m.</p>
<p>Delivery Marking</p>	<p>On the respective tender days after the end of the day .</p> <p>All outstanding long and short positions will be marked for delivery at the expiry of the contract.</p>
<p>Penal Provision</p>	<p>Seller Default:</p> <p>3% of Settlement Price + replacement cost (difference between settlement price and higher of the last spot prices on the commodity pay-out date and the following day, if the spot price so arrived is higher than Settlement Price, else this component will be zero.)</p> <p>Norms for apportionment of penalty –</p> <ol style="list-style-type: none"> a. At least 1.75% of Settlement Price shall be deposited in the Settlement Guarantee Fund (SGF) of the ICCL. b. Up to 0.25% of Settlement Price may be retained by the ICCL towards administration expenses. c. 1% of Settlement Price + replacement cost shall go to buyer who was entitled to receive delivery. <p>Over and above the prescribed penalty, ICCL shall take suitable penal/disciplinary action against any intentional / willful delivery default by seller.</p> <p>Buyer default shall not be permitted. In the case of a default by a buyer, following penalties shall be levied by the ICCL:</p>

	The ICCL shall review the loss incurred by the non-defaulting Party, i.e. Seller, at its sole discretion, and accordingly, levy penalty on the defaulting buyer. However, such penalty shall be within the overall cap of delivery margins collected by the ICCL from such defaulting buyer.
Delivery Order Rate (DOR)	<p>On Staggered Delivery Tender Days:</p> <p>The delivery order rate (the rate at which delivery will be allocated) shall be the closing price (weighted average price of last half an hour) on the respective tender day except on the expiry date.</p> <p>On Expiry: On expiry date, the delivery order rate or final settlement price shall be the Due Date Rate (DDR)/Final Settlement Price (FSP) and not the closing price.</p>
Close Out of Outstanding Positions	All outstanding positions on the expiry of contract, not settled by way of delivery in the aforesaid manner, will be settled as per the FSP with penalty as per penal provisions.
Verification by the Buyer at the Time of Release of Delivery	At the time of taking delivery, the buyer can check his delivery in front of designated vault personnel. If he is satisfied with the quantity and quality of material, then Vault will release the goods. If Buyer is not satisfied with the quality, he can request for assaying by any of the ICCL approved Independent Assayers. If the buyer chooses for assaying, designated vault person will carry the goods to the Assayer's facilities, get it assayed and bring it back to designated vault along with assayer's certificate. The report shall be final and binding on both buyer and seller. In case of variation in quality in the Independent Assayer's report from the original report submitted, the buyer and seller will have to mutually negotiate the final settlement proceeds within 1 working day from receipt of assayer's report. The cost of this assaying as well as cost of transportation from designated vault to assayer's facilities to and fro will be borne by the buyer. The vault charges during such period will be borne by the buyers. If the buyer does not opt for assaying at the time of lifting delivery, then he will not have any further recourse to challenge the quantity or quality subsequently and it will be assumed that he has received the quantity and quality as per the delivery obligation by the seller.
Delivery Centre(s)	Exchange Designated Vault at Ahmedabad.
Legal Obligation	Every member delivering and receiving goods through Collateral Management System or any system as prescribed by ICCL by way of delivery shall provide appropriate tax forms wherever required as per law and as customary.
Taxes, Duties, Cess and Levies	Ex-Ahmedabad, Inclusive of all taxes / levies relating to import duty, customs to be borne by the Seller; but excluding GST, any other additional tax, Cess, or surcharge as may become due & payable under any law, rules or regulations, applicable from time to time, to be borne by the buyer.
Vault, Insurance and Transportation Charges	<p>To be borne by the seller up to commodity payout date.</p> <p>To be borne by the buyer after commodity pay-out date.</p>

Validation Process	<p>On receipt of delivery, the designated vault personnel will do the following validations:</p> <ol style="list-style-type: none"> Whether the person carrying Silver 1 KG Bar is the designated clearing agent of the member. Whether the selling member is the bonafide member of the BSE/ICCL Whether the quantity being delivered is from BSE/ICCL approved refinery. Whether the serial numbers of all the Silver 1 KG is mentioned in the packing list provided. whether the original certificates are accompanied with the Silver 1 Kg bar. <p>Any other validation checks, as they may desire.</p>
Delivery Process	<p>In case any of the above validation fails, the designated vault will contact the ICCL office and take any further action only as per instructions received from the ICCL in writing. If all validations are through, then the designated vault personnel will put the Silver 1KG Bar in the vault. Then the custodian of designated vault will issue appropriate receipt/acknowledgement slip for having received the goods. Designated vault in front of the selling member's clearing agent, will deposit the said metal into their vault.</p>
Quality Adjustment	<p>The price of Silver is on the basis of 999 purity. If the quality is less than 999, it will be rejected..</p>
Quantity adjustment	<p>The tolerance limit will be + 0.1000 Kg. The weight of 1 Kg Silver bar must be between 1 Kg to 1.1000 Kg. Delivery of 5 bars of one kg each with tolerance limit shall be deposited.</p>
Making Charges for taking Delivery	<p>Buyer shall have to pay Rs. 400/-(over and above the Closing Price/Final Settlement Price FSP) per Silver Kg bar as a making charge, which shall be paid to the seller.</p>
Procedure of Taking Delivery from the Vault	<p>For the purpose of taking delivery of goods fully or partially, the Member shall raise withdraw request in Collateral Management System or any system prescribed by ICCL, authorising a representative on his behalf to take the delivery. Authorize representative will present a withdrawal request letter to vault which shall be given by the member on the letter head The withdrawal request by the Member shall consist of the following details:</p> <p>Name of the authorised representative. Name of the Commodity along with quantity. Name of the Vault along with the location. Signature of the authorised representative. Proof of Identity viz. PAN card, Aadhar, Voter ID. Photo identity proof duly attested by the Member.</p>

	<p>The above-mentioned details are required to be updated in the Collateral Management System. ICCL would send the instruction to the Vault authorities directly for delivery of commodity.</p> <p>Based on the said details, the Vault will issue the requested quantity to the authorised representative who has to present himself personally at the Vault along with the requisite photo identity proof in original.</p> <p>The Vault officials will, upon final scrutiny/checking of the identity, deliver goods to the representative of the Member. The Vault officials in case of any discrepancy or doubt or any other reason may refuse to issue the goods to the representative under the intimation to the ICCL.</p> <p>The delivery given to the representative shall be final & binding to the Member and their constituents at all times.</p>
<p>Deliverable Grade of Underlying Commodity</p>	<p>The selling members tendering delivery will have the option of delivering such grades 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 ICCL shall be binding on him.</p>
<p>Extension of Delivery Period</p>	<p>As per ICCL decision due to a force majeure or otherwise as it thinks fit in the interest of the market.</p>
<p>Applicability of Regulations</p>	<p>The general provisions of Byelaws, Rules and Regulations of the ICCL and decisions taken by SEBI/ the Board of Directors/ Relevant Authority of the ICCL in respect of matters specified in this document shall form an integral part of this contract. The ICCL or SEBI, as the case may be, may further prescribe additional measures relating to delivery procedures, vaulting, quality certification, margining, and risk management from time to time.</p> <p>Members and market participants who enter into buy and sell transactions on BSE need to be aware of all the factors that go into the mechanism of trading, clearing & settlement, as well as all provisions of the ICCL's Bye Laws, Rules, Regulations, circulars, directives, notifications of the ICCL as well as of the Regulators, Government and other authorities.</p> <p>It is the sole obligation and responsibility of the Members and market participants to ensure that apart from the approved quality standards stipulated by the BSE/ICCL, the commodity deposited / traded / delivered through the Approved warehouses/Vaults of ICCL is in due compliance with the applicable regulations laid down by authorities like BIS, Orders under Packaging and Labelling etc., as also other State/Central laws and authorities issuing such regulations in this behalf from time to time, including but not limited to compliance of provisions and rates relating to Sales Tax/GST, APMC Tax, Mandi Tax, LBT, octroi, stamp duty, etc. as may become due & payable under any law, rules or regulations, applicable from time to time on the underlying commodity of any contract offered for deposit / trading / delivery</p>

and that BSE/ ICCL shall not be responsible or liable on account of any non-compliance thereof.

All the Sellers giving delivery of goods and all the buyers taking delivery of goods shall have the necessary GST Registration as required under the Goods & Service Tax (GST) Act applicable to the jurisdiction of the delivery centers and obtain other necessary licenses, if any.

In respect of all contracts executed by the Members on BSE, it shall be the responsibility of the respective members to pay all applicable statutory fee, stamp duty, taxes and levies in respect of all deliveries as well as futures contracts directly to the concerned Central/State/Local Government Departments and the BSE/ICCL shall not be held liable or accountable or responsible on account of any non-compliance thereof.

The buyer shall have to lodge their claim against quality and/or quantity of goods/ delivery allocated to them while retaining disputed goods in the designated vault itself (without lifting them out of the vault), if any, within 48 hours from the date of scheduled pay out of the ICCL and failing which, no claim shall be entertained by the ICCL thereafter.

The ICCL is not responsible and shall not be held liable or accountable or responsible for value of the goods/stock of the commodities stored/lying in ICCL designated warehouse/s, vault and which is fully/partially confiscated / seized by any local or statutory or any other authority for any reason whatsoever or for any deterioration in quality of the goods stored due to above reason or which have passed the Final Expiry date and continue to remain in the ICCL accredited warehouse. The decision of the ICCL shall be final and binding to all Members and their constituents in this regard. (The interpretation or clarification given by the ICCL on any terms of this delivery and settlement procedure shall be final and binding on the members and other market participants).

Delivery and Settlement Procedure of Copper Futures

Delivery Logic	Compulsory Delivery
Tender Period (Staggered Delivery Period)	The tender period would be the last 5 trading days (including expiry day) of the contract.
Delivery Period	Last 5 trading days (including expiry day) of the contract and 1 working days after expiry of the contract.
Buyer's Delivery Intention	Buyer shall give intention of taking delivery on any tender day, during tender period, till 5.00 p.m. except Saturdays, Sundays and Trading Holiday.
Delivery Intention by Seller	The seller shall give intention of tendering delivery on any tender day, during tender period, till 5.00 p.m.
Dissemination of Information on Tendered Delivery by Seller and Buyer	BSE/ICCL will inform members through website regarding delivery intentions of the seller and buyer members by 05:30 PM on the respective tender days.
Tender Period Margin	5.00% incremental margin for last 5 trading days (including expiry day) of the contract on all outstanding positions. Such margin will be addition to initial, additional and special and/ or any other additional margin, if any
Delivery Period Margin	Delivery period margins shall be higher of: <ul style="list-style-type: none"> ➤ 3% + 5 day 99% VaR of spot price volatility Or ➤ 25%
Exemption from Tender and Delivery Period Margin	Tender & Delivery Period margin will be released on receipt of Commodity pay-in by Seller through Collateral Management System or any system prescribed by ICCL towards the pay-in obligation. However, ICCL shall continue to collect mark to market margins from Sellers

Delivery Pay-in of Commodities	<p>The seller will have to do the delivery pay-in through Collateral Management System by earmarking his existing valid commodity balance in the Collateral Management System towards the pay-in obligation.</p> <p>On Tender Days: On any tender days by 5:00 p.m. except Saturdays, Sundays and Public Holidays. Marking of delivery will be done on the tender days based on the intentions received from the sellers after the trading hours.</p> <p>On Expiry: On expiry all the open positions shall be marked for delivery. Delivery pay-in will be on Expiry Day + 1 basis by 11.00 a.m. except Saturdays, Sundays and Public Holidays.</p>
Funds Pay-in	Tender/Expiry Day +1 working day by 11.00 a.m
Funds Pay-out	Tender/Expiry Day +1 working day by 02.00 p.m.
Delivery Pay-out of Commodities	Tender/Expiry Day +1 working day by 02.00 p.m.
Delivery Marking	<p>On the respective tender days after the end of the day.</p> <p>All outstanding long and short positions will be marked for delivery at the expiry of the contract.</p>
Penal Provision	<p>Seller Default:</p> <p>3% of Settlement Price + replacement cost (difference between settlement price and higher of the last spot prices on the commodity pay-out date and the following day, if the spot price so arrived is higher than Settlement Price, else this component will be zero.)</p> <p>Norms for apportionment of penalty –</p> <ul style="list-style-type: none"> ➤ At least 1.75% of Settlement Price shall be deposited in the Settlement Guarantee Fund (SGF) of the ICCL. ➤ Up to 0.25% of Settlement Price may be retained by the ICCL towards administration expenses. ➤ 1% of Settlement Price + replacement cost shall go to buyer who was entitled to receive delivery. <p>Over and above the prescribed penalty, ICCL shall take suitable penal/disciplinary action against any intentional / willful delivery default by seller.</p>

	<p>Buyer default shall not be permitted. In the case of a default by a buyer, following penalties shall be levied by the ICCL:</p> <p>The ICCL shall review the loss incurred by the non-defaulting Party, i.e. Seller, at its sole discretion, and accordingly, levy penalty on the defaulting buyer. However, such penalty shall be within the overall cap of delivery margins collected by the ICCL from such defaulting buyer.</p>
Delivery Order Rate (DOR)	<p>On Staggered Delivery Tender Days:</p> <p>The delivery order rate (the rate at which delivery will be allocated) shall be the closing price (weighted average price of last half an hour) on the respective tender day except on the expiry date.</p> <p>On Expiry: On expiry date, the delivery order rate or final settlement price shall be the Final Settlement Price. (FSP) and not the closing price.</p>
Taxes, Duties, Cess and Levies	At the time of delivery, the buyer has to pay GST in addition to Delivery Order Rate / FSP / Final Settlement Price.
Odd Lot Treatment	Not Applicable
Warehouse, Insurance and Transportation Charges etc.	<p>To be borne by the seller up to commodity pay-out date.</p> <p>To be borne by the buyer after commodity pay-out date.</p>
Buyer's option for lifting of Deliver	Buyer will not have any option about choosing the place of delivery and will have to accept the delivery as per allocation made by the ICCL.
Delivery Centre	<p>Ex-Warehouse at Thane district in Maharashtra.</p> <p>As per SEBI circular SEBI/HO/CDMRD/DMP/P/CIR/2021/551 dated April 16, 2021, the exchanges may accredit warehouses of a WSP within 100 kms radius of the delivery centers</p>
Additional delivery Centers	<ul style="list-style-type: none"> ➤ National Capital Region (NCR) ➤ Chennai district in Tamil Nadu ➤ Kolkata district in West Bengal ➤ As per SEBI circular SEBI/HO/CDMRD/DMP/P/CIR/2021/551 dated April 16, 2021, the exchanges may accredit warehouses of a WSP within 100 kms radius of the delivery centers.
Location Premium/ Discount at Additional Delivery Centre (s)	NIL (at par with primary delivery center)

Delivery of Goods	<p>Each delivery shall be in multiples of delivery lots and shall be designated for only one delivery center and one location in such center.</p> <p>The goods delivered through Collateral Management System should be valid as per contract specifications up to minimum 15 days' after the expiry of the contract from the ICCL approved quality certifying agency/s.</p> <p>Delivery once submitted cannot be withdrawn or cancelled or changed, unless so agreed by the ICCL. Goods tendered under delivery shall be in conformity with the contract specifications.</p>
Deliverable Grade of Underlying Commodity	<p>The selling members tendering delivery will have the option of delivering such grades as per the contract specifications. The buyer will not have any option to select a particular grade and the delivery offered by the seller and allocated by the ICCL shall be binding on him.</p>
Premium / Discount for additional deliverable grade (Rs. per Kg)	<p>Not Applicable</p>
Legal Obligation	<p>Every member delivering and receiving goods through Collateral Management System by way of delivery shall provide appropriate tax forms wherever required as per law and as customary.</p>
Extension of Delivery Period	<p>As per ICCL decision due to a force majeure or otherwise as it thinks fit in the interest of the market.</p>
Applicability of Regulations	<p>The general provisions of Byelaws, Rules and Regulations of the ICCL and decisions taken by SEBI/ the Board of Directors/ Relevant Authority of the ICCL in respect of matters specified in this document shall form an integral part of this contract. The ICCL or SEBI, as the case may be, may further prescribe additional measures relating to delivery procedures, warehousing, quality certification, margining, and risk management from time to time.</p> <p>Members and market participants who enter into buy and sell transactions on BSE need to be aware of all the factors that go into the mechanism of trading, clearing & settlement, as well as all provisions of the ICCL's Bye Laws, Rules, Regulations, circulars, directives, notifications of the ICCL as well as of the Regulators, Government and other authorities.</p> <p>It is the sole obligation and responsibility of the Members and market participants to ensure that apart from the approved quality standards stipulated by the BSE/ICCL, the commodity deposited / traded / delivered through the Approved warehouses of ICCL is in due compliance with the applicable regulations laid down by authorities like BIS, Warehousing Development and Regulatory Authority</p>



	<p>(WDRA),Orders under Packaging and Labelling etc., as also other State/Central laws and authorities issuing such regulations in this behalf from time to time, including but not limited to compliance of provisions and rates relating to Sales Tax/GST, Import/Customs Duty, APMC Tax, Mandi Tax, LBT, octroi, stamp duty, etc. as may become due & payable under any law, rules or regulations, applicable from time to time on the underlying commodity of any contract offered for deposit / trading / delivery and that BSE/ ICCL shall not be responsible or liable on account of any non-compliance thereof.</p> <p>All the Sellers giving delivery of goods and all the buyers taking delivery of goods shall have the necessary GST Registration as required under the Goods & Service Tax (GST) Act and obtain other necessary licenses, if any.</p> <p>In respect of all contracts executed by the Members on BSE, it shall be the responsibility of the respective members to pay all applicable statutory fee, stamp duty, taxes and levies in respect of all deliveries as well as futures contracts directly to the concerned Central/State/Local Government Departments and the BSE/ICCL shall not be held liable or accountable or responsible on account of any non-compliance thereof.</p> <p>The ICCL is not responsible and shall not be held liable or accountable or responsible for value of the goods/stock of the commodities stored/lying in ICCL designated warehouse/s, and which is fully/partially confiscated / seized by any local or statutory or any other authority for any reason whatsoever or for any deterioration in quality of the goods stored due to above reason or which have passed the Final Expiry date and continue to remain in the ICCL accredited warehouse. The decision of the ICCL shall be final and binding to all Members and their constituents in this regard. (The interpretation or clarification given by the ICCL on any terms of this delivery and settlement procedure shall be final and binding on the members and other market participants).</p>
--	--

➤ **Delivery and Settlement Procedure of Zinc Futures**

Delivery Logic	Compulsory Delivery
Tender Period (Staggered Delivery Period)	The tender period would be the last 5 trading days (including expiry day) of the contract.
Delivery Period	Last 5 trading days (including expiry day) of the contract and 1 working days after expiry of the contract.

Buyer's Delivery Intention	Buyer shall give intention of taking delivery on any tender day, during tender period, till 5.00 p.m. except Saturdays, Sundays and Trading Holiday.
Delivery Intention by Seller	The seller shall give intention of tendering delivery on any tender day, during tender period, till 5.00 p.m.
Dissemination of Information on Tendered Delivery by Seller and Buyer	BSE/ICCL will inform members through website regarding delivery intentions of the seller and buyer members by 05:30 PM on the respective tender days.
Tender Period Margin	5.00% incremental margin for last 5 trading days (including expiry day) of the contract on all outstanding positions. Such margin will be addition to initial, additional and special and/ or any other additional margin, if any
Delivery Period Margin	Delivery period margins shall be higher of: <ul style="list-style-type: none"> a. 3% + 5 day 99% VaR of spot price volatility Or b. 25%
Exemption from Tender and Delivery Period Margin	Tender & Delivery Period margin will be released on receipt of Commodity pay-in by Seller through Collateral Management System or any system prescribed by ICCL towards the pay-in obligation. However, ICCL shall continue to collect mark to market margins from Sellers
Delivery Pay-in of Commodities	<p>The seller will have to do the delivery pay-in through Collateral Management System by earmarking his existing valid commodity balance in the Collateral Management System towards the pay-in obligation.</p> <p>On Tender Days: On any tender days by 5:00 p.m. except Saturdays, Sundays and Public Holidays. Marking of delivery will be done on the tender days based on the intentions received from the sellers after the trading hours.</p> <p>On Expiry: On expiry all the open positions shall be marked for delivery. Delivery pay-in will be on Expiry Day + 1 basis by 11.00 a.m. except Saturdays, Sundays and Public Holidays.</p>
Funds Pay-in	Tender/Expiry Day +1 working day by 11.00 a.m

Funds Pay-out	Tender/Expiry Day +1 working day by 02.00 p.m
Delivery Pay-out of Commodities	Tender/Expiry Day +1 working day by 02.00 p.m.
Delivery Marking	<p>On the respective tender days after the end of the day.</p> <p>All outstanding long and short positions will be marked for delivery at the expiry of the contract.</p>
Penal Provision	<p>Seller Default:</p> <p>3% of Settlement Price + replacement cost (difference between settlement price and higher of the last spot prices on the commodity pay-out date and the following day, if the spot price so arrived is higher than Settlement Price, else this component will be zero.)</p> <p>Norms for apportionment of penalty –</p> <ul style="list-style-type: none"> ▪ At least 1.75% of Settlement Price shall be deposited in the Settlement Guarantee Fund (SGF) of the ICCL. ▪ Up to 0.25% of Settlement Price may be retained by the ICCL towards administration expenses. ▪ 1% of Settlement Price + replacement cost shall go to buyer who was entitled to receive delivery. <p>Over and above the prescribed penalty, ICCL shall take suitable penal/ disciplinary action against any intentional / willful delivery default by seller.</p> <p>Buyer default shall not be permitted. In the case of a default by a buyer, following penalties shall be levied by the ICCL:</p> <p>The ICCL shall review the loss incurred by the non-defaulting Party, i.e. Seller, at its sole discretion, and accordingly, levy penalty on the defaulting buyer. However, such penalty shall be within the overall cap of delivery margins collected by the ICCL from such defaulting buyer.</p>
Delivery Order Rate (DOR)	<p>On Staggered Delivery Tender Days:</p> <p>The delivery order rate (the rate at which delivery will be allocated) shall be the closing price (weighted average price of last half an hour) on the respective tender day except on the expiry date.</p> <p>On Expiry: On expiry date, the delivery order rate or final settlement price shall be the Final Settlement Price. (FSP) and not the closing price.</p>

Taxes, Duties, Cess and Levies	At the time of delivery, the buyer has to pay GST in addition to Delivery Order Rate / FSP / Final Settlement Price.
Odd Lot Treatment	Not Applicable
Warehouse, Insurance and Transportation Charges etc.	<ol style="list-style-type: none"> To be borne by the seller up to commodity pay-out date. To be borne by the buyer after commodity pay-out date.
Buyer's option for lifting of Deliver	Buyer will not have any option about choosing the place of delivery and will have to accept the delivery as per allocation made by the ICCL.
Delivery Centre	<p>Ex-Warehouse at Thane district in Maharashtra.</p> <p>As per SEBI circular SEBI/HO/CDMRD/DMP/P/CIR/2021/551 dated April 16, 2021, the exchanges may accredit warehouses of a WSP within 100 kms radius of the delivery centers</p>
Additional delivery Centers	<ol style="list-style-type: none"> Kolkata district in West Bengal National Capital Region (NCR) Chennai district in Tamil Nadu <p>As per SEBI circular SEBI/HO/CDMRD/DMP/P/CIR/2021/551 dated April 16, 2021, the exchanges may accredit warehouses of a WSP within 100 kms radius of the delivery centers.</p>
Location Premium/ Discount at Additional Delivery Centre (s)	NIL (at par with primary delivery center)
Delivery of Goods	<p>Each delivery shall be in multiples of delivery lots and shall be designated for only one delivery center and one location in such center.</p> <p>The goods delivered through Collateral Management System should be valid as per contract specifications up to minimum 15 days' after the expiry of the contract from the ICCL approved quality certifying agency/s.</p> <p>Delivery once submitted cannot be withdrawn or cancelled or changed, unless so agreed by the ICCL. Goods tendered under delivery shall be in conformity with the contract specifications.</p>
Deliverable Grade of Underlying Commodity	The selling members tendering delivery will have the option of delivering such grades as per the contract specifications. The buyer will not have any option to select a particular grade and the delivery offered by the seller and allocated by the ICCL shall be binding on him.



Premium / Discount for additional deliverable grade (Rs. per Kg)	Not Applicable
Legal Obligation	Every member delivering and receiving goods through Collateral Management System by way of delivery shall provide appropriate tax forms wherever required as per law and as customary.
Extension of Delivery Period	As per ICCL decision due to a force majeure or otherwise as it thinks fit in the interest of the market.
Applicability of Regulations	<p>The general provisions of Byelaws, Rules and Regulations of the ICCL and decisions taken by SEBI/ the Board of Directors/ Relevant Authority of the ICCL in respect of matters specified in this document shall form an integral part of this contract. The ICCL or SEBI, as the case may be, may further prescribe additional measures relating to delivery procedures, warehousing, quality certification, margining, and risk management from time to time.</p> <p>Members and market participants who enter into buy and sell transactions on BSE need to be aware of all the factors that go into the mechanism of trading, clearing & settlement, as well as all provisions of the ICCL's Bye Laws, Rules, Regulations, circulars, directives, notifications of the ICCL as well as of the Regulators, Government and other authorities.</p> <p>It is the sole obligation and responsibility of the Members and market participants to ensure that apart from the approved quality standards stipulated by the BSE/ICCL, the commodity deposited / traded / delivered through the Approved warehouses of ICCL is in due compliance with the applicable regulations laid down by authorities like BIS, Warehousing Development and Regulatory Authority (WDRA), Orders under Packaging and Labelling etc., as also other State/Central laws and authorities issuing such regulations in this behalf from time to time, including but not limited to compliance of provisions and rates relating to Sales Tax/GST, Import/Customs Duty, APMC Tax, Mandi Tax, LBT, octroi, stamp duty, etc. as may become due & payable under any law, rules or regulations, applicable from time to time on the underlying commodity of any contract offered for deposit / trading / delivery and that BSE/ ICCL shall not be responsible or liable on account of any non-compliance thereof.</p> <p>All the Sellers giving delivery of goods and all the buyers taking delivery of goods shall have the necessary GST Registration as required under the Goods & Service Tax (GST) Act and obtain other necessary licenses, if any.</p>



	<p>In respect of all contracts executed by the Members on BSE, it shall be the responsibility of the respective members to pay all applicable statutory fee, stamp duty, taxes and levies in respect of all deliveries as well as futures contracts directly to the concerned Central/State/Local Government Departments and the BSE/ICCL shall not be held liable or accountable or responsible on account of any non-compliance thereof.</p> <p>The ICCL is not responsible and shall not be held liable or accountable or responsible for value of the goods/stock of the commodities stored/lying in ICCL designated warehouse/s, and which is fully/partially confiscated / seized by any local or statutory or any other authority for any reason whatsoever or for any deterioration in quality of the goods stored due to above reason or which have passed the Final Expiry date and continue to remain in the ICCL accredited warehouse. The decision of the ICCL shall be final and binding to all Members and their constituents in this regard. (The interpretation or clarification given by the ICCL on any terms of this delivery and settlement procedure shall be final and binding on the members and other market participants).</p>
--	--

CHAPTER 9- WAREHOUSING OPERATIONS

Table of Contents

Sr. No	Subject	Reference Notice No.	Notice Date
➤	Procedure for Deposit & Delivery of Almond at ICCL Accredited Cold Storage	20220927-26	27 th Sep 2022
➤	Procedure for Deposit & Delivery of Copper Cathodes at ICCL Accredited Warehouse	20240328-11	28 th Mar 2024
➤	Procedure for Deposit & Delivery of Zinc Ingots at ICCL Accredited	20240328-11	28 th Mar 2024
➤	Procedure for Deposit & Delivery of Steel Billets at ICCL Accredited Warehouse and Details of Warehouse, Assayer & Other Charges	20230329-11	29 th Mar 2023
➤	Policy for Rejection of goods deposited by the depositors	20220317-79	17 th Mar 2022
➤	Guidelines for warehousing norms for agricultural/agri-processed goods and non-agricultural goods (only base/industrial metals) underlying a commodity derivatives contract having the feature of physical delivery.	20210419-51	19 th Apr 2021
➤	Guidelines for identification and selection of location as a delivery centre(s) for commodity derivatives contract	20200528-31	28 th May 2020
➤	Uniformity in the procedure for obtaining samples of goods at the Exchange accredited warehouses	20190213-38	13 th Feb 2019
➤	Opening of Repository Accounts with CDSL Commodity Repository Limited (CCRL) for generation of Exchange specific eNWR for settlement of delivery obligations.	20190213-43	13 th Feb 2019
➤	Know Your Depositor Policy	20190213-44	13 th Feb 2019
➤	Depositor Transaction Declaration (DTD)	20190213-44	13 th Feb 2019
➤	Accredited Warehouses / Vaults		
a.	Vault for Bullions	20180927-47	27 th Sep 2018
		20190228-15	28 th Feb 2019
		20190613-4	13 th Jun 2019
		20230901-1	01st Sep 2023
b.	Cold Storage for Almond (In Shell)	20220927-26	27 th Sep 2022



c.	Warehouse for Steel Billets, Copper & Zinc	20231201-20	01 st Dec 2023
d.	Warehouse for Copper & Zinc	20240124-22	24 th Jan 2024
		20240206-15	06 th Feb 2024
		20240321-1	21 st Mar 2024

Procedure for Deposit & Delivery of Almond at ICCL Accredited Cold Storage

In terms of the provisions of the Rules, Bye-Laws and Regulations of the Indian Clearing Corporation Ltd. (“ICCL”), Members / Participants are notified as under:

Members/ Participants, who desire to deposit/withdraw Almond i.e, Almond (In -Shell) at/from the ICCL Accredited Cold Storages for trading/ delivery on BSE platform are advised to adhere to the below mentioned procedure/conditions.

1. Procedure for Deposit request

Minimum 1 working days prior intimation by way of entry into CDSL Commodity Repository Ltd. (CCRL) system is mandatory for cold storage arrangements such as storage and sampling arrangements. Loading and unloading of goods will be undertaken on first come first serve basis. Deposit shall be accepted preferably in the working hours at the ICCL accredited cold storage. Similar time schedule shall be followed at the time of lifting the goods from accredited cold storage.

Depositor shall submit duly filled in Know Your Depositor (“KYD”) form & Depositor Transaction Declaration (“DTD”) form in the format prescribed by ICCL before depositing goods in the accredited cold storage and shall also ensure compliance with all the relevant laws/ regulations of the statutory authorities and best practices for depositing Almond (In -Shell) in the accredited cold storage.

Depositor shall ensure that commodities deposited are neither beyond FED (Final Expiry Date) nor rejected commodities from any other cold storage of ICCL or other clearing corporations.

Depositor shall ensure that Almond (In-shell) intended to be delivered on Exchange platform, should be deposited in cold storage, giving adequate time for arranging logistics services and completion of assaying and certification by the WSP and assayer

In addition to the above documents, following additional documents may be taken from the Depositor by the Warehouse Service Provider (WSP)-

- Certificate of Analysis (CoA) and/or Crackouts Certificate received from packers/ supplier California origin (Inhouse certificates/ USDA Certificate)
- Copy of Invoice/E-Way Bill
- Any other documents required by WSP.

2. Weight

Prior to deposit/delivery of the Almond (In -Shell) at/from the ICCL Accredited Cold Storages, the weight of the Almond (In -Shell) received and/ or delivered would be determined at the calibrated weighbridge/ weigh scale of the accredited cold storage. Entire weighment process will be monitored and supervised by the cold storage supervisor in the presence of depositor or representative of the depositor. The quantity so determined would be binding on all the parties.

3. Packaging

Almond (In -Shell) should be packed in High Density Polyethylene (HDPE)/ PP (Poly Propylene) bag size of 25 Kg and in merchantable condition with no spilling of contents and with the mouth of the bag stitched disallowing sweating / spilling. The bag should not be cut and torn. The packaging of the bag shall be done once and no re-stitched bag shall be allowed for deposit. Re-stitching of the bag is allowed only for the bags from which sample is drawn by the WSP/Assayer for sampling and testing of the commodity. Weight of the bag ideally should be 100 Gms for 25 Kg bags which shall be deducted from the gross weight of the bag. The net weight of the bag ideally should be 22.680 Kgs with tolerance of 2% in weight. Also, depositor shall ensure that each lot of commodity deposited should have same lot no. and same Certificate of Analysis (CoA) and/or Crackouts Certificate received from packers/ supplier.

Following should be stamped/ labelled on the bag:

1. Lot No.
2. Crop Year
3. Production Month and Year
4. Net Weight in KGS
5. Best Before/Expiry Date:
6. Supplier Name

4. Delivery Size

Delivery Unit	1000 Kgs
Quantity Variation* (Tolerance Limit)	+/- 2 % of total weight of each deliverable lot i.e. 1000 Kgs

* Tolerance limit i.e. quantity variation shall be considered on quantity delivered in the respective contract month.

* For calculation of net weight, bag weight and standard deduction shall be deducted from the gross weight.

5. Validity Period

- **Crop Year**

The validity period date shall be defined as per the crop conditions. Any deposit in the accredited cold storage on or after 20th September 2022 having new crop starting from August 2022 shall be considered for the season October 2022 – September 2023.

- The delivery of Almond on ICCL platform may take place according to the validity period matrix as illustrated in the table hereunder-

Months of Deposit / Date of entry & completion of assaying by cold storage (Oct 2022 - Sep 2023)*	Validity period at the time of fresh deposit (no. of months)	Final Expiry Date
October 2022	5	05 th March 2023
November 2022	5	05 th April 2023
December 2022	5	05 th May 2023
January 2023	5	05 th June 2023
February 2023	5	05 th July 2023
March 2023	5	05 th August 2023
April 2023	5	05 th September 2023
May 2023	5	05 th October 2023
June 2023	4	05 th October 2023
July 2023	3	05 th October 2023
August 2023	2	05 th October 2023
September 2023	1	05 th October 2023

*Month is defined as 20th of previous month to 19th of the current month as mentioned in the table above.

Minimum validity period of the quality certificate post expiry date of the contract in which the commodity has been tendered delivery will be 15 days. No revalidation activity shall be undertaken for the expired certificates of Almond (In -Shell).

The stocks of Almond (In -Shell) deposited in the ICCL Accredited Cold Storages shall necessarily be removed after the Final Expiry Date (FED) as indicated above.

C. Treatment of Almond (In Shell) deposited in view of modification in quality specification based on count size

- I. For October 2022 contract, quality specification of count size is not compulsory. In case quality specification does not meet count size for any deposit in the accredited cold storage on or after 20th September 2022, the Final Expiry Date should be 05th November 2022.
- II. For November 2022 and onward contracts, quality specification of count size is compulsory. Hence, any deposit in the accredited cold storage on or after 20th September 2022 meeting all quality specifications including count size should have validity period as illustrated in point no.5 (B).

6. Standard Deduction -

Standard Deduction shall be 0.20 % for every fresh deposit for quantity of samples, spillage loss etc. which shall be deducted before recording of weight on warehouse/cold storage receipt.

7. Sampling and Analysis process at the time of deposit

On receipt of the Almond (In -Shell) at the cold storage, minimum 5 no. of the bags or 5 % of bags, whichever is higher, randomly selected from each assaying lot will be cut open and visually checked for presence of any foreign materials like stones, sticks, stained shells, any plastic material or any substance which is not directly related to the commodity being sampled.

Sampling lot would be 1 MT.

- A)** Any live infestation found at the sampling will lead to rejection of the stock.
 - B)** Almond (In-Shell) shall be soft shell, light colour, high suture opening, and nut shall be medium, flat shape, smooth surface.
 - C)** It shall be free from rancidity.
 - D)** Two kernels found in one shell shall not be more than 5% in any lot.
 - E)** Serious damage in the kernel shall not be more than 2 %.
 - F)** Foreign Matter shall not be more than 1%
 - G)** Moisture shall not be more than 5.5 %.
1. Acidity of extracted fat expressed as oleic Acid shall not be more than 1.25%.

In case of Crackouts , Certificate of Analysis (CoA)/ Crackouts certificate received from packer/supplier California origin (Inhouse certificates/ USDA Certificate), contains average crackouts less than 68%, the same consignment shall be rejected on the spot.

In case, Certificate of Analysis (CoA)/ Crackouts certificate not received from the packer Blue Diamond, WSP may take confirmation from the depositor regarding crack outs and quality of the stock .

The composite mixture will be divided into 4 parts and distributed as under:

- G.** One sample for Analysis by Assayer
- H.** One sample to Warehouse Service Provider for comparison purpose
- I.** One sample to Depositor
- J.** One sample for record/lab reference purpose

Samples shall be sealed in the presence of the depositor or his authorized representative. The quality certificate issued by the WSP shall be as per the quality specification announced by Exchange from time to time and the same shall be final and binding on the seller/depositor and the WSP.

Labor arrangement shall be made by the cold storage for loading/ unloading and other associate work for which charges shall be payable directly to the cold storage (as per prevailing market rates), i.e. seller/depositor will have to pay for unloading and buyer/ lifter will have to pay for loading.

The WSP shall get associated with an assayer (from the panel of Assayers empaneled by the ICCL) based on which the quality testing and certification will be undertaken for which Assayer shall issue quality report. The Assayer appointed by the WSP for all purposes shall be the agent of WSP and WSP shall be solely liable for results of the Assayer Report.

In case goods deposited for quality assaying do not conform to the quality specifications as per the contract specifications, the seller/depositor shall not have a choice to get the lot retested and the test report based on the samples drawn shall be acceptable and binding on all parties. In such case, the seller/depositor has to take out the goods immediately from the cold storage.

Explanation: It is clarified that quality certification of the lot is based on the sample/s taken from some minimum no. of bags and the depositor shall be liable for ensuring that the entire lot of Almond (In-Shell) is of homogenous quality as that of the sampled Almond (In-Shell). In this regard, the WSP may at its discretion, to protect its own interest, obtain an undertaking / indemnity to this effect from the depositor.

8. **Variety** - Almond In -Shell Non Pareil imported from California.

9. **Grade Matrix** - The Grade Matrix for Premium/Discount of Almond (In-Shell) Crackouts are as follows--



Crackouts	Premium/Discount %	Premium (P)/Discount (D)
Below 68	Rejected	Rejected
68.00	-2.86	D
68.10	-2.72	D
68.20	-2.58	D
68.30	-2.43	D
68.40	-2.29	D
68.50	-2.15	D
68.60	-2.01	D
68.70	-1.86	D
68.80	-1.72	D
68.90	-1.58	D
69.00	-1.43	D
69.10	-1.29	D
69.20	-1.15	D
69.30	-1.01	D
69.40	-0.86	D
69.50	-0.72	D
69.60	-0.58	D
69.70	-0.43	D
69.80	-0.29	D
69.90	-0.15	D
70.00	0.00	P
70.10	0.15	P
70.20	0.29	P
70.30	0.43	P
70.40	0.58	P
70.50	0.72	P
70.60	0.86	P
70.70	1.00	P
70.80	1.15	P
70.90	1.29	P
71.00	1.43	P
71.10	1.58	P
71.20	1.72	P
71.30	1.86	P
71.40	2.00	P
71.50	2.15	P
71.60	2.29	P
71.70	2.43	P

71.80	2.58	P
71.90	2.72	P
72.00	2.86	P
72.10	3.00	P
72.20	3.15	P
72.30	3.29	P
72.40	3.43	P
72.50	3.58	P
72.60	3.72	P
72.70	3.86	P
72.80	4.00	P
72.90	4.15	P
73.00	4.29	P
Above 73.00	4.29	P

10. **Outbound quality tolerance:**

The outbound quality tolerance limit is applicable only for outbound deliveries. Variation in quality parameters within the prescribed tolerance limit will be treated as good delivery during the lifting of goods from accredited cold storages. Following quality tolerance shall be treated as good delivery:

Tolerance Limits for Outbound Deliveries for Almond (In -Shell)

Specification	Tolerance/variation permitted
Crackouts	-0.50
Moisture	+/-1.0
Serious Damage	+ 0.10
Foreign Matter	+0.10

11. **Physical inspection of stock in possession**

Members/ Participants holding goods in the cold storage are entitled to undertake physical inspection of said goods. Request for such physical inspection would have to be submitted to ICCL and ICCL after verification of such requests shall forward the same to the concerned WSP for allowing such inspection. During physical inspection, the Member/ Participants or his authorized representative/s (Maximum 2 personnel) is/are not

permitted to draw samples, photographs/ videos or carry any such hazardous material which may cause damage to the goods inside the cold storage.

12. Resampling Method, Quality Analysis, Retesting & Certification

In case, the Member/ Participants who purchased Almond i.e, Almond (In-Shell) on the Exchange platform and seek to lift the Almond (In -Shell) from the cold storage do not agree to the quality report as to the quality of the commodity, Member/ Participants shall request the ICCL within 5 working days from the date of commodity pay out, for resampling and retesting. Sampling will be done as per process defined for sampling at the time of deposit. Such Almond (In -Shell) should not have crossed the final expiry date (FED) as mentioned on the quality certificate and lying in the ICCL accredited cold storage. ICCL shall entertain complaint on quality or quantity of the commodity for which participant has traded on BSE platform for settlement through ICCL mechanism and only if the complaint is made within the prescribed timelines as specified above.

Member/ Participants have a choice to select Assayer from the empaneled Assayers as specified by ICCL from time to time. Member/ Participants in such case shall make a request for retesting to ICCL which in-turn shall be forwarded to the concerned WSP. The Member / Participants shall indicate the preferable date and time of visit to the cold storage for retesting of the stock along with the prescribed form. Once a request for retesting is carried out, then the same goods will necessarily have to be lifted and cannot be rendered in subsequent settlements.

The following documents shall be required to be submitted to the WSP on the date of the cold storage visit.

1. Original Retesting Request Form
2. Proof of holding the commodity balance in the Repository Account
3. Original Authorization letter in favor of representative along with copy of ID proof.
4. Original withdrawal request form duly approved by the Repository Participants or withdrawal request reference number generated through Repository system, if applicable

The assayer selected by the Member/ Participants in consultation with the ICCL and WSP shall complete the process of retesting and submit a retesting report within 7 working days. Such reports shall be shared with all the concerned parties. The process of retesting includes drawing & collection of samples by the assayer from cold storage, retesting and submission of report. In order to ensure that tests are exactly comparable and that the results are consistent, the assayer shall determine the particular analytical test by applying the test methods as agreed or prescribed / communicated by ICCL from time to time.

If the said quality report results are not found in accordance to the quality specifications as prescribed by ICCL from time to time (after considering the outbound tolerance limits), the Member/ Participants within 3 working days; shall submit their claim in writing by giving details such as lot numbers, quantity and the parameters under which inconsistencies are observed. The basis of claim, if any shall be the value arrived on the basis of nearest closing spot price declared by Exchange on the claim submission business day. ICCL shall give its decision on the claim filed by the buyer / stockholder which shall be binding on the parties including WSP. In case ICCL determines

that a delivery does not constitute a good delivery, the concerned Warehouse Services Provider shall be liable to resolve / compensate the buyer / stockholder for the quality difference or substitute good delivery within 7 working days from the date of the decision of ICCL. The concerned Warehouse Services Provider shall be liable for giving good delivery (quality and quantity) / compensation in accordance with the contract specifications issued by the BSE/ ICCL from time to time.

The parties whoever request for the resampling, retesting and certification shall bear all professional fees of assayer, including incidental costs, weight shortage and expenses related to sampling, testing certification, etc. In case, the retesting results indicate negative variance from the original certificate (after considering outbound tolerance limits), then the aforesaid retesting cost shall be borne by the WSP.

The Member / Participants, whoever wishes to seek private sampling and testing arrangements may request the WSP under their mutual private arrangement under their mutual terms and conditions. In such a case, the said goods shall be treated as outside the scope of ICCL platform. Meaning thereby, said goods can neither be tendered for delivery on Exchange platform nor any further complaints and claims shall be entertained by the ICCL/Exchange. Also, for such activity the beneficiary holder needs to complete the withdrawal formality from repository and after such activity is completed, they need to withdraw of the commodity out of the warehouse.

13. Withdrawal of Commodity from Warehouse

The holder of goods shall request for withdrawal of goods from warehouse to the WSP through CDSL Commodity Repository Ltd. ("CCRL") system. Once it is approved by the Repository Participants, the goods will not be eligible for the delivery on the Exchange platform and Client has to withdraw the goods from the warehouse within the timeline given in the request after submission of the authority letter and identity proof. The holder of goods shall confirm date and time with warehouse service provider before placing vehicle at warehouses for withdrawal of commodity.

14. Storage after Validity Period

The depositor/ buyer can take out the Almond (In -Shell) from the cold storage on or before final expiry date (FED). After the FED, the goods in the ICCL Accredited Cold Storages shall necessarily be removed. Storage of goods in ICCL accredited cold storage(s) after the specified final expiry date (FED) is not permitted and therefore the Members/Participants shall ensure that the goods whose final expiry date is over, are removed from the concerned cold storage immediately, but not later than 3 months from the date of the specified FED. Accordingly, Members/Participants involved in such deposits shall solely remain liable/ responsible for such deposits ICCL shall not be responsible in any manner whatsoever for those goods which have crossed the FED. Members/ Participants are advised to become familiar with relevant circular/ provisions/ guidelines of ICCL which are in force from time to time and undertake suitable due diligence.

15. General Conditions

In addition to the above procedure, ICCL may prescribe from time to time, further additional procedures and requirements for determining disputed deliveries or defective deliveries, and measures, procedures and system of resolving the dispute or defect in deliveries or of consequences of such deliveries or the resolution which shall be final and binding on all the parties concerned.

Members and Market Participants who enter into buy and sell transactions need to be aware of all the factors that go into the mechanism of trading and clearing, as well as all provisions of the BSE/ICCL Bye Laws, Rules, Regulations, circulars, directives, and notifications of BSE/ICCL as well as of the Regulators, Government and other authorities which are in force from time to time and refer the same before initiating delivery on ICCL platform and take informed decision accordingly

It is the sole obligation and responsibility of the Members and market participants to ensure that apart from the approved quality standards stipulated by the Exchange, the goods deposited / traded / delivered through the accredited warehouses of ICCL is in due compliance with the applicable regulations laid down by authorities like Food Safety Standard Authority of India , BIS, Orders under Packaging and Labelling etc., as also other State/Central laws and authorities issuing such regulations in this behalf from time to time including but not limited to compliance of provisions and rates relating to GST, Tax, stamp duty, market cess etc. as may become due & payable under any law, rules or regulations, applicable from time to time on the underlying commodity of any contract offered for deposit / trading / delivery and BSE/ICCL shall not be responsible or liable on account of any non-compliance thereof.

All the sellers giving delivery of goods/ commodities and all the buyers taking delivery of goods/ commodities shall have the necessary GST Registration as required under the Goods & Service Tax (GST) Act and obtain other necessary licenses, if any.

WSP can hold the Physical withdrawal of the goods in case of non-payment of storage charges/ any outstanding by client.

ICCL shall entertain complaint on quality or quantity of the goods received only through settlement of trades through Exchange mechanism and only if the claim is made within 3 working days from the date of issuance of report of retesting by the Assayers, failing which, no claim shall be entertained by ICCL. However, WSP shall remain responsible for the stocks received through settlement of trade through Exchange Mechanism until FED of the goods.

For the goods that have been deposited at ICCL Accredited Cold Storages, but not delivered through settlement mechanism of ICCL, ICCL shall not be responsible for quality and quantity of the goods. However, WSP shall continue to be liable for such goods that have not been delivered through settlement mechanism of ICCL. WSP shall remain responsible for all its obligations under various State and Central Laws governing the operation of



Warehouses/Cold Storages and shall be solely responsible to the owners of stocks as reflected in the storage receipt issued by the Warehouse/Cold Storage/WSP or the Statement issued by the Repository or the Electronic Warehouses Receipts issued by the Repository.

ICCL shall not be responsible and shall not be held liable or accountable or responsible for value of the goods /stock of the commodities stored/lying in ICCL designated warehouse/s, and which is fully/partially confiscated / seized by any local or statutory or any other authority for any reason whatsoever or for any deterioration in quality of the goods stored due to above reason or which have passed the Final Expiry Date and continue to remain in ICCL accredited warehouse.

All Members & their respective constituents/ depositors, Warehouse Service Providers and Assayers are requested to take note of the same.

Details of Cold Storage, Assayer & Charges

Name of WSP	M/s Saastha Warehousing Ltd
Name of Cold Storage	M/s Saastha Warehousing Ltd
Cold Storage Address	At-Bhingar, Post-Ajiwali, Tal-Panvel, Raigad, 410206 Maharashtra,
Delivery Centre	Navi Mumbai
Name of Commodity*	Almond
Contact Person / Contact No.	Mr.Nilu. G. Sharma
	9619920104
E-Mail	sharma@saasthawarehousing.com ; operations@saasthawarehousing.com
Storage Charges ***	Rs.70 per MT per day
Insurance Charges	Included in Storage Charges
Quality Certifying Agency	National Bulk Handling Corporation Pvt. Ltd.- PROCOM
Quality Certificate Charges **	Rs. 850/- per lot of 1 MT
*The commodity would be Almond In -Shell Non Pareil imported from California	
** Monthly billing Cycle (GST extra at the applicable rate).	
*** GST extra at the applicable rate	
The cold storage is WDRA Registered.	

Procedure for Deposit & Delivery of Copper Cathodes at ICCL Accredited Warehouse

In terms of the provisions of the Rules, Byelaws and Regulations of the Indian Clearing Corporation Ltd. (“ICCL”), Members/Participants are notified as under:

Members/ Participants, who desire to deposit/withdraw Copper Cathodes at/from the ICCL Accredited Warehouse (IAW) for trading/ delivery on BSE platform are advised to adhere to the below mentioned procedure/conditions.

1. Procedure for Deposit request

Minimum 1 working days prior intimation to Warehouse Service Provider (WSP) is required for deposit of goods at the warehouse. The depositors/participants shall take the goods to the warehouse as per the schedule after confirmation with the respective WSP, to ensure availability of storage space and unloading arrangements at the warehouse. Loading and unloading of goods will be undertaken on first come first serve basis. Deposit shall be accepted preferably in the working hours at the ICCL accredited Warehouse. Similar time schedule shall be followed at the time of lifting the goods from the accredited warehouse.

Depositor shall submit duly filled in Know Your Depositor (“KYD”) form & Depositor Transaction Declaration (“DTD”) form in the format prescribed by ICCL before depositing goods in the accredited warehouse and shall also ensure compliance with all the relevant laws/ regulations of the statutory authorities and best practices for depositing Copper Cathodes in the accredited warehouse.

Depositor shall ensure that commodities deposited are not rejected from any other accredited warehouse of ICCL or other clearing corporations.

Depositor shall ensure that Copper Cathodes intended to be delivered on Exchange platform, should be deposited in warehouse, giving adequate time for arranging logistics services. The copper which is intended for commodity Pay-In should preferably be deposited at least 2 working days prior to the expiry of the contract.

Only London Metal Exchange (LME) approved brands (including Indian producers’ brands approved by LME) of Copper Cathodes as per the list specified by LME at the time of deposit or any other Copper producer brand as approved by BSE will be accepted for deposit by the depositor/seller at the ICCL accredited warehouses. It should be Grade A Copper and must conform to the chemical composition to one of the following standards:

- BS EN 1978:1998 (cathode grade designation Cu-CATH-1).
- GB/T 467-2010 (high purity Copper Cathode (Cu-CATH-1)).
- ASTM B115-10 (cathode Grade 1)

In case LME/ICCL delists a particular brand of Copper Cathodes, the same shall not be acceptable.

All valid deposits shall be credited by WSP into the electronic system provided by ICCL in multiples of 2500 Kgs, subject to the acceptable tolerance limits. The electronic holdings in Copper Cathodes shall be eligible for delivery in the Copper contracts. Member shall ensure that appropriate electronic records in multiples of deliverable lots are earmarked for 'pay-in' while initiating pay-in through the electronic system provided by ICCL.

The Copper Cathodes should be accompanied by the following documents –

- Copy of Certificate of Analysis (CoA) of the producer containing details like Brand name of the associated lots, Producer's name, Batch No & certificate date.
- Copy of Invoice with all deposits/eWay bill.
- Copy of Certificate of Origin any of Custom clearance documents in case of Imported Goods.
- Packing list containing net weight, batch no, No.of units in bundles / lot.
- Any other documents required by WSP.

2. Size/Shape and Weight of Copper Cathodes

- Copper Cathodes deposited at ICCL Accredited warehouse shall be in the shape of uncut full plate cathodes.
- Cathode should carry the producer's sticker reflecting Producer name, Net Weight, Batch No, Purity, Number of Pieces of Cathodes in bundle & date of Manufacturing.

Cathode bundles where the batch details of the lot are mentioned manually by indelible ink shall not be accepted.

- The weight of the Copper Cathodes received and/ or delivered would be considered as per the weight mentioned in packing list. WSP shall have the right to check all the bundles at the warehouse on weigh scale. In case the weight of Copper Cathodes bundle as per the weighment by weighing scale is found lesser than the weight declared in the packing list after factoring in the allowable weight tolerance, the lesser of both the weights shall be considered as final weight.

Allowable weigh scale tolerance is 400 gm/MT.

- Once weighed at the warehouse, if the bundle weight variation compared to the packing list/label is more than +/- 1.5% of the delivery lot size/2500 Kgs the same shall not be accepted.

3. Physical Verification at the time of deposit by WSP

- Copper Cathodes should come with intact original packing with certificate of analysis.
- The Warehouse/WSP must keep a record of all seals by number and date cross reference to each Lot.
- All markings on packaging and information on supporting documentation required for depositing Copper at warehouse shall be as per LME standards/Norms.
- Warehouse/WSP will not undertake assaying of the metal and will undertake only visual inspection of the metal along with the supporting documentation.

Further, if:

- the metal or the supporting documentation is in any way not provided by depositor or found inconsistent, or
- Cathodes are not found physically sound and free of harmful defects such as segregation, cracks, inclusions or visible contamination of metal, or
- there is any sign of broken or visibly corroded strapping on the Cathodes in any bundle, or
- there is inconsistency in branding of metal (for instance, non-LME brands or different LME brands have been visibly mixed within a bundle);

then the WSP shall call upon any such information from the depositor for acceptance of Copper Cathodes and the Warehouse/WSP may not issue receipt until any such shortcoming has been addressed by the depositor.

- WSP at its sole discretion may reject /insist on replacement of such deliverable lot, if the goods are found inconsistent/faulty.

4. Delivery Size

Delivery Unit	2500 Kgs (Net Weight of Metal)
Quantity Variation for Lot (Tolerance Limit)	+/- 10 % of total weight of each deliverable lot i.e. 2500 Kgs

5. Outbound quality & quantity tolerance

The outbound quality & quantity tolerance limit is applicable only for outbound deliveries. Variation in quality and weight parameters within the prescribed tolerance limit will be treated as good delivery during the lifting of goods from accredited warehouses. Following tolerances shall be treated as good delivery:

Outbound Parameters	Allowable Tolerance / Variation permitted
Quality	10 ppm
Weight	+/- 400 gm/MT

6. Physical inspection of stock in possession by Members/ Participants

Members/ Participants holding goods in the warehouse are entitled to undertake physical inspection of said goods. Request for such physical inspection would have to be submitted to ICCL and ICCL after verification of such requests shall forward the same to the concerned WSP for allowing such inspection. During physical inspection, the Member/ Participants or his authorized representative/s (Maximum 2 personnel) is/are not permitted to draw samples, photographs/ videos or carry any such hazardous material which may cause damage to the goods inside the warehouse.

7. Re-sampling Method, Quality Analysis, Re-testing & Certification

In case, the Member/ Participants who purchased Copper Cathodes on the Exchange platform and seek to lift the goods from the warehouse do not agree to the quality report as specified in the Original Certificate of Analysis (CoA) of the Goods, Member/ Participants shall request the ICCL within 5 working days from the date of commodity pay out, for resampling and retesting without lifting the Cathodes from the warehouse. Such Copper Cathodes should not have crossed the final expiry date (FED) as defined in the electronic receipts/quality certificate. ICCL shall entertain a complaint on quality or quantity of the commodity for which participant has traded on BSE platform for settlement through ICCL mechanism and only if the complaint is made within the prescribed timelines as specified above.

Members/ Participants have a choice to select an Assayer from the empanelled Assayers as specified by ICCL from time to time. Member/ Participants in such case shall make a request for retesting to ICCL which in-turn shall be forwarded to the concerned WSP. The Member / Participants shall indicate the preferable date and time of visit to the warehouse for retesting of the stock along with the prescribed form. Once a request for retesting is carried out, then the same goods will necessarily have to be lifted and cannot be retendered in subsequent settlements.

The following documents shall be required to be submitted to the WSP on the date of the warehouse visit.

1. Original Retesting Request Form
2. Proof of holding the commodity balance.
3. Original Authorization letter in favor of representative along with copy of ID proof.
4. Original Delivery Order (Goods withdrawal request) duly signed and stamped by the Member/ Participants

At least 2 random samples shall be drawn from each of the bundles/drums of the deliverable lot weighing around 100 Gms each (or as per requirement of Assayer for testing by Instrumental/Chemical method). First Sample shall be Assayer's sample and the second sample shall be Reference sample.

The assayer shall complete the process of retesting and submit a retesting report basis the composite observation of the samples analyzed within 5 working days from the date of sampling. Such reports shall be shared with all the concerned parties and shall be binding on both buyer & Seller Clearing Member of the said lot.

If the said quality report results are not found in accordance to the quality specifications as prescribed by ICCL from time to time (after considering the outbound tolerance limits), the Member/ Participants within 3 working days; shall submit their claim in writing by giving details such as lot numbers, quantity and the parameters under which inconsistencies are observed. The basis of claim, if any shall be the value arrived on the basis of nearest closing spot price declared by Exchange on the claim submission business day. ICCL shall give its decision on the claim filed by the buyer / stockholder which shall be binding on the parties. In case ICCL determines that a delivery does not constitute a good delivery, the Seller Clearing Member shall be liable to resolve / compensate the buyer / stock holder for the quality difference or substitute good delivery within 7 working days from the date of the decision of ICCL. The Seller Clearing Member shall be liable for giving good delivery (quality and quantity) / compensation in accordance with the contract specifications as prescribed by the Exchange from time to time.

Buyer requesting for retesting and certification shall bear all professional fees of assayer, including incidental costs, weight shortage and expenses related to retesting certification, etc. in case the retesting assaying report is in line with the Certificate of Analysis deposited with the material. In case, the retesting results indicate negative variance from the original certificate (after considering outbound tolerance limits), then the aforesaid retesting cost shall be borne by the Seller Clearing Member.

8. Withdrawal of goods from the warehouse

The depositor/ buyer can withdraw the Copper Cathodes from the warehouse on or before final expiry date (FED), if any, after submission of the authority letter and identity proof. After the FED, the goods in the ICCL Accredited warehouse shall necessarily be removed. Storage of goods in ICCL accredited warehouse after the specified final expiry date (FED) is not permitted and therefore the Members/Participants shall ensure that the goods whose final expiry date is over, are removed from the concerned warehouse immediately, but not later than 3 months from the date of the specified FED. Accordingly, Members/Participants involved in such deposits shall solely remain liable/ responsible for such deposits. ICCL shall not be responsible in any manner whatsoever for those goods which have crossed the FED. Members/ Participants are advised to become familiar with relevant circular/ provisions/ guidelines of ICCL which are in force from time to time and undertake suitable due diligence.

The Member / Participants, whoever wishes to seek private testing & certification arrangements may request the WSP under their mutual private arrangement under their mutual terms and conditions. In such a case, the said goods shall be treated as outside the scope of BSE/ICCL These goods can then neither be tendered for delivery nor shall any further complaints and claims be entertained by the BSE/ ICCL

9. General Conditions

In addition to the above procedure, ICCL may prescribe from time to time, further additional procedures and requirements for determining disputed deliveries or defective deliveries, and measures, procedures and system of resolving the dispute or defect in deliveries or of consequences of such deliveries or the resolution which shall be final and binding on all the parties concerned.

Members and Market Participants who enter into buy and sell transactions need to be aware of all the factors that go into the mechanism of trading and clearing, as well as all provisions of the BSE/ICCL Bye Laws, Rules, Regulations, circulars, directives, and notifications of BSE/ICCL as well as of the Regulators, Government and other authorities which are in force from time to time and refer the same before initiating delivery on ICCL platform and take informed decision accordingly.

It is the sole obligation and responsibility of the Members and market participants to ensure that apart from the approved quality standards stipulated by the Exchange, the goods deposited / traded / delivered through the accredited warehouses of ICCL is in due compliance with the applicable regulations laid down by authorities like Food Safety Standard Authority of India , BIS, Orders under Packaging and Labelling etc., as also other State/Central laws and authorities issuing such regulations in this behalf from time to time including but not limited to compliance of provisions and rates relating to GST, Tax, stamp duty, market cess, mandi fees etc. as may become due & payable under any law, rules or regulations, applicable from time to time on the underlying commodity of any contract offered for deposit / trading / delivery and BSE/ICCL shall not be responsible or liable on account of any non-compliance thereof.

All the sellers giving delivery of goods/ commodities and all the buyers taking delivery of goods/ commodities shall have the necessary GST Registration as required under the Goods & Service Tax (GST) Act and obtain other necessary licenses, if any.

In respect of all contracts executed by the Members of BSE/ICCL, it shall be the responsibility of the Trading Member/Clearing Member to pay all applicable statutory fee, stamp duty, taxes and levies in respect of all deliveries as well as futures contracts directly to the concerned Central/State/Local Government Departments. BSE/ICCL shall not be held liable or accountable or responsible on account of any non-compliance thereof.

ICCL shall entertain complaint on quality or quantity of the goods received only through settlement of trades through Exchange mechanism and only if the claim is made within 3 working days from the date of issuance of report of retesting by the Assayers, failing which, no claim shall be entertained by ICCL. However, WSP shall remain responsible for the stocks received through settlement of trade through Exchange Mechanism until FED of the goods.

For the goods that have been deposited at IAW, but not delivered through settlement Mechanism of ICCL, ICCL shall not be responsible for quality and quantity of the goods. However, WSP shall continue to be liable for such goods that have not been delivered through the settlement mechanism of ICCL. WSP shall remain responsible for all its obligations under various State and Central Laws governing the operation of Warehouses and shall be solely responsible to the owners of stocks as reflected in the storage receipt issued by the Warehouse/WSP or the Statement issued by the Repository, or the Electronic Warehouses Receipts issued by the Repository.

ICCL shall not be responsible and shall not be held liable or accountable or responsible for value of the goods /stock of the commodities stored/lying in ICCL designated warehouse/s, and which is fully/partially confiscated / seized by any local or statutory or any other authority for any reason whatsoever or for any deterioration in quality of the goods stored due to above reason or which have passed the Final Expiry Date and continue to remain in ICCL accredited warehouse.

All Members & their respective constituents/ depositors, Warehouse Service Providers and Assayers are requested to take note of the same.

Procedure for Deposit & Delivery of Zinc Ingots at ICCL Accredited

In terms of the provisions of the Rules, Byelaws and Regulations of the Indian Clearing Corporation Ltd. ("ICCL"), Members/Participants are notified as under:

Members/ Participants, who desire to deposit/withdraw Zinc Ingots at/from the ICCL Accredited Warehouse (IAW) for trading/ delivery on BSE platform are advised to adhere to the below mentioned procedure/conditions.

1. Procedure for Deposit request

Minimum 1 working days prior intimation to Warehouse Service Provider (WSP) is required for deposit of goods at the warehouse. The depositors/participants shall take the goods to the warehouse as per the schedule after confirmation with the respective WSP, to ensure availability of storage space and unloading arrangements at the warehouse. Loading and unloading of goods will be undertaken on first come first serve basis. Deposit shall be accepted preferably in the working hours at the ICCL accredited Warehouse. Similar time schedule shall be followed at the time of lifting the goods from the accredited warehouse.

Depositor shall submit duly filled in Know Your Depositor ("KYD") form & Depositor Transaction Declaration ("DTD") form in the format prescribed by ICCL before depositing goods in the accredited warehouse and shall also ensure compliance with all the relevant laws/ regulations of the statutory authorities and best practices for depositing Zinc Ingots in the accredited warehouse.

Depositor shall ensure that commodities deposited are not rejected from any other accredited warehouse of ICCL or other clearing corporations.

Depositor shall ensure that Zinc Ingots intended to be delivered on Exchange platform, should be deposited in warehouse, giving adequate time for arranging logistics services. The Zinc Ingots which is intended for commodity Pay-In should preferably be deposited at least 2 working days prior to the expiry of the contract.

Only London Metal Exchange (LME) approved brands (including Indian producer's brands approved by LME) of Zinc Ingots as per the list specified by LME at the time of deposit or any other Primary Zinc producer brands as approved by BSE will be accepted for deposit by the depositor/seller at the ICCL accredited warehouses. It should be special high-grade zinc of 99.995% purity (minimum) must conform to the chemical composition of one of the following standards:

- I. BS EN 1179:2003 - 99.995% grade
- II. ISO 752:2004 - ZN-1 grade
- III. ASTM B6-12 - LME grade
- IV. GB/T 470-2008 - Zn99.995 grade

Ingot bundles should carry the producer's sticker reflecting manufacturing details. Alternatively, material having batch detail of the lot printed with laser / Stencil shall also be accepted. The batch Number on labels/sticker is minimum requirement and it should match with the batch number on the CoA.

In case LME/ICCL delists a particular brand of Zinc Ingots, the same shall not be acceptable.

Each bundle of the deliverable lot of 5 MT Zinc Ingots should be of same Brand.

The Zinc Ingot bundles should be accompanied by the following documents –

1. Copy of Certificate of Analysis (CoA) of the producer containing details like Brand name of the associated lots, Producer's name, Batch No & certificate date.
2. Copy of Invoice with all deposits/eWay bill.
3. Certificate of Origin and any of Custom clearance documents in case of Imported Goods.
4. Packing list
5. Any other documents required by WSP.

2. Size and Weight of Zinc Ingots

- a) Zinc Ingots deposited at ICCL Accredited warehouse shall not weigh more than 30 Kgs
- b) The weight of the Zinc Ingots received and/ or delivered would be considered as per the weight mentioned in packing list. WSP shall have the right to check all the bundles at the warehouse on weigh scale. In case the weight of Ingots bundles as per the weighment by weighing scale is found lesser than the weight declared in the packing list after factoring in the allowable weight tolerance, the lesser of both the weights shall be considered as final weight. Allowable weigh scale tolerance is 400 gm/MT.
- c) Once weighed at the warehouse, if the bundle weight variation compared to the packing list/label is more than +/- 1.0% of the bundle size/1000 Kgs the same shall not be accepted.

3. Physical Verification at the time of deposit by WSP

- a) Zinc Ingot bundles should come with intact original packing with certificate of analysis.
- b) Warehouse/WSP will not undertake assaying of the metal and will undertake only visual inspection of the metal along with the supporting documentation.
Further, if:
 - I. the metal or the supporting documentation is in any way not provided by depositor or found inconsistent, or
 - II. Zinc Ingots are not found physically sound and free of harmful defects such as segregation, piping, cracks, inclusions or visible contamination of metal, or

- III. there is any sign of broken or visibly corroded strapping on the Ingots in any bundle, or
- IV. there is inconsistency in branding of metal (for instance, non-LME brands or different LME brands have been visibly mixed within a bundle/lot);

then the WSP shall call upon any such information from the depositor for acceptance of Zinc Ingots bundles and the Warehouse/WSP may not issue receipt until any such shortcoming has been addressed by the depositor.

- c) WSP at its sole discretion may reject /insist on replacement of such deliverable lot, if the goods are found inconsistent/faulty.

4. Delivery Size

Delivery Unit	5 MT (Net Weight of Metal)
Quantity Variation (Tolerance Limit)	+/- 10.00 % weight per lot of 1 MT

5. Outbound quality & quantity tolerance

The outbound quality & quantity tolerance limit is applicable only for outbound deliveries. Variation in quality and weight parameters within the prescribed tolerance limit will be treated as good delivery during the lifting of goods from accredited warehouses. Following tolerances shall be treated as good delivery:

Outbound Parameters	Allowable Tolerance / Variation permitted
Quality	10 ppm
Weight	+/- 400 gm/MT

6. Physical inspection of stock in possession by Members/ Participants

Members/ Participants holding goods in the warehouse are entitled to undertake physical inspection of said goods. Request for such physical inspection would have to be submitted to ICCL and ICCL after verification of such requests shall forward the same to the concerned WSP for allowing such inspection. During physical inspection, the Member/ Participants or his authorized representative/s (Maximum 2 personnel) is/are not permitted to draw samples, photographs/ videos or carry any such hazardous material which may cause damage to the goods inside the warehouse.

7. Re-sampling Method, Quality Analysis, Re-testing & Certification

In case, the Member/ Participants who purchased Zinc Ingots on the Exchange platform and seek to lift the goods from the warehouse do not agree to the quality report as specified in the Original Certificate of Analysis (CoA) of the Goods, Member/ Participants shall request the ICCL within 5 working days from the date of commodity pay out, for resampling and retesting without lifting the Cathodes from the warehouse. Such Zinc Ingots should not have crossed the final expiry date (FED) as defined in the electronic receipts/quality certificate. ICCL shall entertain a complaint on quality or quantity of the commodity for which participant has traded on BSE platform for settlement through ICCL mechanism and only if the complaint is made within the prescribed timelines as specified above.

Members/ Participants have a choice to select an Assayer from the empaneled Assayers as specified by ICCL from time to time. Member/ Participants in such case shall make a request for retesting to ICCL which in-turn shall be forwarded to the concerned WSP. The Member / Participants shall indicate the preferable date and time of visit to the warehouse for retesting of the stock along with the prescribed form. Once a request for retesting is carried out, then the same goods will necessarily have to be lifted and cannot be retendered in subsequent settlements.

The following documents shall be required to be submitted to the WSP on the date of the warehouse visit.

5. Original Retesting Request Form
6. Proof of holding the commodity balance.
7. Original Authorization letter in favor of representative along with copy of ID proof.
8. Original Delivery Order (Goods withdrawal request) duly signed and stamped by the Member/ Participants

At least 2 random samples shall be drawn from each of the 5 bundles of the deliverable lot weighing around 100 Gms each (or as per requirement of Assayer for testing by Instrumental/Chemical method). First Sample shall be Assayer's sample and the second sample shall be Reference sample.

The assayer shall complete the process of retesting and submit a retesting report basis the composite observation of the samples analyzed within 5 working days from the date of sampling. Such reports shall be shared with all the concerned parties and shall be binding on both buyer & Seller Clearing Member of the said lot.

If the said quality report results are not found in accordance to the quality specifications as prescribed by ICCL from time to time (after considering the outbound tolerance limits), the Member/ Participants within 3 working days; shall submit their claim in writing by giving details such as lot numbers, quantity and the parameters

under which inconsistencies are observed. The basis of claim, if any shall be the value arrived on the basis of nearest closing spot price declared by Exchange on the claim submission business day. ICCL shall give its decision on the claim filed by the buyer / stockholder which shall be binding on the parties. In case ICCL determines that a delivery does not constitute a good delivery, the Seller Clearing Member shall be liable to resolve / compensate the buyer / stock holder for the quality difference or substitute good delivery within 7 working days from the date of the decision of ICCL. The Seller Clearing Member shall be liable for giving good delivery (quality and quantity) / compensation in accordance with the contract specifications as prescribed by the Exchange from time to time.

Buyer requesting for retesting and certification shall bear all professional fees of assayer, including incidental costs, weight shortage and expenses related to retesting certification, etc. in case the retesting assaying report is in line with the Certificate of Analysis deposited with the material. In case, the retesting results indicate negative variance from the original certificate (after considering outbound tolerance limits), then the aforesaid retesting cost shall be borne by the Seller Clearing Member.

8. Withdrawal of goods from the warehouse

The depositor/ buyer can withdraw the Zinc from the warehouse on or before final expiry date (FED), if any, after submission of the authority letter and identity proof. After the FED, the goods in the ICCL Accredited warehouse shall necessarily be removed. Storage of goods in ICCL accredited warehouse after the specified final expiry date (FED) is not permitted and therefore the Members/Participants shall ensure that the goods whose final expiry date is over, are removed from the concerned warehouse immediately, but not later than 3 months from the date of the specified FED. Accordingly, Members/Participants involved in such deposits shall solely remain liable/responsible for such deposits. ICCL shall not be responsible in any manner whatsoever for those goods which have crossed the FED. Members/ Participants are advised to become familiar with relevant circular/ provisions/ guidelines of ICCL which are in force from time to time and undertake suitable due diligence.

The Member / Participants, whoever wishes to seek private testing & certification arrangements may request the WSP under their mutual private arrangement under their mutual terms and conditions. In such a case, the said goods shall be treated as outside the scope of BSE/ICCL These goods can then neither be tendered for delivery nor shall any further complaints and claims be entertained by the BSE/ ICCL.

9. General Conditions

In addition to the above procedure, ICCL may prescribe from time to time, further additional procedures and requirements for determining disputed deliveries or defective deliveries, and measures, procedures and system of resolving the dispute or defect in deliveries or of consequences of such deliveries or the resolution which shall be final and binding on all the parties concerned.

Members and Market Participants who enter into buy and sell transactions need to be aware of all the factors that go into the mechanism of trading and clearing, as well as all provisions of the BSE/ICCL Bye Laws, Rules, Regulations, circulars, directives, and notifications of BSE/ICCL as well as of the Regulators, Government and other

authorities which are in force from time to time and refer the same before initiating delivery on ICCL platform and take informed decision accordingly.

It is the sole obligation and responsibility of the Members and market participants to ensure that apart from the approved quality standards stipulated by the Exchange, the goods deposited / traded / delivered through the accredited warehouses of ICCL is in due compliance with the applicable regulations laid down by authorities like Food Safety Standard Authority of India , BIS, Orders under Packaging and Labelling etc., as also other State/Central laws and authorities issuing such regulations in this behalf from time to time including but not limited to compliance of provisions and rates relating to GST, Tax, stamp duty, market cess, mandi fees etc. as may become due & payable under any law, rules or regulations, applicable from time to time on the underlying commodity of any contract offered for deposit / trading / delivery and BSE/ICCL shall not be responsible or liable on account of any non-compliance thereof.

All the sellers giving delivery of goods/ commodities and all the buyers taking delivery of goods/ commodities shall have the necessary GST Registration as required under the Goods & Service Tax (GST) Act and obtain other necessary licenses, if any.

In respect of all contracts executed by the Members of BSE/ICCL, it shall be the responsibility of the Trading Member/Clearing Member to pay all applicable statutory fee, stamp duty, taxes and levies in respect of all deliveries as well as futures contracts directly to the concerned Central/State/Local Government Departments. BSE/ICCL shall not be held liable or accountable or responsible on account of any non-compliance thereof.

ICCL shall entertain complaint on quality or quantity of the goods received only through settlement of trades through Exchange mechanism and only if the claim is made within 3 working days from the date of issuance of report of retesting by the Assayers, failing which, no claim shall be entertained by ICCL. However, WSP shall remain responsible for the stocks received through settlement of trade through Exchange Mechanism until FED of the goods.

For the goods that have been deposited at IAW, but not delivered through settlement Mechanism of ICCL, ICCL shall not be responsible for quality and quantity of the goods. However, WSP shall continue to be liable for such goods that have not been delivered through settlement mechanism of ICCL. WSP shall remain responsible for all its obligations under various State and Central Laws governing the operation of Warehouses and shall be solely responsible to the owners of stocks as reflected in the storage receipt issued by the Warehouse/WSP or the Statement issued by the Repository, or the Electronic Warehouses Receipts issued by the Repository.

ICCL shall not be responsible and shall not be held liable or accountable or responsible for value of the goods /stock of the commodities stored/lying in ICCL designated warehouse/s, and which is fully/partially confiscated / seized by any local or statutory or any other authority for any reason whatsoever or for any deterioration in quality



of the goods stored due to above reason or which have passed the Final Expiry Date and continue to remain in ICCL accredited warehouse.

All Members & their respective constituents/ depositors, Warehouse Service Providers and Assayers are requested to take note of the same.

Procedure for Deposit & Delivery of Steel Billets at ICCL Accredited Warehouse and Details of Warehouse, Assayer & Other Charges

In terms of the provisions of the Rules, Byelaws and Regulations of the Indian Clearing Corporation Ltd. ("ICCL"), Members/Participants are notified as under:

Members/ Participants, who desire to deposit/withdraw Steel Billets at/from the ICCL Accredited Warehouse for trading/ delivery on BSE platform are advised to adhere to the below mentioned procedure/conditions.

a. Procedure for Deposit request

Minimum 1 working days prior intimation to Warehouse Service Provider (WSP) is required for deposit of goods at the warehouse. The depositors/participants shall take the goods to the warehouse as per the schedule after confirmation with the respective WSP, to ensure availability of storage space and unloading arrangements at the warehouse. Loading and Unloading of goods will be undertaken on first come first serve basis. Deposit shall be accepted preferably in the working hours at the ICCL accredited Warehouse. Similar time schedule shall be followed at the time of lifting the goods from the accredited warehouse.

Depositor shall submit duly filled in Know Your Depositor ("KYD") form & Depositor Transaction Declaration ("DTD") form in the format prescribed by ICCL before depositing goods in the accredited warehouse and shall also ensure compliance with all the relevant laws/ regulations of the statutory authorities and best practices for depositing Steel Billets in the accredited warehouse.

Depositor shall ensure that commodities deposited are neither beyond FED (Final Expiry Date) nor rejected commodities from any other warehouse of ICCL or other clearing corporations.

Depositor shall ensure that Steel Billets intended to be delivered on Exchange platform, should be deposited in warehouse, giving adequate time for arranging logistics services and completion of assaying and certification by the WSP and assayer. The Steel Billets being deposited must conform to BIS 2830:2012 Standard for Carbon Steel Grade A (With Designation of C15 OR C18 OR C20) for Re-Rolling into General Structural Purpose. The Billets must be free of harmful elements.

In addition to the above documents, following additional documents may be taken from the Depositor by the Warehouse Service Provider (WSP)-

- Original Mill Test Certificate from a BIS license/certified plant/factory.
- Copy of Invoice/E-Way Bill
- BIS License/Certificate copy of factory/mill/plant.
- Any other documents required by WSP.

b. Weight

Prior to deposit/delivery of the warehouse at/from the ICCL Accredited warehouse, the weight of the Steel Billets received and/ or delivered would be determined at the calibrated weighbridge of the accredited warehouse. Entire weighment process will be monitored and supervised by the warehouse supervisor in the presence of depositor or representative of the depositor. The quantity so determined would be binding on all the parties.

The depositor is advised to bring the truck/lorry in 10 MT (1 deliverable lot) or in multiple of delivery lot of 10 MT.

The net weight for every delivery unit shall be 10MT with acceptable quantity variation of +/-5%.

c. Size & Length:

Steel Billets delivered at ICCL accredited warehouse shall have following specification with respect to size and length:

Size	100*100 MM, Also deliverable 120/130 / 150 MM
Length	6 MTR +/- 150 MM Also, Deliverable in 9 MTR +/- 150 MM & 12 MTR +/- 150 MM

d. Marking

Each piece of Steel Billets deposited in the ICCL Accredited warehouse shall be marked with heat no./cast no. individually and accompanied with original mill test certificate from a BIS license/certified plant/factory. The heat no./cast no. should be clearly visible on each and every piece of Steel Billets and should match with the heat no./cast no. mentioned on the original mill test certificate. Heat no. /cast no. should be mentioned on each Steel Billets through uniform legible mark (permanent marker or embossed).

Warehouse shall reject the goods if any mismatch found between heat no./cast no. mentioned in the original mill test certificate and the heat no./cast no. mentioned on Steel Billets.

e. Delivery Size

Delivery Unit	10 MT
Quantity Variation* (Tolerance Limit)	+/- 5 % of total weight of each deliverable lot i.e 10 MT

* Tolerance limit i.e. quantity variation shall be considered on quantity delivered in the respective contract month.

* For calculation of net weight, standard deduction shall be deducted from the gross weight.

f. Validity Period

The delivery of Steel Billets on ICCL platform may take place according to the validity period matrix as illustrated in the table hereunder-

Months of Deposit / Date of entry at warehouse (Aug 2022 -July 2023)	Validity period at the time of fresh deposit (no. of months)	Final Expiry Date
August 2022	12	15 th August 2023
September 2022	12	15 th September 2023
October 2022	12	15 th October 2023
November 2022	12	15 th November 2023
December 2022	12	15 th December 2023
January 2023	12	15 th January 2024
February 2023	12	15 th February 2024
March 2023	12	15 th March 2024
April 2023	12	15 th April 2024
May 2023	12	15 th May 2024

June 2023	12	15 th June 2024
July 2023	12	15 th July 2024

*Month is defined as 01st of current month to 30/31st of the current month as mentioned in the table above.

Minimum validity period of the quality certificate post expiry date of the contract in which the commodity has been tendered delivery will be 15 days. No revalidation activity shall be undertaken for the expired certificates of Steel Billets

The stocks of Steel Billets deposited in the ICCL Accredited Warehouse shall necessarily be removed after the Final Expiry Date (FED).

g. Standard Deduction

Standard Deduction shall be 2 Kgs from each heat no./cast no. for every fresh deposit for quantity of samples, sample cutting/melting loss etc. which shall be deducted before recording of weight on warehouse receipt.

h. Sampling and Analysis process at the time of deposit

A. Sampling

On receipt of the goods at the warehouse, sample of one steel billets per heat/cast shall randomly selected for assaying. If needed, additional Steel Billets may also be selected for sampling, quality analysis/ verification as deemed fit. All such cut Steel Billets shall be considered for issuance of electronic receipt and shall form part and parcel of the deliverable lot. Thereafter, with the help of a drilling machine, gas cutter or a manual cutter, sample of steel billets from each heat no./cast no. would be taken for lab analysis. Samples shall be sealed properly in the presence of the depositor or his authorized representative and being sent to assayer for analysis. WSP will not part with the original mill test certificate to the buyers. The warehouse would be responsible for putting identification marks on the lot/heat of Billets from which samples are drawn for purpose of further identification.

These collected samples will be divided equally into 4 parts and distributed as under:

- K.** One sample for Analysis by Assayer
- L.** One sample to Warehouse Service Provider for comparison purpose
- M.** One sample to Depositor
- N.** One sample for record/lab reference purpose

B. Physical Verification of goods

Warehouse/assayer will visually check approximate size and length of the Steel Billets. The Steel billets will be inspected physically to check cracks, surface flaws, harmful and appreciable hollowness, piping and rising, inclusion & blow holes. Heat No./Cast no. mentioned on Steel Billets will be validated with the original mill test certificate. The mill test certificates will be checked for Carbon, Sulphur, Phosphorus and Manganese content and it should be as per Exchange quality specification.

C. Quality Analysis

The quality certificate issued by the Assayer shall be as per the quality specification announced by Exchange from time to time and the same shall be final and binding on the seller/depositor and the WSP. However, it would be the prime responsibility of seller/depositor as well as the BIS approved/certified plant/factory to deposit material in accordance with the BIS 2830.

Labor arrangement shall be made by the warehouse for loading/ unloading and other associate work. Labor/Crane and handling charges shall be payable directly to the labor/crane operator, i.e. seller/depositor will have to pay for unloading and buyer/ lifter will have to pay for loading.

The WSP shall get associated with an assayer (from the panel of Assayers empanelled by the ICCL) based on which the quality testing and certification will be undertaken for which Assayer shall issue quality report. While the tests for Carbon, Phosphorus, Sulphur and Manganese would be carried out by the assayer engaged by the WSP, other parameters shall be checked by the WSP/assayer by physical inspection at the time of deposit or after deposit. The tests for Carbon, Phosphorus, Sulphur and Manganese shall be done through spectrometer. Based on the test reports, the WSP shall mention the goods as Accepted/Rejected in the electronic system provided by ICCL.

It may take minimum 2 working days for completion of sampling and quality analysis after deposit of goods in the warehouse and completion of other deposit formalities.

Other tests if any, prescribed by the BIS authorities or other departments from time to time which may or may not be mutually agreed between the buyer/seller will not be undertaken at the time of deposit. Warehouse Service Provider will only be held accountable for the tests conducted at the time of deposits.

It is the sole responsibility of the BIS approved/certified plant/factory to manufacture goods in line to BIS 2830. As BIS norms prescribed clearly that the manufacturer will be held liable for any deviation in quality from the prescribed BIS specification.

In case goods deposited for quality assaying do not conform to the quality specifications as per the contract specifications, the seller/depositor shall not have a choice to get the lot retested and the test report based on the samples drawn shall be acceptable and binding on all parties. In such case, the seller/depositor has to take out the goods immediately from the warehouse but not later than 10 working days from the date of the

rejection. Also, if any single lot of 10 MT contains multiple heat no./cast no. and if any heat no/cast no. does not meet the quality specification, the total single lot of 10 MT will be rejected.

Explanation: It is clarified that quality certification of the lot is based on the sample/s taken from one steel billets of every heat no./cast no. selected randomly. Hence, the depositor shall be liable for ensuring that every lot of steel billet having single heat no./cast no. is of homogenous quality as that of the sampled Steel Billets. In this regard, the WSP may at its discretion, to protect its own interest, obtain an undertaking / indemnity to this effect from the depositor.

i. Physical inspection of stock in possession

Members/ Participants holding goods in the warehouse are entitled to undertake physical inspection of said goods. Request for such physical inspection would have to be submitted to ICCL and ICCL after verification of such requests shall forward the same to the concerned WSP for allowing such inspection. During physical inspection, the Member/ Participants or his authorized representative/s (Maximum 2 personnel) is/are not permitted to draw samples, photographs/ videos or carry any such hazardous material which may cause damage to the goods inside the warehouse.

j. Re-sampling Method, Quality Analysis, Re-testing & Certification

In case, the Member/ Participants who purchased Steel Billets on the Exchange platform and seek to lift the Steel Billets from the warehouse do not agree to the quality report as to the quality of the commodity, Member/ Participants shall request the ICCL within 5 working days from the date of commodity pay out, for resampling and retesting. Sampling will be done as per process defined for sampling at the time of deposit. Such Steel Billets should not have crossed the final expiry date (FED) as mentioned on the quality certificate and lying in the ICCL accredited warehouse. ICCL shall entertain complaint on quality or quantity of the commodity for which participant has traded on BSE platform for settlement through ICCL mechanism and only if the complaint is made within the prescribed timelines as specified above.

Member/ Participants have a choice to select Assayer from the empaneled Assayers as specified by ICCL from time to time. Member/ Participants in such case shall make a request for retesting to ICCL which in-turn shall be forwarded to the concerned WSP. The Member / Participants shall indicate the preferable date and time of visit to the warehouse for retesting of the stock along with the prescribed form. Once a request for retesting is carried out, then the same goods will necessarily have to be lifted and cannot be retendered in subsequent settlements.

The following documents shall be required to be submitted to the WSP on the date of the warehouse visit.

- 5.** Original Retesting Request Form
- 6.** Proof of holding the commodity balance.
- 7.** Original Authorization letter in favor of representative along with copy of ID proof.

8. Original Delivery Order (Goods withdrawal request) duly signed and stamped by the Member/ Participants

The assayer selected by the Member/ Participants in consultation with the ICCL and WSP shall complete the process of retesting and submit a retesting report within 7 working days. Such reports shall be shared with all the concerned parties. The process of retesting includes drawing & collection of samples by the assayer from warehouse, retesting and submission of report. In order to ensure that tests are exactly comparable and that the results are consistent, the assayer shall determine the particular analytical test by applying the test methods as agreed or prescribed / communicated by ICCL from time to time.

If the said quality report results are not found in accordance to the quality specifications as prescribed by ICCL from time to time (after considering the outbound tolerance limits, if any), the Member/ Participants within 3 working days; shall submit their claim in writing by giving details such as lot numbers, quantity and the parameters under which inconsistencies are observed. The basis of claim, if any shall be the value arrived on the basis of nearest closing spot price declared by Exchange on the claim submission business day. ICCL shall give its decision on the claim filed by the buyer / stockholder which shall be binding on the parties including WSP. In case ICCL determines that a delivery does not constitute a good delivery, the concerned Warehouse Services Provider shall be liable to resolve / compensate the buyer / stockholder for the quality difference or substitute good delivery within 7 working days from the date of the decision of ICCL. The concerned WSP shall be liable for giving good delivery (quality and quantity) / compensation in accordance with the contract specifications issued by the BSE/ ICCL from time to time. However, WSP will only be held accountable for the tests conducted at the time of deposits.

The parties whoever request for the resampling, retesting and certification shall bear all professional fees of assayer, including incidental costs, weight shortage and expenses related to sampling, testing certification, etc. In case, the retesting results indicate negative variance from the original certificate (after considering outbound tolerance limits, if any), then the aforesaid retesting cost shall be borne by the WSP.

k. Withdrawal of goods from the warehouse

The depositor/ buyer can take out the Steel Billets from the warehouse on or before final expiry date (FED). After the FED, the goods in the ICCL Accredited warehouse shall necessarily be removed. Storage of goods in ICCL accredited warehouse after the specified final expiry date (FED) is not permitted and therefore the Members/Participants shall ensure that the goods whose final expiry date is over, are removed from the concerned warehouse immediately, but not later than 3 months from the date of the specified FED. Accordingly, Members/Participants involved in such deposits shall solely remain liable/ responsible for such deposits ICCL shall not be responsible in any manner whatsoever for those goods which have crossed the FED. Members/ Participants are advised to become familiar with relevant circular/ provisions/ guidelines of ICCL which are in force from time to time and undertake suitable due diligence.



I. General Conditions

In addition to the above procedure, ICCL may prescribe from time to time, further additional procedures, and requirements for determining disputed deliveries or defective deliveries, and measures, procedures and system of resolving the dispute or defect in deliveries or of consequences of such deliveries or the resolution which shall be final and binding on all the parties concerned.

It is reiterated that all market participants who desire to give or take delivery of Steel Billets are advised to become familiar with relevant circular/provisions/guidelines of ICCL which are in force from time to time and refer the same before initiating delivery on ICCL and take informed decision accordingly.

ICCL shall entertain complaint on quality or quantity of the goods received only through settlement of trades through Exchange mechanism and only if the claim is made within 3 working days from the date of issuance of report of retesting by the Assayers, failing which, no claim shall be entertained by ICCL. However, WSP shall remain responsible for the stocks received through settlement of trade through Exchange Mechanism until FED of the goods.

All Members & their respective constituents/ depositors, Warehouse Service Providers and Assayers are requested to take note of the same.

Sub: Policy for Rejection of goods deposited by the depositors

Attention of the members is drawn to SEBI circular No. SEBI/HO/CDMRD/DMP/P/CIR/2021/551 dated April 16, 2021, Members of the Commodity Segment are requested to kindly refer Policy for Rejection of goods deposited by the depositors as under:

Indian Clearing Corporation Ltd (ICCL) shall identify the depositors repetitively depositing goods that are substandard, in the following manner:

- ICCL will decide the minimum quantity threshold per depositor beyond which the rejections would be monitored at the beginning of each month for the previous month.
- If the rejection percentage for such deposit is higher than a threshold percentage of the total deposits by the concerned depositor during the same month, then an alert would be generated for such depositor.
- This analysis would be done for a particular Financial Year.

Based on the assessment as above, the following action shall be initiated against the concerned depositor/s

- On the first instance, a depositor name appears based on above criteria the concerned depositor shall be issued a Caution letter and the same shall be shared with all the WSPs.
- Upon a second instance, the depositor shall be issued a Warning letter inter-alia notifying that any further repeat instances would warrant suspension of deposits.
- In case of a third instance, the depositor shall not be allowed to deposit any commodity in any of the approved warehouses for a period of one month after due notice and all the WSPs shall be advised accordingly.
- In case of further repeated instances in the same financial year, action as per '(iii)' above shall be taken.

In addition to above, ICCL may also take any other action as may be deemed fit.

All Members and their respective constituents are requested to take note of the same.

Guidelines for warehousing norms for agricultural/agri-processed goods and non-agricultural goods (only base/industrial metals) underlying a commodity derivatives contract having the feature of physical delivery

SEBI has issued circular no. SEBI/HO/CDMRD/DMP/P/CIR/2021/551 dated April 16, 2021 regarding “Guidelines for warehousing norms for agricultural/agri-processed goods and non-agricultural goods (only base/industrial metals) underlying a commodity derivatives contract having the feature of physical delivery”. The said SEBI circular is attached as Annexure for ready reference.

All Members and their constituents are requested to take note of the same.

SEBI/HO/CDMRD/DMP/P/CIR/2021/551

April 16, 2021

**The Managing Directors / Chief Executive Officers,
All Recognized Stock Exchanges and Clearing Corporations having commodity derivatives segment**

Dear Sir / Madam,

Sub: Guidelines for warehousing norms for agricultural/agri-processed goods and non-agricultural goods (only base/industrial metals) underlying a commodity derivatives contract having the feature of physical delivery

8. Warehousing or Storage infrastructure and its ancillary services play a critical role in the delivery mechanism of the Commodity Derivatives Market. A robust and credible warehousing infrastructure is sine qua non for an effective Commodity Derivatives Market that can inspire confidence amongst the market participants and other stakeholders. With this objective, Regulation 43A of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (“SECC Regulations”) provides, inter-alia, that every recognized Clearing Corporation (*hereinafter referred to as “CCs”*) providing clearing and settlement services for commodity derivatives shall ensure guarantee for settlement of trades including good delivery. To fulfil this obligation, it is imperative on the part of the Clearing Corporations to ensure that their accredited storage facilities exercise due diligence for safety and quality of the goods deposited with them for the purpose of delivery on exchange platform.
9. It is, therefore, incumbent upon the Clearing Corporations to put in place a comprehensive framework of norms for adherence by the Warehouse Service Providers (*hereinafter referred to as “WSP/s”*), assayers and other allied service providers engaged by them for ensuring good delivery as mandated under the SECC Regulations.
10. At the outset, it is clarified that the norms prescribed in this Circular are the minimum requirements/standards which the Clearing Corporation will set out for compliance by its accredited WSPs and assayers and are to be complied with in conjunction with the applicable norms laid down by Warehousing Development and Regulatory

Authority (WDRA) or any other government authority overseeing the warehousing or storage infrastructure and its ancillary services for the respective goods.

11. The Clearing Corporations are at liberty to prescribe additional norms/guidelines for compliance by their accredited WSPs, warehouses and assayers, if they deem so fit, for ensuring good delivery of commodities by them. However, it must be ensured by the Clearing Corporations that such additional norms specified are not in contravention with the provisions of this Circular.
12. The Clearing Corporations shall put in place necessary arrangements for ensuring compliance with the provisions of Regulation 43A of SECC Regulations. Further, the Clearing Corporations shall have necessary arrangements to ensure that in the event of bankruptcy or insolvency of the WSP or other such contingency, there must be no restrictions placed upon owners/depositors of the commodity desiring to take possession of their individually identified commodity and remove it from the accredited Warehouse(s).
13. On the basis of various observations, inputs/feedback received during visits to different warehouses, meetings held with the WSPs, stock exchanges, Clearing Corporations and other stakeholders, it has been decided that in supersession of the earlier norms issued vide SEBI Circular no. [SEBI/HO/CDMRD/DMP/CIR/P/2016/103](#) dated September 27, 2016, SEBI Circular no. [SEBI/HO/CDMRD/DMP/CIR/P/2018/136](#) dated October 16, 2018 and SEBI Circular no. [SEBI/HO/CDMRD/DNPMP/CIR/P/2019/29](#) dated February 11, 2019 the Clearing Corporations shall frame guidelines in accordance with the revised norms as specified in the **Annexure**.
14. With this Circular, there will be uniformity in requirements for agricultural and agri-processed commodities and base/industrial metals, ease of doing business, rationalised regulatory compliance costs etc.
15. The norms laid down in this Circular shall come into effect from **June 01, 2021**.
16. The stock exchanges and Clearing Corporations are advised to: bring the provisions of this Circular to the notice of the members of the Exchange/Clearing Corporations and also to disseminate the same on their website.
 - 9.1 communicate the status of the implementation of the provisions of this Circular in the Monthly Development Reports to SEBI.
 - 9.2 to make necessary amendments to the relevant bye-laws, rules and regulations.
17. This Circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.
18. This circular is available on SEBI website at www.sebi.gov.in under the category "Circulars" and "Info for Commodity Derivatives".

Yours faithfully,

Naveen Sharma
General Manager
Division of Market Policy



ANNEXURE

1. Accreditation of Warehouse Service Provider (WSP)

- 1.1. For accreditation of WSPs, the Clearing Corporation shall publish open advertisements in leading newspapers and/or put up the same on their website and follow transparent selection process thereafter. The selection process to be followed for such accreditation shall be displayed on the website of the Clearing Corporation before the process begins. The Clearing Corporation shall ensure that the applications of the WSPs are processed within a stipulated time frame.

Note: For the purpose of this Circular, a WSP is an entity which provides a storage facility for storing underlying goods related to a commodity derivatives contract.

- 1.2. The Clearing Corporation shall ensure that the WSP had obtained the required registrations of the proposed storage facility from WDRA for commodities notified by WDRA and for other commodities under applicable law/s and the same shall be intimated by it to the Clearing Corporation prior to providing the storage services to the Clearing Corporation.

For the purpose of this Circular, Storage Facility, depending on the nature of the commodity, may include warehouses, silos, cold storages, sheds, tanks, pipelines, marine vessels, open storage areas, or other forms of storage as appropriate to a physically deliverable good for settlement of commodity derivatives contracts traded on recognised stock exchanges.

- 1.3. The accreditation of the WSPs shall be done with the approval of the relevant Committee of the Board of the Clearing Corporation in terms of the SECC Regulations, 2018.
- 1.4. A WSP can be accredited with more than one Clearing Corporation. In such case, the Clearing Corporation shall not mandate that its WSP cannot provide services to other Clearing Corporations.
- 1.5. A storage facility of a WSP may be utilized by more than one Clearing Corporation with proper segregation, demarcation and putting in place appropriate risk management procedures. However, the same storage facility shall not be utilized by more than one Clearing Corporation for the same commodity

- 1.6. The accreditation of a WSP shall remain valid until:

1.6.1. it is surrendered by the WSP and accepted by the Clearing Corporation; or

1.6.2. cancelled by the Clearing Corporation.

2. Eligibility and Experience of WSP / Promoters / Promoter Group of WSP

2.1. A WSP shall be a body corporate which is in warehousing business.

2.2. The Promoters / Promoter Groups of the WSP should be responsible persons / entities of repute with a good business reputation and credibility.

2.3. The Promoters / Promoter Groups of the WSP should be in the business of public warehousing for at least 3 years as on the date of their application and have knowledge of, and experience in, generally accepted warehousing and handling practices for commodities for which they propose to provide their services.

2.4. However, the Clearing Corporation in its discretion, may relax the norm of 3 years stated in Para 2.3 above, provided that the WSP or its promoter/promoter group:

2.4.1. Meets all other criteria

2.4.2. Submit an undertaking that they shall comply with any additional norm that may be specified by the Clearing Corporations within the time frame as may be specified by the Clearing Corporations or meet 3 years' criterion whichever is earlier.

- WSP / Promoters / Promoter Group of WSP shall have no record of serious violation of law of land including that of laws governing warehousing / securities markets; or being expelled by any Clearing Corporation/stock exchange in last three years. The Clearing Corporation can take an appropriate undertaking from the WSP in this regard.

3. Financial Soundness of the WSP

3.1. Share Capital

3.1.1. The Clearing Corporation shall ensure that an accredited WSP shall have subscribed and paid-up share capital of at least ₹ 10 crores.

3.2. Net-worth

3.2.1. An accredited WSP shall meet the following net-worth criteria: -

Table 1: Net worth Requirement

	Type of Goods	Number of Goods	Minimum net worth
A	Agricultural / Agri-processed	1	₹ 10 crores
		More than 1	₹ 25 crores
B	Base / Industrial Metals	1	₹ 10 crores
		More than 1	₹ 25 crores
C	Composite*	NA	₹ 50 crores
<i>*Composite means combination of A and B</i>			

3.2.2. In case of reduction in net worth of WSPs below the stipulated requirement, a time period of six months may be allowed to the WSPs to augment the net worth. In the event the WSP is unable to augment the net worth to the requisite level within the allowed time frame, the Clearing Corporations shall ensure that WSP does not carry out any new business related to commodity derivatives market. The Clearing Corporation shall take suitable measures, which are disclosed on its website for public information, with respect to the existing goods handled by such WSP.

3.2.3. The value of the goods stored in the accredited storage facilities of WSP shall not, at any point of time, exceed 33 times the net worth of the WSP, irrespective of the number of Clearing Corporations being served by the WSP. The Clearing Corporations shall obtain suitable information from the WSPs in this regard.

3.2.4. The net worth of the WSP shall be calculated in the following manner.

"the aggregate value of paid up equity share capital plus free reserves (excluding statutory funds, benefit funds and reserves created out of revaluation) reduced by the investments in businesses, whether related or unrelated, aggregate value of accumulated losses and deferred expenditure not written off, including miscellaneous expenses not written off."

3.2.5. The Clearing Corporation shall ensure that the WSPs submit the following documents to them:

- 3.2.5.1. the unaudited quarterly financial statements for all the quarters of a financial year, within 45 calendar days.
- 3.2.5.2. unaudited net worth certificate duly certified by the statutory auditor of the WSP, on half yearly basis i.e. at the end of every March and September, within 45 calendar days.
- 3.2.5.3. the audited Annual Financial Statements along with audited net worth certificate to the Clearing Corporation within six months of the end of Financial Year.

3.3. Security Deposit (SD)

3.3.1. The Clearing Corporation shall ensure that the accredited WSP has furnished a refundable security deposit wherein:

- 3.3.1.1. Such security deposit shall be a minimum amount of `50 lakhs.
- 3.3.1.2. Such security deposit shall be in the form of Cash / Bank Fixed Deposits / Bank Guarantee.

3.3.2. Security deposit shall not be released until six months after cancellation or surrender of the accreditation of the WSP or until after satisfaction of every claim against the deposit, whichever is later.

3.4. Financial Security Deposits (FSD)

3.4.1. The WSP shall furnish refundable FSD for all goods on incremental basis in addition to the security deposit as under: -

Table 2: FSD Requirement

Type of Goods	Value of Goods stored	Minimum FSD
Agricultural/Agriprocessed	Up to ₹250 crores	2% of the aggregate value of stored commodities
	Between ₹ 250 crores and ₹500 crores	`5 crores + 3% of aggregate value of stored commodities exceeding `250 crores
	Above ₹ 500 crores	`12.5 crores + 4% of the aggregate value of stored commodities exceeding `500 crores
Base / Industrial Metals	NA	0.5% of the aggregate value of stored commodities

3.4.2. The Clearing Corporation, based on its risk assessment, can decide on restricting the amount of FSD to ₹ 100 Crores from each WSP.

3.4.3. The FSD shall be in the form of liquid assets with applicable haircuts and concentration limits as listed below: -

Table 3: Composition of FSD

Type	Minimum haircut	Limits
Cash	0	No limit but minimum 10%
Bank Fixed Deposit	0	
Bank Guarantees	0	Remaining 90% FSD can be in any combination of the four types of options provided for furnishing the FSD
Securities of the Central Government	10%	

3.4.4. A daily monitoring of the FSD vis-à-vis the value of the goods stored shall be done marked to market on replacement value on ongoing basis to ensure that the minimum stipulated FSD are always maintained with the Clearing Corporation. Based on the risk assessment, the Clearing Corporation may seek additional FSD over and above the requirement stipulated in Para 3.4.1, if necessary.

3.4.5. In circumstances where there is shortfall in the minimum required FSD due to sudden deposit of commodities in large quantity towards the end of the day, the Clearing Corporations can allow the WSPs to replenish the FSD within three trading days.

3.5. Exposure norms for SD/FSD

3.5.1. The Clearing Corporations shall lay down exposure limits (for Bank Fixed Deposit and Bank Guarantees) either in rupee terms or as percentage of the total assets to be received (with respect to SD/FSD) that can be exposed to a single bank directly or indirectly.

3.5.2. Further, CCs shall ensure that no SD/FSD shall be accepted from a Bank which has a net worth of less than INR 1000 crores and/or is not rated P1 (or P1+) or equivalent, by a recognized credit rating agency or by a reputed foreign credit rating agency.

3.6. Coordination between Clearing Corporation and WDRA in respect of SD / FSD maintained by the WSPs

3.6.1. The Clearing Corporations shall immediately after accreditation of WSP/s, provide the details of WDRA registered warehouses with full details of warehouseman registration, warehouse registration, WSP, address, etc. to WDRA. WDRA will in turn, share the details of security deposit received from these accredited warehouses / WSPs to the respective Clearing Corporations as per the following formats. Clearing Corporations shall inform the changes, if any, with respect to accreditation status of these warehouses, to enable WDRA to provide the required information as above. WDRA shall also inform Clearing Corporations of any changes, if any, in the security deposit placed by such warehouses/WSPs with WDRA.

Table 5: Details of Bank Guarantee

Sr. No.	Name of WSP	BG Number	Bank Name	Branch Name	Date of Issuance (DD/MM/Y YYY)	Maturity Date (DD/MM/Y YYY)	Claim Date (DD/MM /YYYY)	Amount

Table 6: Details of Fixed Deposit Receipt

Sr. No.	Name of WSP	FDR Number	Bank Name	Branch Name	Date of Issuance (DD/MM/Y YYY)	Maturity Date (DD/MM/Y YYY)	Amount

3.6.2. Clearing Corporations shall continue to compute FSD requirement as stipulated in Para 3.4 above. The deposits placed by WSPs with WDRA for Exchange/Clearing Corporation specific outstanding eNWRs shall be considered by the Clearing Corporation in the calculation of available FSD for the WSP.

3.6.3. The Clearing Corporation shall compensate the aggrieved client, in accordance with its rules, regulations etc., by debiting the FSD of WSP held with it, in the following situations:

3.6.3.1. for any such losses that have been appropriately established against the WSP

3.6.3.2. in case of loss arising from any action or inaction of its WSP or on the part of its warehouses that prevents the buyer or seller from exercising, in whole or in part, their rights.

- 3.6.4. In case the FSD available with Clearing Corporation is not sufficient to compensate for the loss the FSD and the SD maintained by such WSP with WDRA shall be made available to Clearing Corporation within 7 days of the release request from Clearing Corporation to WDRA, for settlement of the remaining claims.
- 3.6.5. The settlement of security deposit by WDRA originates only after the goods stored, if any, are disposed of / withdrawn by the holder.
- 3.6.6. The discrepancy noted / claim received by any agency (Clearing Corporation or WDRA) shall be brought to the notice of other agency irrespective of invoking the security deposit.

4. Fit and Proper Criteria

4.1. The Clearing Corporations shall ensure that:

- 4.1.1. the WSP, assayers, Promoters of WSP / assayers, Key Management Personnel (KMPs) of WSPs / assayers responsible for business operation relating to the exchanges / Clearing Corporations shall always be 'fit and proper' to carry out business of warehousing.
- 4.1.2. such persons have adequate knowledge of, and experience in generally accepted warehousing and handling practices for the goods concerned, and are competent and willing to operate such a warehouse for which the WSP has a valid license/expertise under the appropriate state warehousing laws in respect of the warehouses concerned.

5. Corporate Governance norms for WSP

5.1. Management and Employees

- 5.1.1. The Clearing Corporations shall ensure that the accredited WSP has a professional management team to oversee its functioning and operations.
- 5.1.2. The Clearing Corporation shall ensure that the Key Management Personnel (KMPs) of WSP taking care of business operations and warehousing in general have adequate knowledge of, and experience in generally accepted warehousing and handling practices for goods for which they are accredited. The Clearing Corporation shall also ensure that the KMP of WSP are competent and willing to operate such a storage facility and do not have any conflict of interest in discharge of their functions.

5.1.3. The stock exchanges shall ensure that the following entities, are not allowed, either directly or indirectly, to trade in the commodity derivatives segment of the concerned stock exchange in the commodity for which it is accredited by the Clearing Corporation:

5.1.3.1. WSP

5.1.3.2. Management of WSP (defined as 'key managerial personnel' including whole time directors of WSP and their 'relatives' as per Companies Act, 2013)

5.1.3.3. entities owned or controlled by promoters/management of WSP/Group concerns/associates directly or indirectly or persons 'acting in concert'

5.1.4. However, based on risk assessment, the stock exchanges may provide exemptions to requirement stated in Para 5.1.3 above in the following manner:

5.1.4.1. entities stated in Para 5.1.3 above shall not trade in that specific commodity/commodities at that particular stock exchange where concerned WSP is accredited, in their proprietary account.

5.1.4.2. entities which are associated with an accredited WSP, either directly or indirectly, and are providing broking services will be permitted to trade in that commodity on that stock exchange only for their clients (i.e. non-proprietary) subject to stock exchange ensuring that the particular entity does not extend direct/indirect funding to its clients for trading in those commodities.

5.1.5. If the stock exchange is providing exemptions as mentioned in Para 5.1.4 above, then it should put in place appropriate controls so that the WSPs do not exercise preferential treatment to such entities which may act as disadvantage to other market participants.

5.1.6. The Clearing Corporation may obtain, and share with Stock Exchanges, an annual declaration from the compliance officer of WSP to the effect that the WSP/Management of WSP or entities owned or controlled by management of WSP/Group concerns directly or indirectly or persons 'acting in concert' have not traded on exchange. Such declaration may be obtained within a month of end of the financial year.

5.1.7. The Clearing Corporation shall ensure that the WSP always has adequate number of competent employees who have the experience, capacity and ability of operating the business without any conflict of interest.

5.1.8. The Clearing Corporation shall ensure that the WSP and its KMPs, shall not disseminate any information that is false or misleading or disclose any confidential information obtained

during the course of their dealings with the Clearing Corporation or their positions on the market or any information received during the course of performance of their duties.

5.1.9. The Clearing Corporation shall ensure that the staff / employees of the WSP who are managing the day-to-day affairs of the warehouses, deployed both in the office of the WSP and in its warehouses, are duly trained on their expected tasks through relevant training programmes or are deputed to attend the certification programme conducted by National Institute of Securities market (NISM).

5.2. Compliance officer

5.2.1. The Clearing Corporation shall ensure that its WSP appoints a compliance officer who would be responsible for monitoring the compliance with relevant Act, byelaws, rules and regulations, notifications, guidelines and instructions issued by relevant authorities from time to time.

- i. The compliance officer would be responsible for ensuring that all applicable norms are followed by the WSP and should issue a declaration to that effect to the Clearing Corporations, at regular intervals as directed by the Clearing Corporation.

6. Know Your Depositor

6.1. The Clearing Corporation shall ensure that the WSP complies with Know Your Depositor (KYD) Policy as prescribed by the Clearing Corporation from time to time.

6.2. The Clearing Corporation shall ensure that they and the WSP shall, at any point of time, be able to identify the depositor of the goods deposited in registered warehouses, and the actual beneficiary (in case the depositor and the beneficiary are different) of the deposited/stored commodities.

7. PAN requirement

7.1. The Clearing Corporation shall ensure that the WSPs are under obligation to provide to it the details including PAN numbers of its Promoters, Promoter group entities, its holding/subsidiaries/associates and other related entities, persons 'acting in concert', Key Management Personnel, at the time of accreditation and update the same on periodical basis as mandated by the Clearing Corporations and whenever any change is noted by WSP, in this regard.

8. Facilities & Infrastructure Requirement for WSP

8.1. General requirements applicable to all goods

8.1.1. The Clearing Corporation shall ensure that the storage facilities provided by the WSP are under absolute control of the WSP. In case a storage facility is a leased property it should be ensured by Clearing Corporation that no third party including the owner / lessor of the storage facility, has any role to play in the operations and managing the concerned storage facilities operated by the WSP.

8.1.2. The Clearing Corporation shall ensure that the accredited WSPs have reasonable facility and infrastructure for proper handling and storage of commodity as specified under:

- 8.1.2.1. All its storage facilities are well connected with rail and/or road networks and have sufficient space for parking and movement of loading/unloading vehicles.
- 8.1.2.2. All its storage facilities have adequate equipment, installed and maintained in good working order, as may be prescribed by the Clearing Corporation, for the movement of commodities into, out of and within the storage facility.
- 8.1.2.3. All its storage facilities are physically and operationally suitable for the proper storage of commodities and are of sound construction and in a state of good repair.
- 8.1.2.4. All its storage facilities provide for a safe work environment;
- 8.1.2.5. All storage facilities shall have adequate security personnel with required facilities to immediately communicate to Clearing Corporation regarding any unlawful entry, burglary, theft or damage or potential loss to the goods deposited with it.
- 8.1.2.6. All its storage facilities have adequate lighting arrangement as may be prescribed by the Clearing Corporation.
- 8.1.2.7. All its storage facilities have adequate firefighting equipment installed within its premises, have fire escapes and fire hydrant points (in case of goods which are inflammable) clearly marked. Further, the employees of the WSP shall undergo training in fire safety and use of firefighting equipment.
- 8.1.2.8. All its storage facilities have required ventilation, installed and maintained in good working order, as may be prescribed by the Clearing Corporation, for the proper storage and preservation of quality of goods;
- 8.1.2.9. Each storage facility has adequate infrastructure for storing the deliverable commodities of commodity derivative contracts which needs to be piled properly in a separate storage area as specified by the Clearing Corporation thereby providing clear-cut demarcation between Exchange / non- Exchange commodities;

- 8.1.2.10. All its storage facilities are free from materials and substances that may adversely affect the quality of stored commodities;
 - 8.1.2.11. All its storage facilities to have adequate security as prescribed by the Clearing Corporation for protection of stored or handled commodities to prevent from tampering or adulteration;
 - 8.1.2.12. All its storage facilities to assign a separate place to store the samples used for inspection / testing for further examination / testing.
 - 8.1.2.13. Shall uniformly follow the SOP developed by the Clearing Corporations with respect to the maintenance, preservation and retrieval of data/records/books of accounts.
- 8.1.3. Clearing Corporations shall ensure that the WSP have adequate infrastructure and shall take utmost care in storing commodities in accordance with the climatic conditions and the nature of commodity stored.
- 8.1.4. Clearing Corporations shall ensure that the WSP has put in place necessary infrastructure for accurate and efficient weighing, sampling, inspection and grading of the commodities deposited in its storage facility and WSP has deployed personnel who have knowledge and experience in sampling, weighing, inspecting and/or grading of commodities.
- 8.1.5. Clearing Corporations shall ensure that the WSPs always gives priority to commodities meant for derivatives contracts delivery while receiving, storing and dispatching goods, in case its warehouse is also permitted to store goods not meant for delivery on exchange platform. The Clearing Corporation shall ensure that WSP should have internal process that enables it to physically verify, by deputing its officials or through any agencies / experts engaged by it, the goods deposited, the facilities available in such warehouse, or to inspect the level of compliance of the warehousing norms stipulated by the Clearing Corporation/regulator from time to time.
- 8.1.6. The Clearing Corporation to ensure that WSP shall be responsible to accept the goods/commodities in warehouses which meets the quantity and quality parameters as per the exchange contract specifications. The WSP shall take necessary steps to maintain the quality and quantity of goods stored in the warehouse, in accordance with the conditions/parameters (for maintaining the quality) as laid down by the exchanges for each of such commodity.
- 8.1.7. Further, the Clearing Corporation shall ensure that it has put in place appropriate procedure and controls in place so that there is minimal queuing of deposits/withdrawal at a storage facility.

8.1.8. Clearing Corporations shall ensure that its WSPs have in place, necessary policies, control and system in place for dealing with the risk that may be arising due to the warehouses being used for purposes other than commodity derivatives market.

8.2. Requirements applicable for Agricultural & agri-processed commodities

8.2.1. The Clearing Corporation shall ensure that each storage facility of accredited WSP meant for storing the Agricultural and agri-processed commodities shall meet the following conditions in addition to requirements stated in Para 8.1 above:

8.2.1.1. The walls, the floor and the roof do not permit water seepage and there is no source of any insect infestation.

8.2.1.2. has a fully fenced perimeter/boundary.

8.2.1.3. are free from materials and substances that may adversely affect the quality of stored commodities;

8.2.1.4. has its own or has access to fumigation facilities/agencies for pest control activities.

8.2.1.5. has assaying/testing facilities for the commodities it intends to render warehousing facility for, or shall undertake to be associated with an assaying/testing agency which may preferably be certified by one or more national/international agencies like NABL (National Accreditation Board for Calibration and Testing Laboratories), BIS etc., as specified by the Clearing Corporation.

□ WSPs shall take utmost care on daily basis for keeping surroundings for their respective warehouses under vegetation control and for disposal of waste which can otherwise create a favorable habitat for rodents and other pests. WSP should regularly inspect and verify whether rodent control structures in the warehouse are sound and whether there are any pools of water around the facility, which can increase the danger of water seepage into it, and take appropriate remedial steps.

8.3. Requirements applicable for Base Metals/Industrial Metals

8.3.1. The Clearing Corporation shall ensure that each storage facility of accredited WSP meant for storing Base Metals/Industrial Metals shall meet the following conditions in addition to requirements stated in Para 8.1 above:

8.3.1.1. The storage facilities must have a fully fenced perimeter/boundary. Loading and unloading shall always take place within the perimeter/boundary of the warehouse and not in a public area.

8.3.1.2. All its storage facilities are of sound construction and in a state of good repair and floor properly levelled and can bear the load of the weight of the stored metals. The walls, the floor and the roof do not permit water seepage.

8.3.2. The Clearing Corporation shall ensure that the ferrous metals are stored by WSP in a manner so as to prevent distortion, corrosion, scaling and rusting. They shall be stacked/piled adequately above the ground level.

8.3.3. The Clearing Corporation shall ensure that the WSP undertakes to have assaying/testing facilities for the commodities it intends to offer warehousing facility, or shall undertake to be associated with an assaying/testing agency which may preferably be certified by one or more national/ international agencies as specified by the Clearing Corporation.

9. Standard Operating Procedure (SOP) and Standards

9.1. ISO or other Relevant Standards

9.1.1. In case the Clearing Corporations prescribes relevant ISO standards and/or its equivalent, then the Clearing Corporation shall ensure that the WSPs comply with relevant ISO standards and/or its equivalent within the timelines prescribed by it.

9.2. SOPs

9.2.1. The Clearing Corporation shall ensure that the WSP has a Standard Operating Procedure (SOP) which is process-dependent and not person-dependent. The Clearing Corporation shall examine the SOPs in respect of all the concerned storage facilities before granting accreditation to such storage facilities.

9.2.2. The SOP of a storage facility may cover the following but not restricted to:

9.2.2.1. Procedures for acceptance of goods to be deposited

9.2.2.2. Weigh bridge empanelment

9.2.2.3. Procedures for weighing, sampling of goods to be deposited as

per industry standards, Procedure for verification of commodity and communication to depositors,

9.2.2.4. Procedure for depositing and identifying the Exchange related goods,

- 9.2.2.5. Procedure for maintaining the quality of the goods stored as per the exchange contract specification,
 - 9.2.2.6. Procedure for Know your depositor requirements,
 - 9.2.2.7. Security policy for ensuring the safety of the goods from theft, burglary etc.,
 - 9.2.2.8. Procedure and guidelines for scientific storage of goods, including stacking etc.,
 - 9.2.2.9. Procedure for losses caused due to theft, fire, burglary, fraud, negligence and force majeure events,
 - 9.2.2.10. Procedure for internal verification of stock,
 - 9.2.2.11. Preservations of Stock – maintenance of godown hygiene, maintenance of warehouse structure, aeration, periodical examination of goods, classification of presence of insects, premonsoon precautions etc.
 - 9.2.2.12. Selection of Location for offering warehousing services
 - 9.2.2.13. Grievance redressal procedures

 - 9.2.2.14. Role and responsibilities of employees (including outsourced employees)
 - 9.2.2.15. Model warehouse agreement format
 - 9.2.2.16. Maintenance of surroundings, infrastructure etc.
- 9.2.3. The Clearing Corporation shall ensure that the WSP has good internal systems and controls which should meet the operating guidelines, if any, issued by the Clearing Corporation from time to time. The WSP shall have clear delegation of powers to meet operational requirement.
- 9.2.4. The Clearing Corporation shall ensure that WSP intimates / notifies in writing to the Clearing Corporation, if there is any material change in it SOP, prior to making such change.
- 9.2.5. The Clearing Corporation shall ensure that WSP reports to the Clearing Corporation within three days of initiation of any civil and criminal proceedings by or against it and shall also intimate the Clearing Corporation if there is probability of any such legal proceedings being initiated involving it, as soon as the same comes to the knowledge of the WSP.

10. Sampling Procedure

- 10.1. The Clearing Corporations shall ensure that, wherever assaying is carried out by WSPs, adequate samples of goods are collected/retained from the goods deposited and are sealed in the presence of the depositor or his authorized representative.
- 10.2. In order to resolve potential disputes arising with respect to the quality of goods, if any, it is advised that at least four samples are taken of which one sample is used for analysis, one is kept with the WSP for comparison purpose, one is given to the depositors while one is kept for record/lab reference purpose.

11. Accreditation of assayers

- 11.1. The Clearing Corporations shall follow a transparent process for accreditation of assayers by issue of open advertisement in leading newspapers and/or by putting up the same on the website of the Clearing Corporation. The process to be followed for such accreditation shall be displayed on the website of the Clearing Corporation before the beginning of the selection process. The accreditation shall be done with the approval of the relevant Committee of the Board of Directors of the Clearing Corporation in terms of the SECC Regulations, 2018.
- 11.2. The Clearing Corporation shall conduct independent pre-empanelment due diligence of Assayers by visiting the laboratories and assessing the testing and certification facilities. The Clearing Corporation shall give preference to the government assayers or to those Assayers who are having testing and certification facilities at various locations across India. In addition to the empanelment of assayers for deployment by the WSPs at their warehouses, the Clearing Corporation shall also identify and empanel separate independent assayer(s) where the market participants can get their goods/commodities assayed independently, at the time of depositing into or withdrawing such commodities/goods from a warehouse. However, if the original empanelled assayers engaged by WSP at a delivery centre happen to be Government assayer, then the need for empaneling an additional independent assayer may be dispensed with.
- 11.3. The Clearing Corporation shall ensure that the empaneled assayers work independently, and their operations are governed by Standard Operating Procedures (SOPs) prescribed by the Clearing Corporation. The assayers shall be preferably certified by one or more national/international agencies like NABL (National Accreditation Board for calibration and testing Laboratories), BIS etc., and shall have the facilities as laid down by the Clearing Corporation from time to time.

12. Warehouses at delivery centres

- 12.1. The Clearing Corporation shall have at least one storage facility at each of the delivery centers (as specified in the contract specification) at the time of launch of contract itself and address of such storage facility shall be disclosed along with the contract specifications by the Clearing Corporation on their website / by issuance of relevant Circular to market participants.
- 12.2. The Clearing Corporation may accredit warehouses of a WSP within 100 kms radius of the delivery centers depending on the feasibility and market requirements in respect of all commodities.

13. Insurance

- 13.1. The Clearing Corporation shall ensure that its WSPs, whether presently registered with the WDRA or not, comply with the insurance guidelines/norms issued by the WDRA.

14. Embracing new technology

- 14.1. The Clearing Corporations shall strive to adopt the latest technology for routine and surprise inspections/audits, monitoring and surveillance of the warehouses etc.
- 14.2. The Clearing Corporation shall ensure that to the extent possible the WSP to be accredited by them has adopted or shall adopt the latest technology with respect to the operations of the warehousing business. The Clearing Corporation may identify the areas where use of latest technology can be mandated by it and provide a timeframe to its WSPs for adoption of the same.

15. Monitoring / Inspection / Audit

15.1. Periodic inspection/audit by WSPs

- 15.1.1. The Clearing Corporation shall ensure that there is periodic inspection/audit by the WSP of the storage facilities and the goods stored therein.

15.1.2. The Clearing Corporation shall ensure that the staff of the WSP conducting inspection is independent of the employees / staff deputed at the registered storage facility.

15.1.3. The Clearing Corporation shall ensure that the inspection/audit report is submitted to the Clearing Corporation within 15 days of the completion of such inspection/audit.

15.2. Periodic inspection / audit of warehouses by the Clearing Corporations

15.2.1. The Clearing Corporation shall ensure that independent audit of the goods and other facilities in the storage facilities is carried out by engaging expert agencies, at regular intervals.

15.2.2. Such inspections shall be carried out in each accredited storage facility, at least twice in a calendar year, with a gap of not more than six months between two inspections/audits of same storage facility. However, in case there are NIL stocks in an accredited storage facility during preceding six months, the Clearing Corporations would be exempted from requirement of inspection by independent agency.

15.2.3. Additionally, the audit may also be conducted on risk profiling, as identified by the Clearing Corporations. For this purpose, the Clearing Corporation shall form a panel of independent expert agencies and the cost of such audit shall be borne by the respective Clearing Corporations.

15.2.4. The panel of such independent expert agencies for carrying out inspection of warehouses, shall also be reviewed by the Clearing Corporations from time to time.

15.2.5. The Clearing Corporation shall have a policy of rotation of such independent expert agencies for carrying out inspection after every 3 years with a provision for 'cooling off' period of 1 year.

15.2.6. In addition, the Clearing Corporations shall also conduct in-house physical audit of accredited storage facilities at regular intervals.

15.2.7. The audit report conducted by independent expert agencies shall be displayed on the website of the Clearing Corporation within 15 days after the submission of report by the auditor.

15.2.8. The Clearing Corporations shall carry out surprise inspections of storage facilities as and when such exigencies arise.

15.2.9. The Clearing Corporations shall have a detailed manual for carrying out the audits and inspections of the WSP/ storage facilities concerned.

15.3. Monitoring of goods stored at accredited storage facilities by the Clearing Corporations

15.3.1. The Clearing Corporation shall be responsible for monitoring the storage facilities of their accredited WSPs.

15.3.2. Norms relating to the monitoring of storage facilities shall be placed in public domain by the Clearing Corporation.

15.3.3. A deliberation on the continuous functioning, monitoring and compliance of norms by WSPs, storage facilities and assayers may be one of the agenda items in all Board meetings as well as other relevant committee of Board of the Clearing Corporation in terms of the SECC Regulations, 2018.

15.3.4. The Clearing Corporations and WSPs shall ensure that the goods whose final expiry date (FED) is over, are removed from the concerned warehouse immediately, but not later than 3 months from the date of the final expiry date. However, it is clarified that WSP shall ensure proper demarcation of goods which have crossed FED and where follow ups have been done may be considered compliance of guidelines by WSPs. If there is space constraint, the Clearing Corporations shall identify new warehouse nearby for deposit of goods.

Note: For the purpose of this Circular, FED is the date after which the goods cannot be delivered for settlement of derivatives contracts on the exchange platform.

15.3.5. To further strengthen the process of monitoring, the Clearing Corporations shall mandate their WSPs to submit the report of the inspections carried out by the statutory authorities like WDRA to the Clearing Corporations within 2 weeks from the receipt of report by WSPs of such inspection along with their comments.

15.4. Physical inspections of goods by beneficiary owner of goods

15.4.1. The Clearing Corporations shall ensure that the beneficiary owner of the goods is allowed by the concerned WSPs to physically inspect their goods as and when requested by the holders.

- 15.4.2. The request for such physical inspection shall be submitted to the Clearing Corporations and the Clearing Corporations after verification and satisfaction of need for such request, shall forward the same to the concerned WSP for allowing such inspection to be completed within a stipulated timeframe.
- 15.4.3. Upon receipt of such advice from the Clearing Corporations, the WSP shall allow the holder/its authorized representatives holding eNWRs or any other electronic receipts/credit balances to do physical inspection of their goods.

15.5. Physical reconciliation of goods

- 15.5.1. The Clearing Corporation shall put in place adequate procedures to ensure that the physical counting of goods and their reconciliation with the corresponding electronic records is done on fortnightly basis by its WSPs.
- 15.5.2. The Clearing Corporation shall submit report to SEBI of details of discrepancy observed during the physical reconciliation of goods along with reasons and action taken thereof, on a quarterly basis. Only in extreme cases, in the judgement of the Clearing Corporation, SEBI may be informed of the discrepancy observed on immediate basis.

15.6. Review of WSPs / warehouses

- 15.6.1. The Clearing Corporation shall review and appraise operational performance of each WSP every year. Based on the operational review the Clearing Corporation may adjust the allocation of commodities and the limit of deliveries at various storage facilities of the concerned WSP in accordance with the results of such performance evaluation and appraisal.
- 15.6.2. Additionally, the Clearing Corporation may carry out quarterly performance review of all warehouses accredited by it, taking into account various performance parameters such as storage facilities, the capacity and appearance of the warehouse, business capabilities, business performance, accounting, the satisfaction level of members/clients, redressal of client grievances, and other factors as the Clearing Corporation may deem necessary for its review.
- 15.6.3. The Clearing Corporation may take necessary action against WSPs as mentioned in Para 21 of the Circular, if the storage facility is unable to meet the requirements of an accredited storage facility and fails to improve the standard within the stipulated timeframe.

16. Code of conduct

16.1. The Clearing Corporation shall frame code of conduct for the WSPs, storage facilities and assayers which shall be disclosed on the website of the Clearing Corporation.

17. Grievance Cell

17.1. The Clearing Corporation shall ensure that it has a Grievance Cell to handle the investor complaints.

17.2. The Clearing Corporation shall take proactive steps to resolve client/customer related issues and maintain a record of complaints received and resolved.

17.3. The Clearing Corporation shall require the WSP to report the details of complaints received, resolved by it, pending and action taken on the complaints, once in very fortnight.

18. Monthly Information System (MIS)

18.1. It is desirable that there should be electronic record of information at the WSP and a MIS system with an arrangement for flow of real time information from the storage facility location to the central MIS and onwards to the Clearing Corporations electronically. The MIS should have the capability to capture and disseminate information regarding goods being held either storage facility -wise or location-wise, and the availability of space in the storage facilities.

18.2. The Clearing Corporation shall display on its website, the list of accredited warehouses for the deposit of goods for delivery on the exchange platform along with the policy for deposit of such goods. The market participants willing to deposit goods in accredited warehouses shall submit a request to the WSP in accordance with the policy put in place by the Clearing Corporation for deposit of goods. The WSP shall intimate the depositing participant about the logistic details such as the time, place and storage facility where the goods can be deposited by them. The WSP shall accept the goods for deposits for all such confirmed deposit requests in accordance with the policy put in place by the Clearing Corporation for deposit of goods.

19. Surrender/Cancellation of accreditation

19.1. The WSP may apply for surrender of its accreditation by submitting the Application for Surrender to the concerned Clearing Corporation for evaluation and approval.

- 19.2. The Clearing Corporation may cancel the accreditation of a WSP if it fails to comply with the provisions of the rules/regulations specified by it and intimate the same to the market participants through Circular. Further, the Clearing Corporations shall put in place a cancellation policy for WSP in public domain. However, the Clearing Corporation shall offer the WSP concerned an opportunity of being heard and take a decision on cancellation after considering the explanation of the WSP.
- 19.3. A WSP that surrenders its accreditation, or its accreditation is cancelled, shall attend to the following matters urgently:
- 19.3.1. All commodities for delivery towards settlement of derivatives contract shall be dispatched out of the warehouse;
 - 19.3.2. All liabilities and debts vis-a-vis the Exchange/Clearing Corporation, Member and Clients shall be settled;
 - 19.3.3. There is no obligation on its part to deliver goods to the clients pertaining to their trades on the exchange platform, and
 - 19.3.4. No client/customer complaints pertaining to any of its registered warehouses are pending for redressal.
- 19.4. FSD shall be returned in accordance with the rules framed by the Clearing Corporations, keeping aside 10% of such deposits with the Clearing Corporations, which shall not be released until six months after cancellation or surrender of accreditation of the WSP or until satisfaction of all claims against the deposits made in its warehouses, whichever is later.
- 19.5. A WSP which surrenders its accreditation with the Clearing Corporations shall not be eligible to provide its services to the same Clearing Corporations for a period of 3 years.
- 19.6. Once the accreditation of a WSP is cancelled by a Clearing Corporation then it shall not be eligible to provide its services to any other Clearing Corporation for 3 years.
- 19.7. Adequate notice intimation to general public / clients should be given by the Clearing Corporation through widely published newspapers and website etc. before accepting the surrender of WSP or cancellation of the WSP.

20. Business Continuity Plan

20.1. The Clearing Corporations shall ensure that the WSP shall put in place, a business continuity plan and submits such plan to the Clearing Corporation.

21. Actions against WSPs

21.1. The Clearing Corporation may frame norms for its accredited WSPs to rectify or correct their misconduct or misconduct on the part of any of its approved warehouses used for storing goods for delivery on exchange platform. The Clearing Corporation may also direct the WSPs to indemnify an entity aggrieved by the delivery process of its warehouse or, in serious cases of misconduct/malfeasance, revoke the accreditation of the concerned warehouse or/and hold the WSP accountable for any legal liabilities, if the concerned erring WSP/ warehouse engages in any of the following offences:

- 21.1.1. refuses to accept delivery without any bonafide reasons or, issues a falsified certificate of delivery;
- 21.1.2. violates any of the Clearing Corporation's rules or limits the movement of a deliverable commodity into or out of the warehouse;
- 21.1.3. discloses any confidential business information relating to a buyer or seller of a commodity derivative contract;
- 21.1.4. provide inaccurate or incomplete information to Clearing Corporation, conceal the truth of the facts;
- 21.1.5. engages in the commodity derivatives trading activities; or
- 21.1.6. any other offence not listed above.

However, the above actions may be initiated only after taking due approval from the relevant committee of Board of the Clearing Corporation in terms of the SECC Regulations, 2018.

21.2. The accredited WSP shall be liable for any losses resulting from any action or inaction on its part or on the part of its warehouses that prevents the buyer or seller from exercising, in whole or in part, their rights. The Clearing Corporation shall compensate the aggrieved client for any such losses that have been appropriately established by debiting the FSD of WSP held with the CC, in accordance with its applicable rules, and WSP shall within 7 days replenish the FSD as required.

➤ **Policy for depositors for rejection of goods**

22.1. The Clearing Corporations shall frame a policy for rejection of goods deposited by the depositors.

23. Disclosures by Clearing Corporations

23.1. Daily disclosure on the following:

23.1.1. Details about the storage facility including available and utilized capacity, type of commodity allowed to be stored, location of storage facility etc.

23.1.2. Details about storage facility-wise and / or commodity wise details of opening stock, goods deposited and held in transit (inbound and outbound), rejected stock, closing stock, encumbered/pledged stock and stock eligible for delivery on Clearing Corporation, name of the warehouse service provider, particulars of acceptance/rejection of goods by the storage facility concerned, details of empaneled assayers and independent assayers, if any, attached to the storage facility etc., on their websites.

23.1.3. FED wise stock position in approved warehouses.

23.1.4. Quantum of goods physically withdrawn by the holders.

23.1.5. Commodity wise %age of deposits held by top 3, 5 & 10 beneficiary owners for commodity as under:

Table 7: Commodity wise percentage of overall deposits held in various warehouses

	<i>Commodity A</i>	<i>Commodity B</i>	<i>Commodity C</i>	<i>Commodity D and so on</i>
Top 3				
Top 5				
Top 10				
Others				

23.2. Monthly disclosures on the following:

23.2.1. A summary of number of complaints with status as per the following format:

Table 8: Summary of WSP wise status of complaints

<i>WSP wise status of complaints for Month ended</i>			
<i>WSP Name</i>	<i>No. of complaints received during month</i>	<i>No. of complaints resolved during month</i>	<i>No. of complaints pending for month with reasons for pendency</i>

23.2.2. A summary of nature of complaints received as per the following format:

Table 9: Summary on nature of complaints

<i>Month ending</i>					
<i>Nature of Complaint</i>	<i>Name of WSP 1</i>	<i>Name of WSP 2</i>	<i>.....</i>	<i>Name of WSP n</i>	<i>Total</i>
Total					

23.2.3. Details of the number of applications received for accreditation of warehouses, Warehouses registered with WDRA during the month, registration pending with WDRA, warehouses pending with Inspecting Agencies, accreditation/registration of warehouses rejected by CC/WDRA with reason for the same, etc.

23.2.4. Details of storage fee and assaying charges.

23.2.5. Details of commodity wise goods deposited in WSP's Clearing

Corporation accredited warehouse - by WSP, Management of WSP (defined as 'key managerial personnel' including whole time directors of WSP and their 'relatives' as per Companies Act, 2013), entities owned or controlled by promoters/management of WSP/Group concerns/associates directly or indirectly or persons 'acting in concert'.

The above discourse should be made available on the website of the Clearing Corporation latest by 7th of the Month.

23.3. Other Periodical disclosures:

23.3.1. Disclosure of the audit report of the WSP within 15 days after the submission of report by the auditor.

23.3.2. Quarterly Disclosure on average value of various quality parameters of commodities stored

23.3.3. Commodity wise and WSP wise quarterly disclosure on request of resampling and its results

23.3.4. Warehouse wise Half yearly disclosure on indicative Load-in and Load-out Rate (Quantity in Metric Ton- MT)

23.4. The archives of above reports shall be available on the website of Clearing Corporation/stock exchange.

Subject: Guidelines for identification and selection of location as a delivery centre(s) for commodity derivatives contract

SEBI has issued circular no. SEBI/HO/CDMRD/DNPMP/CIR/P/2020/89 dated May 26, 2020 regarding Guidelines for identification and selection of location as a delivery centre(s) for commodity derivatives contract. The said SEBI circular is attached as Annexure for ready reference.

All Members and their constituents are requested to take note of the same.

CIRCULAR

SEBI/HO/CDMRD/DNPMP/CIR/P/2020/89

May 26, 2020

To,

**The Managing Directors / Chief Executive Officers
All Recognized Stock Exchanges and Clearing Corporations having
Commodity Derivatives Segment (except those in International Financial Services Centre)**

Dear Sir / Madam,

Sub: Guidelines for identification and selection of location as a delivery centre(s) for commodity derivatives contract

1. The delivery centre(s), whether basis or additional, plays an important role in the pricing and settlement of the physically delivered commodity derivatives contract. The choice of delivery centre(s) is of vital importance to help the buyers/sellers in taking informed decisions about taking or giving deliveries. In the absence of a well-defined laid down criteria for identification and selection of a location as a delivery centre, it is observed that each stock exchange has adopted different criteria for different commodities as per their internal policy decision.
2. Based on the market feedback and in the interest of the stakeholders there is a need to bring in uniformity in the guidelines to be followed by the stock exchanges for identification and selection of a location as a delivery centre. Based on the recommendations of Commodity Derivatives Advisory

Committee (CDAC) and in consultation with the stock exchanges, it has been decided to lay down guidelines that are to be followed by the stock exchanges while identifying and selecting a location as a delivery centre.

3. Considering the inter-play of various factors, a particular location can be identified and selected as a delivery centre by a stock exchange based on all or combination of the following guidelines.

- a. **Demand/supply dynamics:**

- i. There should be adequate consumption demand throughout the year and/or adequate supply at least during the expiry month(s) in and around the location;
- ii. The location should have a sizeable production catchment area and arrivals;
- iii. The location should be an active consumption centre/trading centre attracting adequate supplies from other production centres to fulfil demand for processing, consumption, trade, etc.

- b. **Liquidity of the contract:** The location should have high potential to attract trading and delivery participation in the derivatives contract.

- c. **Value chain participants:** There should be adequate participation or representation from different segments of the commodity value chain of the commodity viz., farmers/producers, traders, millers, processors, exporters, users, etc. who are interested in trading / delivering the commodity at such location proposed to be designated as a delivery centre.

- d. **Infrastructure Support:**

- i. There should be presence of sufficient and sizeable number of warehouses in and around the location capable of handling the deliveries on expiry of the contract and capable of getting registration with Warehousing Development and Regulatory Authority (WDRA) wherever applicable, before the launch of the contracts.
- ii. There should be adequate transport links (road or rail connectivity), presence of assaying and testing facilities, processing plants, etc., for effecting smooth deliveries.

- e. **Trade Feedback:** Feedback from all the stake holders including Farmers/ Farmer Producers Organization (FPOs)/ Traders/ Value Chain Participants (VCPs)/ Corporates/ Micro, Small & Medium Enterprises (MSMEs), Processors, Exporters etc., should be obtained and duly considered before selecting a location for designating as delivery centre(s) of a particular commodity.

4. **Review of delivery centre:**

- a. The stock exchanges shall carry out a review of the delivery centre(s) already designated and notified for the existing commodity derivatives contracts, based on the aforesaid guidelines.

- b. The review shall also include those locations which though satisfy the above mentioned guidelines but have not been selected as the delivery centre(s) by the stock exchanges and examine reasons for not selecting these locations as delivery centre.
 - c. The stock exchanges shall submit their assessment in the form of a comprehensive review report to their Product Advisory Committee (PAC) constituted for respective commodity for consideration and advice.
5. The stock exchanges shall undertake and complete the aforesaid Review stated at Para 4 above for Financial Year 2019-20 within 3 months from the date of this Circular. Comments/ observations/ suggestions from PAC leading to change/replacement in any of the existing delivery centre(s) may be shared with SEBI for information purpose, within 1 month of completion of the said Review.
6. SEBI vide Circular no. [SEBI/HO/CDMRD/DNPMP/CIR/P/2019/89](#) dated August 07, 2019 has issued guidelines about the PAC in which the terms of reference, inter-alia, includes choice of basis and additional delivery centre, review of the delivery centres etc. Henceforth, the requisite information highlighted at Para 3 and 4 above shall form part of the information to be submitted to PAC for their consideration in terms of the reference provided in the aforesaid Circular. All the above stated information shall also be submitted by the stock exchanges to SEBI while submitting application for contract approval or renewal.
7. The provisions of this Circular shall be effective from August 01, 2020.
8. This Circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.
9. The Stock Exchanges and Clearing Corporations are advised to:
 - a. to make necessary amendments to the relevant bye-laws, rules and regulations, if required.
 - b. bring the provisions of this Circular to the notice of the stock brokers of the Exchange and also to disseminate the same on their website.
 - c. communicate to SEBI, the status of the implementation of the provisions of this Circular.
10. This Circular is available on SEBI website www.sebi.gov.in under the category “Circulars” and “Info for Commodity Derivatives”.

Yours faithfully,

Vikas Sukhwal
General Manager
Division of New Products and Market Policy
Commodity Derivatives Market Regulation Department Email: vikass@sebi.gov.in

Subject : Uniformity in the procedure for obtaining samples of goods at the Exchange accredited warehouses.

CIRCULAR

SEBI/HO/CDMRD/DMP/CIR/P/2018/136

October 16, 2018

To,

All Recognised Stock Exchanges and Clearing Corporations with Commodity Derivatives Segment

Dear Sir / Madam,

Sub: Uniformity in the procedure for obtaining samples of goods at the Exchange accredited warehouses

- a) Majority of the agricultural commodities traded on exchange platform requires assaying. The number and size of the samples are determined by the nature of commodity and the requirements of tests to be done in order to meet the exchange specifications. It has come to the notice that varied approaches are being followed by the exchanges in this regard.
- b) In order to bring in uniformity in the procedure adopted by the exchanges, in obtaining samples for the purpose of assaying all the Exchanges/Clearing Corporations are directed to ensure that adequate samples of goods are collected/retained from the goods deposited and are sealed in the presence of the depositor or his authorized representative. In order to resolve potential disputes arising with respect to the quality of goods, if any, it is advised that at least four samples are taken of which one sample is used for analysis, one is kept with WSP for comparison purpose, one is given to the depositors while one is kept for record/lab reference purpose.
- c) The provisions of this circular shall come into effect from 30 days from the date of issue of this circular.
- d) This circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

1. The Exchanges are advised to:

- 1.1. make necessary amendments to the relevant bye-laws, rules and regulations.**

- 1.2. bring the provisions of this circular to the notice of the stock brokers of the Exchange and also to disseminate the same on their website. iii. communicate to SEBI, the status of the implementation of the provisions of this circular.
2. This circular is available on SEBI website at www.sebi.gov.in under the category “Circulars” and “Info for Commodity Derivatives”

Yours faithfully,

Vikas Sukhwai
Deputy General Manager
Division of Market Policy
Commodity Derivatives Market Regulation Department
Tel No.022-26449234
Email: vikass@sebi.gov.in

Subject: Opening of Repository Accounts with CDSL Commodity Repository Limited (CCRL) for generation of Exchange specific eNWR for settlement of delivery obligations

In terms of the provisions of the Rules, Bye-Laws and Regulations of the Clearing Corporation and reference to SEBI circular no. SEBI/HO/CDMRD/DMP/CIR/P/2016/103 dated September 27, 2016, the warehouses approved by the Clearing Corporation are required to be registered with the Warehousing Authority viz. Warehousing Development and Regulatory Authority (WDRA).

The Rule 27 of the Warehouse Registration Rules, 2017 prescribed by WDRA makes it mandatory for all the Warehouses to register with one or more WDRA registered Repositories for issuing negotiable warehouse receipts in electronic form. Warehousing Development and Regulatory Authority (Electronic Negotiable Warehouse Receipts) Regulations, 2017 has also been notified and WDRA has thereafter issued a circular to all its registered warehouses that the authority shall be notifying a date for mandatory adoption of electronic Negotiable Warehouse Receipts (eNWRs) by its registered warehouses.

All market participants are requested to take note that settlement of delivery obligations of WDRA notified commodities arising out of a trade/ deal in commodity derivatives contracts on BSE platform shall be held through eNWR system with CDSL Commodity Repository Limited (CCRL). Therefore, all Members and their respective clients/constituents are requested to open the necessary Repository Account with CCRL through the registered Repository Participants (RPs) of CCRL and further map their Repository Account with the Unique Client Code (UCC) allocated to them by their Trading Members. Members are further requested to open the applicable Pool Account with the Repository Participants. The process of opening necessary Repository Accounts by the Members and their Clients/ Constituents shall be completed at the earliest.

Detailed procedure and schedule for settlement of the delivery obligations of commodities held under eNWR through the CCRL Repository will be intimated separately.

All Members and their respective constituents are requested to contact nodal officers of CCRL (<http://www.ccrl.co.in/>) for any further assistance for registration as Repository Participants and for opening of Repository Accounts.

Subject: Know Your Depositor Policy

Attention of the members is drawn to SEBI circular No. SEBI/HO/CDMRD/DMP/CIR/P/2016/103 dated September 27,2016 . Members of the Commodity Segment are requested to kindly refer the attached Annexure pertaining to 'Know Your Depositor' (KYD) policy.

Members are required to fulfill KYD requirements at the time of depositing commodities in the ICCL accredited warehouses.

Commodities shall be accepted only after furnishing the Know Your Depositor Form (KYD) & Depositor Transaction Declaration (DTD) as prescribed in the Annexure.



Warehouse Service Provider Allotted Code (WAC): _____
(To be maintained by WSP)

KNOW YOUR DEPOSITOR (KYD) APPLICATION FORM

[For Individuals]

PHOTOGRAPH

Please affix your recent passport size photograph & sign across it.

Please fill this form in ENGLISH & in BLOCK LETTERS.

A. IDENTITY DETAILS

1. Name of the Depositor: _____

2. a) Nationality: _____

b) Status: Resident Individual / Non Resident / Foreign National. (If Non Resident / Foreign National, self-certified copy of statutory approval obtained must be attached)

3. a) PAN: _____

1. Aadhaar Number (UID): _____

2. Any other proof of identity: _____

B. ADDRESS DETAILS

5. Address for correspondence:

City/ district /village: _____ Pin Code: _____

State: _____ Country: _____

6. Address for Record (on Stock receipt):

City/ District /Village: _____ Pin Code: _____

State: _____ Country: _____

7. Contact Details:



Mobile No.: _____ Tel. (Res.) _____

Fax: _____ Email id: _____

C. OTHER DETAILS**1. Occupation & Income Details:**

Agri. & Allied activity / Salaried (Private Sector/ Public Sector/ Government Service) / Pensioner / Self-employed / Business or Trade / Student / Housewife / Other Source
(Please specify)

2. Annual Income: _____

b) BANK ACCOUNT(S) DETAILS

Bank Name	Branch Address	Bank Account No.	Account Type: Saving/Current/ Others	MICR Number	IFSC code

Note: Provide a copy of cancelled cheque leaf/ pass book/bank statement specifying name of the client, MICR Code or/and IFSC Code of the bank.

c) REPOSITORY ACCOUNT(S) DETAILS

Repository Participant Name	Beneficiary Name	Repository Participant ID	Beneficiary ID



d) TRADING ACCOUNT(S) DETAILS

Client Code (UCC)	Member Name	Member ID

e) Goods and Services Tax (GST) Registration Details:

State	Depositor GST Number	Seller/Principal GST Number

Note: In case of operation in any other States than mentioned above, please provide GST Registration details of all other States as a separate Annexure to this Application along with certified copy of GST Registration certificate.

**f) Mandi license / APMC license (As applicable, State wise)
(Copy of license to be submitted)**

Mandi license / APMC license No. : _____

Date of issue of license : _____

License valid up to : _____

g) DOCUMENTS ATTACHED

Self-attested copy of the GST Registration Certificate for the States in which the Depositor/Client/Seller/Principal is registered. Yes No

Self-attested copy of Mandi license / APMC license submitted. Yes No

Farmer – land records such as 7/12 extract or other state related documents establishing identity as farmer shall be submitted. Yes No specific land

LIST OF DOCUMENTS FOR IDENTIFICATION:

[Attach self-attested copies of any two to indicate identity, signature verification & address]

Please produce original for verification:

Passport / Driving Licence / Voter ID card / Armed Forces Id Card / Aadhar Card No. / PAN / ID card of any accredited institution like Government authority.

Utility Bill / Credit Card or Bank Account Statement (Within last 30 days) / Ration Card / Marriage Certificate / Trade Licence / Certificate of Birth / Regd. Lease deed.

DECLARATION

1. I/We hereby declare that the details furnished above are true and correct to the best of my/our knowledge and belief and I/we undertake to inform you of any change therein, immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting, I am/we are aware that I/we may be held liable for it.
2. I/We confirm having read/been explained and understood the details as filled in this document.
3. I/We understand that the goods whenever deposited require to meet all statutory requirements besides the Exchange quality specifications. I/we confirm that said goods do not violate any statutory requirement or compliances applicable to them as in force.
4. I hereby declare and undertake to comply with the requirements of the Repository and the Warehousing Development Regulatory Authority (WDRA) while dealing and transacting with the Repository.
5. I/We confirm to abide by various central/state laws including Tax laws, and other Acts, Rules, Regulations, notification/orders and guidelines applicable to the said goods and as in force from time to time and shall indemnify the warehouse and ICCL against any, and all litigations or actions / claims or proceedings arising on account of the information provided by me / us.
6. I/We understand that in the event of any non-compliance of any law, Rules, Regulations, Notification/s or order/s as applicable to the said goods, the Undersigned shall be solely and completely responsible and undertake to be so responsible and liable for such noncompliance and for any and all consequences thereof.

7. I/We further declare and agree that in no event shall ICCL or the said Warehouse be held liable for any damages, including but not limited to direct or indirect, special, incidental, or consequential damages, losses or expenses arising on account of my/our non-compliance of any central/state laws as applicable to the said goods.

8. As a depositor, I/we hereby confirm that commodities / goods requested to be stored shall not be unauthorized, banned under the law or for any other unlawful activity and all authorization and/or consents, approvals that are required in connection with storage of these materials / commodities shall be obtained by me / us, and in the event of any liability, financial or otherwise, arising at any point in time due to any misrepresentation, for any unlawful activity and for non- compliance of applicable laws and regulations governing storage services rendered by warehouse, I/we shall indemnify warehouse for such losses / damages / penalties etc.

9. I/We shall ensure that the quality of commodities shall comply with the regulations laid down by the other authorities like Food Safety Standards Authority of India, AGMARK & BIS etc.

10. I/We declare that, in case any storage receipt is endorsed to any other third party the same shall be promptly informed to the WSP.

Place _____
 Date _____

(_____)
Name & Signature of Depositor

FOR OFFICE USE ONLY

WSP Allotted Code (WAC): _____
 Name of the Depositor: _____

Documents Submitted verified: Yes / No

	Documents verified
Name of the Employee / Warehouse Official	
Employee Code	



Designation of the employee	
-----------------------------	--

Signature of the Authorized Signatory

Place: _____

Date _____

Seal/Stamp of the WSP

ACKNOWLEDGEMENT

WSP Allotted Code (WAC): _____

Name of the Depositor: _____

Documents Submitted verified: Yes / No

	Documents verified
Name of the Employee / Warehouse Official	
Employee Code	

Signature of the Authorized Signatory

Place: _____

Date _____

Seal/Stamp of the WSP

Warehouse Service Provider Allotted Code (WAC): _____

(To be maintained by WSP)

KNOW YOUR DEPOSITOR (KYD) APPLICATION FORM

[For Non-Individuals]

Please fill this form in ENGLISH & in BLOCK LETTERS.

A. IDENTITY DETAILS

1. Name of the Firm / Company/ Depositor: _____

2. a. PAN: _____

b. Registration No. (E.g. CIN): _____

c. Any other proof of identity: _____

3. Status (please tick any one):

Private Limited Co. / Public Ltd. Co. / Body Corporate / Partnership / Trust / HUF / LLP. /
Others (please specify) _____

(In case of foreign entity or entity with foreign shareholders, self-certified copy of
statutory approval obtained must be attached)

B. ADDRESS DETAILS

D. Address for correspondence:

City/ district /village: _____ Pin Code: _____

State: _____ Country: _____

E. Address for Record (on Stock receipt):



City/ district /village: _____ Pin Code: _____

State: _____ Country: _____

F. Contact Details:

Mobile No.: _____ Tel. (Off.) _____ Fax: _____

Email id: _____.

G. Registered Address (if different from above):

City/ district /village: _____ Pin Code: _____ State: _____
Country: _____

Mobile No.: _____ Tel. (Off.) _____

Fax: _____ Email id: _____

C. OTHER DETAILS

Net-worth as on (date) _____ (_____)

D. BANK ACCOUNT(S) DETAILS

Bank Name	Branch Address	Bank Account No.	Account Type: Saving/Current/ Others	MICR Number	IFSC code

Note: Provide a copy of cancelled cheque leaf/ pass book/bank statement specifying name of the client, MICR Code or/and IFSC Code of the bank.



E. ComRIS / REPOSITORY ACCOUNT(S) DETAILS

ComRIS/Repository Participant Name	Beneficiary Name	ComRIS/Repository Participant ID	Beneficiary ID

F. TRADING ACCOUNT(S) DETAILS

Client Code (UCC)	Member Name	Member ID

1. Goods and Services Tax (GST) Registration Details:

State	Depositor GST Number	Seller/Principal GST Number

Note: In case of operation in any other States than mentioned above, please provide GST Registration details of all other States as a separate Annexure to this Application along with certified copy of GST Registration certificate.

2. Mandi license / APMC license (As applicable, State wise)

(Copy of license to be submitted)

Mandi license / APMC license No. : _____ Date of issue of license : _____

License valid up to : _____

I. DOCUMENTS ATTACHED

Self-attested copy of the GST Registration Certificate for Yes No the States in which the Depositor/Client/Seller/Principal is registered.

Self-attested copy of Mandi license / APMC license submitted.

Yes

No

☒ List of Authorized Signatories along with specimen signature to be submitted.

DECLARATION

1. I/We hereby declare that the details furnished above are true and correct to the best of my/our knowledge and belief and I/we undertake to inform you of any change therein, immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting, I am/we are aware that I/we may be held liable for it.
2. I/We confirm having read/been explained and understood the details as filled in this document.
3. I/We understand that the goods whenever deposited require to meet all statutory requirements besides the Exchange quality specifications. I/We confirm that said goods do not violate any statutory requirement or compliances applicable to them as in force.
4. I/We hereby declare and undertake to comply with the requirements of the Repository and the Warehousing Development Regulatory Authority (WDRA) while dealing and transacting with the Repository.
5. I/We confirm to abide by various central/state laws including Tax laws, and other Acts, Rules, Regulations, notification/orders and guidelines applicable to the said goods and as in force from time to time and shall indemnify the warehouse and ICCL against any, and all litigations or actions / claims or proceedings arising on account of the information provided by me / us.
6. I/We understand that in the event of any non-compliance of any law, Rules, Regulations, Notification/s or order/s as applicable to the said goods, the Undersigned shall be solely and completely responsible and undertake to be so responsible and liable for such noncompliance and for any and all consequences thereof.



7. I/We further declare and agree that in no event shall ICCL or the said Warehouse be held liable for any damages, including but not limited to direct or indirect, special, incidental, or consequential damages, losses or expenses arising on account of my/our noncompliance of any central/state laws as applicable to the said goods.

8. As a depositor, I/we hereby confirm that commodities / goods requested to be stored shall not be unauthorized, banned under the law or for any other unlawful activity and all authorization and/or consents, approvals that are required in connection with storage of these materials / commodities shall be obtained by me / us, and in the event of any liability, financial or otherwise, arising at any point in time due to any misrepresentation, for any unlawful activity and for non- compliance of applicable laws and regulations governing storage services rendered by warehouse, I/We shall indemnify warehouse for such losses / damages / penalties etc.

9. I/We shall ensure that the quality of commodities shall comply with the regulations laid down by the other authorities like Food Safety Standards Authority of India, AGMARK & BIS etc.

Place: _____

(_____)

Date: _____

Signature of Authorized Signatory

FOR OFFICE USE ONLY

WSP Allotted Code (WAC): _____

Name of the Depositor: _____

Documents Submitted verified: Yes / No

	Documents verified
Name of the Employee / Warehouse Official	



Employee Code	
Designation of the employee	

Signature of the Authorized Signatory

Place: _____

Date _____

Seal/Stamp of the WSP

ACKNOWLEDGEMENT

WSP Allotted Code (WAC): _____

Name of the Depositor: _____

Documents Submitted verified: Yes / No

	Documents verified
Name of the Employee / Warehouse Official	
Employee Code	

Signature of the Authorized Signatory

Place: _____

Date _____

Seal/Stamp of the WSP

➤ **Depositor Transaction Declaration (DTD)**

(To be filled by Depositor on letter head)

1. Name of the Depositor: _____

2. Address & Phone no: _____

3. PAN No. of Depositor: _____

4. GST No. of Depositor: _____

5. Deposited on behalf of:

5.1. Client Member Self

Unique Client Code (UCC) with BSE: _____

(MANDATORY)

Note: In case of deposition made for client/ member, kindly submit the authorization letter with attested signature (Annexure I). In such case, warehouse receipt will be issued in the name of client/Member.

5.2. Name of the Client/Member/Self:

5.3. GST No. of the Client /Member/Self

5.4. PAN No. of the Client/Member/Self

1. Warehouse Name & Address: _____

2. Commodity Details for Deposit:

Name of the Commodity	Quantity	Units (No. of Bags/ Drums/Qtl/ MT/Bales etc)	Grade/ Standard/ Variety	Date of Deposit	Booking Request no. in Repository.	Remarks

In case deposit in same warehouse for more than one day, information may be submitted in the Annexure I. Annexure I contains the transaction details of not more than seven working days. In case of any changes in the Depositor Transaction Declaration (DTD), fresh Annexure I shall be required to be submitted along with new DTD.

(*In case of any variation in quantity mentioned in CAD/CID and DTD, the quantity mentioned in CAD/CID shall be treated as final)

3. Repository Account(S) Details

Repository Participant Name	Beneficiary Name	Repository Participant ID	Beneficiary ID

4. Goods and Services Tax (GST) Registration Details:

State	Depositor GST Number	Seller/Principal GST Number

Note: In case of operation in any other States than mentioned above, please provide GST Registration details of all other States as a separate Annexure to this Application along with certified copy of GST Registration certificate.

5. Documents Attached

(Kindly submit all of the following documents as applicable to the Depositor)



Copy of appointment letter/letter of authority from client/member for depositing of goods for client/member.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Self-attested copy of the Challan cum return of payment of GST for the month preceding the month of the deposit submitted.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Whether the goods have been purchased from	Local Mandi	Any other
	<input type="checkbox"/>	Mandi <input type="checkbox"/>
Self-attested copy of Mandi license / APMC license submitted	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Whether the Mandi Tax has been paid	Yes <input type="checkbox"/>	No <input type="checkbox"/>
If Yes, then self-attested copy of the Challan showing payments of the Mandi Tax/Gate Pass/similar document attached	Yes <input type="checkbox"/>	No <input type="checkbox"/>
If Goods have been purchased from any other Mandi, whether the Mandi Tax has been paid by the seller and the proof thereof attached	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Copy of Anugya-patra or similar applicable document in the		
respective State and the mandi for which the same is applicable and undertaking that the warehouses where deposits are being made is in jurisdiction of the same attached.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Farmer – land records such as 7/12 extract or other state Specific land related documents establishing identity as Farmer.	Yes <input type="checkbox"/>	No <input type="checkbox"/>

Place: _____

Date: _____

(Name & Signature of the Beneficiary)

(Name & Signature of the Depositor)

DECLARATION BY OWNER/DEPOSITOR

5. I/We hereby declare that the details furnished above are true and correct to the best of my/our knowledge and belief and I/we undertake to inform you of any change therein, immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting, I am/we are aware that I/we may be held liable for it.
6. I/We confirm having read/been explained and understood the details as filled in this document.
7. I/ We understand that the goods deposited are meeting with all statutory requirements besides the Exchange quality specifications. I/ we confirm that said goods do not violate any statutory requirement or compliances applicable to them as in force. In the event of any restraint or seizure or such other restrictive orders affecting the goods held by us and being offered for delivery on the ICCL platform, I/We agree that I/We shall be liable as the holder of goods and shall ensure that the transferee of the goods gets the delivery of the goods offered.
8. I/ We shall abide by various central/state laws including Tax laws, and other Acts, Rules, Regulations, notification/orders and guidelines applicable to the said goods and as in force from time to time and shall indemnify the warehouse/WSP (hereinafter referred as "WSP or Warehouse") and the ICCL against any, and all litigations or actions / claims or proceedings arising on account of the information provided by me / us.
9. I/We understand that in the event of any non-compliance of any law, Rules, Regulations, Notification/s or order/s as applicable to the said goods, I/We shall be solely and completely responsible and undertake to be so responsible and liable for such noncompliance and for any and all consequences thereof.
10. I/We hereby declare that, there are no statutory dues or returns or taxes/levies pending to be met in respect of the said goods and the said goods are validly owned /held by me/us.
11. The stocks of deposits as mentioned in this Depositor Transaction Declaration (DTD) along with this Declaration are deposited by me /us for self /ourselves and I/We am/are the sole beneficiary of the said stocks.
12. I/We hereby further declare that the goods as mentioned in DTD is valid goods for delivery on the BSE Platform and I /We am/are the lawful owner/s of the goods.

13. I/We further declare that the goods are free from encumbrances and is not under any pledge, hypothecation or any charge of whatsoever nature with any Banks/Financial Institutions/ NBFCs or any other registered or unregistered lending agencies/entities.
14. That the necessary mandi fee has been paid in respect of the goods hereby deposited by me/us. The goods therefore are clear and marketable in my/own name. I/We further state and undertake that I/We shall keep ICCL and its officials indemnified at all times for any mis-declaration with respect to the ownership, encumbrance and other acts by me/us at all times and understand that this indemnification shall survive the transaction executed on the ICCL Platform and shall be valid at all times
15. I / We declare and agree that in no event shall ICCL or the said Warehouse be held liable for any damages, including but not limited to direct or indirect, special, incidental, or consequential damages, losses or expenses arising on account of my/our non-compliance of any central/state laws as applicable to the said goods.
16. As a depositor, I / We hereby confirm that commodities / goods requested to be stored shall not be unauthorized, banned under the law or for any other unlawful activity and all authorization and / or consents, approvals that are required in connection with storage of these materials / commodities has been obtained by me / us, and in the event of any liability, financial or otherwise, arising at any point in time due to any misrepresentation, for any unlawful activity and for non- compliance of applicable laws and regulations governing storage and collateral management services rendered by warehouse, I / we shall indemnify warehouse/ICCL for such losses / damages / penalties etc.
17. I / We shall ensure that the quality of commodities shall comply with the regulations laid down by the other authorities like Food Safety Standards Authority of India, AGMARK & BIS etc.
18. I / We declare that, in case any storage receipt/warehouse receipt (if in physical form) is endorsed to any other third party the same shall be promptly informed to the WSP.
19. I/ We confirm that the total stocks kept by us shall not exceed the state government/ central government stock limit in the state.
20. I/We do hereby agree to be bound by such provisions as outlined in these documents.
21. I/We further declare and undertake that we shall at all times be liable for any action as may be applicable for any violations of ICCL Rules, Bye-laws and Regulations, Circulars, Guidelines and the directives of ICCL or the Board as the case may be as issued from time to time.

Place: _____

Date: _____

(Name & Signature of the Beneficiary)

(Name & Signature of the Depositor)

FOR OFFICE USE ONLY

WSP Allotted Code (WAC): _____

Name of the Depositor: _____

Commodity Acceptance/Inward Document (CAD/CID) no. From _____ to _____

Documents Submitted verified: Yes / No

	Documents verified
Name of the Employee / Warehouse Official	
Employee Code	
Designation of the employee	

 Signature of the Authorized Signatory

Place: _____

Date: _____

Seal/Stamp of the WSP

ACKNOWLEDGEMENT

WSP Allotted Code (WAC): _____

Name of the Depositor: _____

Commodity Acceptance /Inward Document (CAD/CID) no. From _____ to _____

Documents Submitted verified: Yes / No

	Documents Verified
Name of the Employee / Warehouse Official	
Employee Code	

Signature of the Authorized Signatory

Place: _____

Date: _____

Seal/Stamp of the WSP

LETTER OF AUTHORITY TO DEPOSIT COMMODITIES

To,

.....
.....
.....

Dear Sir

I/We, _____ [NAME OF THE STOCK OWNER/BENIFICARY], do hereby irrevocably authorize _____ [NAME OF THE DEPOSITOR] whose signature has been appended and duly verified by me/us and whose PAN No. is _____ to deposit _____ [NAME OF THE COMMODITY AND QUANTITY] with _____ [NAME OF THE WAREHOUSE AND ITS WSP], on my/ our behalf.

_____ [NAME OF THE DEPOSITOR] is also authorized to sign, acknowledge and accept all the related forms/documents on my/our behalf.

I/we declare and undertake that I/we shall be bound by all the terms and conditions stipulated in the declarations and undertakings submitted by me / our authorized depositor.

Signature of the Depositor.

Seal & Signature of Beneficiary

(Along with Self-Attested identity proof)

Commodity Details for Deposit:

Name of the Commodity	Quantity	Units (No. of Bags/ Drums/Qtl/ MT/Bales etc)	Grade/ Standard/ Variety	Date of Deposit	Booking Request no. in Repository.	Remarks

(Name & Signature of the Depositor)



➤ **Accredited Warehouses / Vaults**

Sr. No.	Commodity	Delivery Centre/ Location	Warehouse Service Provider Name	Warehouse/ Vault Name	Warehouse Address	Contact Person	Contact Number	Billing Cycle (Minimum Holding Period)	Storage Charges	QC Facilitation Charges	Quality Certifying (QC) / Assayer Agency
1	Gold	Ahmedabad	Brink's India Private Limited	Brink's India Private Limited	Plot No. 28/15/1, Opp Nobat Singh Chambers, Near Dudheswar Pani Tanki, Mahakali Mandir Road, Tavadiपुरa, Ahmedabad – 380004	Mr. Kuldeep Singh / Mr. Sandip Singh	079-25622347, 25622358, 25622359 Cell: 8511120552/ 8511142869	1 Day	Rs. 20.00 per Bar of 1 Kg per day*	-	-
2	Gold	New Delhi	Brink's India Private Limited	Brink's India Private Limited	N35-36, ACLC-2 SITE, Opp Gate No.6, Cargo Terminal, Near New Custom House, IGI Airport, New Delhi – 110037, Delhi	Mr. Omender Sharma	Cell: 8527994614	1 Day	Rs. 20.00 per Bar of 1 Kg per day*	-	-
3	Gold	Mumbai	Brink's India Private Limited	Brink's India Private Limited	Unit 1, CS # 565 Mazgaon Division, Opp. Byculla Railway Station, Jetha Compound II, Dr. Baba Saheb Ambedkar Road, Byculla (East), Mumbai-400027 Maharashtra	Mr. Anthony Mascarenhas	Cell: 8450967145	1 Day	Rs. 20.00 per Bar of 1 Kg per day*	-	-
4	Gold	Chennai	Brink's India Private Limited	Brink's India Private Limited	No.6A, (NP) Developed Plot, Ekkaduthanagal, Chennai 600	Mr. Ravi Kumar	Cell: 8655967684	1 Day	Rs. 20.00 per Bar of 1 Kg per day*	-	-



					032,Tamil Nadu						
5	Gold	Kolkata	Brink's India Private Limited	Brink's India Private Limited	Ground , First & Second floor, D- 43 East Rajapur, P.O. Santoshpur , P.S. Survey Park , Kolkata – 700075,West Bengal	Mr. Atanu Banerjee	Cell: 8584069882	1 Day	Rs. 20.00 per Bar of 1 Kg per day*	-	-
6	Gold	Hyderabad	Brink's India Private Limited	Brink's India Private Limited	Grd Floor, Plot No. 27&28, Road no. 01, Temple Road, Balamrai Society, Mahendra Hills, Secunderabad, Hyderabad-500026,Telangana	Mr. Janardhan Kambotlu	Cell: 8433907334	1 Day	Rs. 20.00 per Bar of 1 Kg per day*	-	-
7	Gold	Bengaluru	Brink's India Private Limited	Brink's India Private Limited	2 B BLOCK, KOLANDAPPA GARDEN, 15TH CROSS, ANEPALAYA, ADUGODI POST, BENGALURU - 560030,Karnataka	Mr.Santosh Venkatesh	Cell: 8310277818	1 Day	Rs. 20.00 per Bar of 1 Kg per day*	-	-
8	Gold	Kochi	Brink's India Private Limited	Brink's India Private Limited	Door No.27/87, Plot No.198, Survey No.703/9, 9TH CROSS ROAD, GIRINAGAR, KADAVANTR A, ERNAKULAM, KOCHI-682020 ,Kerala	Mr. Remesh U R	Cell: 8138924243	1 Day	Rs. 20.00 per Bar of 1 Kg per day*	-	-
9	Gold Mini	Ahmedabad	Brink's India Private Limited	Brink's India Private Limited	Plot No. 28/15/1, Opp Nobat Singh Chambers, Near Dudheswar Pani Tanki, Mahakali Mandir Road, Tavadiyura,	Mr. Kuldeep Singh /Mr. Sandip Singh	079-25622347, 25622358,25622359 Cell:8511120552/ 8511142869	1 Day	Rs. 2.00/- per day per Bar*	-	-

					Ahmedabad – 380004						
10	Silver	Ahmedabad	Brink's India Private Limited	Brink's India Private Limited	Plot No. 28/15/1, Opp Nobat Singh Chambers, Near Dudheswar Pani Tanki, Mahakali Mandir Road, Tavadiपुरa, Ahmedabad – 380004	Mr. Kuldeep Singh / Mr. Sandip Singh	079-25622347, 25622358, 25622359 Cell:8511120552/ 8511142869	1 Day	Rs. 20.00 per Bar of 30Kg per day*	-	-
11	Silver Kg	Ahmedabad	Brink's India Private Limited	Brink's India Private Limited	Plot No. 28/15/1, Opp Nobat Singh Chambers, Near Dudheswar Pani Tanki, Mahakali Mandir Road, Tavadiपुरa, Ahmedabad – 380004	Mr. Kuldeep Singh / Mr. Sandip Singh	079-25622347, 25622358, 25622359 Cell:8511120552/ 8511142869	1 Day	Rs. 1.50/- per day per Bar*	-	-
12	Gold	Ahmedabad	Sequel Logistics Pvt. Ltd	Sequel Logistics Pvt. Ltd	29/B, Shrimali Society, Opp. Passport Seva Kendra, Navrangpura, Ahmedabad -380 009	Mr. Ram prasad Sahu	079– 2640 9689/90/91, 09016346699	1 Day	Rs. 20.00 per Bar of 1 Kg per day**	-	-
13	Gold	New Delhi	Sequel Logistics Pvt. Ltd	Sequel Logistics Pvt. Ltd	Sequel Logistics Pvt Ltd, E1/18, Jhandewala Extension, New Delhi – 110055 Delhi	Mr. Brij Bhuksan	011-43560271	1 Day	Rs. 20.00 per Bar of 1 Kg per day**		
14	Gold	Mumbai	Sequel Logistics Pvt. Ltd	Sequel Logistics Pvt. Ltd	Sequel Logistics Pvt Ltd, Ashish Product, Ground Floor, Plot No 23, MIDC Main Road, MIDC Andheri, Mumbai – 400093 Maharashtra	Mr. Parag / Mr. Uday	022-61292708/61292727	1 Day	Rs. 20.00 per Bar of 1 Kg per day**		

15	Gold	Chennai	Sequel Logistics Pvt. Ltd	Sequel Logistics Pvt. Ltd	Sequel Logistics Pvt Ltd, No.12/C/2, S.P. Developed Plot, Industrial Estate, Guindy, Chennai- 600032 Tamil Nadu	Mr.Bala krsihan	044-61381102	1 Day	Rs. 20.00 per Bar of 1 Kg per day**		
16	Gold	Kolkata	Sequel Logistics Pvt. Ltd	Sequel Logistics Pvt. Ltd	Sequel Logistics Pvt Ltd., 76 C, Acharya Jagadish Chandra Bose Road, Kolkata – 700014, West Bengal	Mr.Samarup / Mr.Rakesh	033-40717183	1 Day	Rs. 20.00 per Bar of 1 Kg per day**		
17	Gold	Hyderabad	Sequel Logistics Pvt. Ltd	Sequel Logistics Pvt. Ltd	Sequel Logistics Pvt Ltd , Door No.3-6-69/B/20/4/2, Ground Floor, Sridevi Castle, Avanthi Nagar, Basheer Bagh, Hyderabad – 500029 Telangana	Mr.Richard / Mr.Ranga Babu	040 - 40064815	1 Day	Rs. 20.00 per Bar of 1 Kg per day**		
18	Gold	Bengaluru	Sequel Logistics Pvt. Ltd	Sequel Logistics Pvt. Ltd	Sequel Logistics Pvt Ltd, Plot No. L-374, 5th Main Road,6th Sector, Hosur Sarjapur Road Layout, Bangalore - 560 102, Karnataka	Mr.Bala / Mr.Mani	080-66382295	1 Day	Rs. 20.00 per Bar of 1 Kg per day**		
19	Gold	Kochi	Sequel Logistics Pvt. Ltd	Sequel Logistics Pvt. Ltd	Sequel Logistics (P) Ltd., Door No. 53/2543 B, Kattunilathu House, Ponnurrunni, Vyttila S.O., Ernakulam, Kerala - 682019	Mr.Abraham / Mr.Midhun	0484-2306770	1 Day	Rs. 20.00 per Bar of 1 Kg per day**		
20	Gold Mini	Ahmedabad	Sequel Logistics Pvt. Ltd	Sequel Logistics Pvt. Ltd	29/B, Shrimali Society,Opp . Passport	Mr.Ramprasad Sahu	079– 26409689/90/91, 09016346699	1 Day	Rs. 2.00/- per day	-	-



					Seva Kendra, Navrangpura, Ahmedabad -380 009				per Bar**		
21	Silver	Ahmedabad	Sequel Logistics Pvt. Ltd	Sequel Logistics Pvt. Ltd	29/B, Shrimali Society, Opp. Passport Seva Kendra, Navrangpura, Ahmedabad -380 009	Mr. Ramprasad Sahu	079- 2640 9689/90/91, 09016346699	1 Day	Rs. 20.00 per Bar of 30Kg per day**	-	-
22	Silver Kg	Ahmedabad	Sequel Logistics Pvt. Ltd	Sequel Logistics Pvt. Ltd	29/B, Shrimali Society, Opp. Passport Seva Kendra, Navrangpura, Ahmedabad -380 009	Mr. Ramprasad Sahu	079- 2640 9689/90/91, 09016346699	1 Day	Rs. 1.50/- per day per Bar**	-	-
23	Steel Billets	Raipur	Steinweg Sharaf (India) Pvt Ltd	Krishna Udyog	Plot Bearing No 4, CSIDC industrial Estate , Ring Road No 2, Sondongari , Raipur 492001	Mr. Jefri Sameer Kumar	7974885908	1 Day	Rs. 4.00 per MT/per day**	<ul style="list-style-type: none"> • Testing Charges Rs.390 /-per heat/cast. • Rs.2500/per man day including conveyance for physical verification (NDT test). • Sample Cutting Charges (Indicative) - Rs950 /-per heat/cast (Payable directly to 	National Building Materials Lab



										the labour)	
24	Copper	NCR	Steinweg Sharaf (India) Pvt Ltd	Hind Terminals Pvt Ltd	Hind Terminals Pvt Ltd, 1st Floor, HTPL Logistics Park, Bhagola Janoli Link Road, Village Bhagola Palwal 121102 Haryana.	Mr.Jagdish Sharma	9991677637	1 Day	₹ 30/- (1st to 15th of month of deposit); ₹ 35/- (16th-25th of month of deposit); ₹ 40/- (26th - 30th/31st of month of deposit) & ₹ 35/- for subsequent month onwards per MT/Day.	-	-



25	Copper	Thane	Steinweg Sharaf (India) Pvt Ltd	PDA Flow Supply Chain Pvt Ltd	PDA Flow Supply Chain Pvt Ltd, GA-2 Sumeet Industrial & Logistics Park, Borivali-Kukase, Mumbai Nasik Highway, Bhiwandi, Maharashtra-421302	Mr.Ankit Kumar Gaur/ Mr. Anil Kumar	0755851595 1/ 9167055772	1 Day	₹ 30/- (1st to 15th of month of deposit); ₹ 35/- (16th-25th of month of deposit); ₹ 40/- (26th - 30th/31st of month of deposit) & ₹ 35/- for subsequent month onwards per MT/Day.	-	-
26	Copper	Chennai	Steinweg Sharaf (India) Pvt Ltd	Sri Vaari Logistics	Sri Vaari Logistics, No.36, Southupakkam Road, Palavayal Village, Redhills, District Tiruvallur, Chennai-600052	Mr. Mohamed Salik/ Mr. Jefrian Sameer Kumar	9176993636 / 7974885908	1 Day	₹ 30/- (1st to 15th of month of deposit); ₹ 35/- (16th-25th of month of deposit); ₹ 40/- (26th - 30th/31st of month of deposit) & ₹ 35/- for subsequent month	-	-



									onwards per MT/Day.		
27	Copper	Kolkata	Steinweg Sharaf (India) Pvt Ltd	SSBP Realty Pvt. Ltd.	SSBP Realty Pvt. Ltd. Village +Post-Chaturbhukati, Parahamaripool, P.S.- Sankrail, Near Maji Builders, Sankrail Road, Howrah 711313	Mr. Kiran Kumar Singh/Mr. Jefrian Sameer Kumar	7439195817 / 7974885908	1 Day	₹ 30/- (1st to 15th of month of deposit); ₹ 35/- (16th-25th of month of deposit); ₹ 40/- (26th - 30th/31st of month of deposit) & ₹ 35/- for subsequent month onwards per MT/Day.	-	-
28	Zinc	NCR	Steinweg Sharaf (India) Pvt Ltd	Hind Terminals Pvt Ltd	Hind Terminals Pvt Ltd, 1st Floor, HTPL Logistics Park, Bhagola Janoli Link Road, Village Bhagola Palwal 121102 Haryana.	Mr. Jagdish Sharma	9991677637	1 Day	₹ 30/- (1st to 15th of month of deposit); ₹ 35/- (16th-25th of month of deposit); ₹ 40/- (26th - 30th/31st of month of deposit) & ₹ 35/-	-	-



									for subse quent mont h onwa rds per MT/D ay.+		
29	Zinc	Thane	Steinweg Sharaf (India) Pvt Ltd	PDA Flow Supply Chain Pvt Ltd	PDA Flow Supply Chain Pvt Ltd, GA-2 Sumeet Industrial & Logistics Park, Borivali- Kukase, Mumbai Nasik Highway, Bhiwandi, Maharashtr a-421302	Mr.Anki t Kumar Gaur/ Mr. Anil Kumar	0755851595 1/ 9167055772	1 Day	₹ 30/- (1st to 15th of mont h of depos it); ₹ 35/- (16th- 25th of mont h of depos it); ₹ 40/- (26th - 30th/ 31st of mont h of depos it) & ₹ 35/- for subse quent mont h onwa rds per MT/D ay.+	-	-
30	Zinc	Chennai	Steinweg Sharaf (India) Pvt Ltd	Sri Vaari Logistics	Sri Vaari Logistics, No.36, Southupakk am Road, Palavayal Village, Redhills, District Tiruvallur,C hennai- 600052	Mr. Moham med Salik/ Mr. Jefrian Sameer Kumar	9176993636 / 7974885908	1 Day	₹ 30/- (1st to 15th of mont h of depos it); ₹ 35/- (16th- 25th of mont h of depos it); ₹ 40/- (26th - 30th/ 31st of	-	-

									month of deposit) & ₹ 35/- for subsequent month onwards per MT/Day.+		
31	Zinc	Kolkata	Steinweg Sharaf (India) Pvt Ltd	SSBP Realty Pvt. Ltd.	SSBP Realty Pvt. Ltd.Village +Post-Chaturbhukati, Para-Hamaripool, P.S.- Sankrail, Near Maji Builders, Sankrail Road, Howrah 711313	Mr. Kiran Kumar Singh/Mr. Jefrian Sameer Kumar	7439195817 / 7974885908	1 Day	₹ 30/- (1st to 15th of month of deposit); ₹ 35/- (16th-25th of month of deposit); ₹ 40/- (26th - 30th/31st of month of deposit) & ₹ 35/- for subsequent month onwards per MT/Day.+	-	-
32	Almond (In Shell)	Navi Mumbai	Saastha Warehousing Ltd	Saastha Warehousing Ltd	At-Bhingar, Post -Ajiwali, Tal-Panvel, Raigad, 410206 Maharashtra	Mr. Nilu. G. Sharma	9619920104	1 Day	Rs. 70/- per MT per day	Rs. 850/- per lot of 1 MT	National Bulk Handling Corporation Pvt. Ltd.- PROCOM

1. Taxes, as applicable, shall be collected in addition to the prescribed storage and service charges.

2. The above details are indicative and are subject to change. Members and their respective constituents are requested to refer the respective latest circulars issued by the ICCL from time to time.

3. Gold 1 Bar=1 Kg, Silver 1 Bar=27Kgs -33 Kgs, Gold Mini 1 Bar=100 Gms

***Transaction charge of Rs. 400/- per deposit or withdrawal (inclusive of applicable Taxes) shall be payable directly to the Brink's India Pvt Ltd.**

**** Transaction charge of Rs. 250/- per deposit or withdrawal (inclusive of applicable Taxes) shall be payable directly to the Sequel Logistics Pvt Ltd.**

*****Handling Charges (unloading or loading) /MT in case of use of Crane will be applicable on Steel Billets:**

Length	Charges for Unloading per MT (In Rs.)	Charges for Loading per MT (In Rs.)
6 MTR	85	55
9 MTR	100	65
12 MTR	115	85

+ Handling Charges (unloading or loading) Rs. 175 Per MT in case of use of Forklift only and Rs. 250 Per MT in case of use of Forklift & Hydra for Copper & Zinc

CHAPTER 10- Collateral Management (Liquid Assets): Commodity Derivatives Segment

1. Composition of Liquid Assets

Clearing Members of the Commodity Derivatives Segment may deposit liquid assets in various forms viz. cash and cash equivalents i.e. Bank Guarantees and Fixed Deposit Receipts of scheduled commercial banks, eligible Government Securities, Liquid Mutual Fund (MF) Units and non-cash equivalent i.e. eligible securities, Non cash MF units, Corporate bonds, Bullion collateral etc. and in any other form as may be prescribed by ICCL from time to time. [List of Eligible securities, MF units and Government Securities is available on the web-site of \(BSE\)/ICCL.](#)

The types of liquid assets acceptable by ICCL from the clearing members and the applicable haircuts and concentration limits are listed below:

Eligible Collateral	Haircut	Remarks
Cash	No haircut	No limit
Bank Fixed Deposit Receipts ("FDRs")	No haircut	No limit
Bank Guarantees ("BGs")	No haircut	Limit on exchange's exposure to a single bank as per the sebi stipulated norms.
Central Government Securities	10%	No limit
Units of liquid Mutual Fund (or Govt. Sec. Mutual Fund (by whatever name called which invests in government securities))	10%	No limit
Eligible Collateral	Haircut	Remarks
Liquid (Group-I) Equity Shares (as per the prescribed criteria for classification of scrips on the basis of liquidity).	VaR margin for the respective scrips	Limit on exchange's exposure to a single issuer as per SEBI stipulated norms.
Mutual Funds (other than those listed under cash equivalent)	VaR Margin	
AA (or higher) rated Corporate Bonds	10%	Not more than 10% of total liquid assets of the clearing member.
Gold ETF	20%	Total commodities collateral for any clearing member shall not exceed 30% of the total liquid assets of the clearing member, out of which non-bullion (Presently, not accepted) collateral shall not exceed 15% of the total liquid assets of the clearing member.

- The cash/cash equivalent component should be at least 50% of the total liquid assets. Further, the Liquid Assets deposited in form of cash equivalent and non-cash equivalent are subject to the norms in respect of applicable haircuts, single bank and single issuer exposure limits, etc. as per the guidelines issued by Securities and Exchange Board of India (SEBI) and ICCL as well as any other circulars/guidelines that may be issued in respect of the same from time to time.
- ICCL will not accept FDRs & BGs from clearing members as collateral, which are issued by the trading/clearing members themselves or banks who are associate of trading/clearing members.
- The commodity collateral which is owned by the clearing member only can be deposited towards collateral deposits by the clearing member with ICCL.

2. Minimum Liquid Asset/Networth

The Clearing Member's liquid net worth after adjusting all types of margins must be at least INR 50 Lakhs at all points in time.

Accordingly, every Clearing Member would be required to maintain Minimum Liquid Networth (MLN) of INR 50 lakhs with ICCL, out of which MLN worth atleast INR 25 lakhs should be in the form of cash & cash equivalents. The balance amount can be in the form of Cash/Cash equivalent/non-cash equivalent.

3. Additional Liquid Assets

Clearing Members may deposit additional liquid assets at any point of time based on the composition of Liquid Assets as detailed above.

4. Procedure for submission of deposits towards Liquid Assets

➤ Cash Deposits

- ✓ ICCL has provided an on-line facility in its Collateral Management System to members for sending instructions to Clearing Banks for enhancement of cash collateral.
- ✓ Through the said facility, Members can place their on-line requests to their designated Clearing Bank during the specified timings for enhancement of cash collateral for the relevant segment of the Exchange.
- ✓ The concerned Clearing Banks have also been provided the on-line web-based facility for confirmation of such cash collateral enhancement requests.
- ✓ Based on the request forwarded by the Member, the respective Clearing Banks may confirm or reject the enhancement of cash collateral request received by them.

➤ Fixed Deposit Receipts (FDRs)

Clearing Members can deposit FDR(s) of scheduled commercial banks towards liquid assets.

- ✓ The FDRs deposited by the Clearing Members should be issued in favour of "Indian Clearing Corporation Ltd. a/c Trade Name of the Clearing Member" and should be duly discharged by the Clearing Member himself or an authorised signatory of the member on the reverse of the FDRs.
- ✓ The FDRs need to be deposited along with a covering letter of the Clearing Member and with a letter from the concerned bank addressed to ICCL as per the formats stipulated by ICCL.

**(Refer annexure 1.4.10.1.1) <https://www.bseindia.com/members/downloads.aspx?expandable=9>
Renewal of FDRs**

✓ Clearing Members may renew the FDRs deposited towards Liquid Assets by submitting a renewal letter from the concerned bank and along with a covering letter by the Clearing Member in the prescribed format.

**(Refer annexure 1.4.10.1.2) <https://www.bseindia.com/members/downloads.aspx?expandable=9>
The Clearing Members can also deposit new/renew the Fixed Deposit Receipts in electronic form (EFDRs) in favour of ICCL towards their Liquid Assets. The process for issuance/renewal of EFDR is as follows:**

- ✓ Members who wish to avail of the facility can approach any of the empaneled banks
- ✓ Submit required documents and information such as member code, segment for which FDR is to be deposited towards Liquid Assets (Collateral) requirements, Amount, Tenure etc.
- ✓ Request the bank to create/renew the FDR and mark lien in favour of ICCL.
- ✓ Accordingly banks can issue/renew the FDR, with a lien marked in favour of ICCL and confirm the FDR information electronically to ICCL through the system provided by ICCL.

➤ **Bank Guarantee (BGs)**

Clearing Members can deposit Bank Guarantees (BGs) issued by Scheduled Commercial Banks towards Liquid Assets requirements in the prescribed format stipulated by ICCL. The BG may be deposited along with a covering letter of the Clearing Member as per the specified format.

(Refer annexure 1.4.10.2.1) <https://www.bseindia.com/members/downloads.aspx?expandable=9>
Clearing Members can deposit bank guarantee(s) with/without the claim period. In cases where bank guarantee(s) are submitted without a claim period, the amount of the bank guarantee(s) would be removed from the liquid assets of the member at least seven days before the expiry date of the bank guarantee(s) or such other period as may be decided by ICCL from time to time. In cases where bank guarantee(s) are submitted with a claim period, the amount of the bank guarantee(s) would be removed on the expiry date of the bank guarantee(s) or such other date as may be decided by ICCL from time to time.

Clearing Members are required to ensure the following at the time of depositing the bank guarantees:

- ✓ The bank guarantee should be strictly as per the formats prescribed by ICCL.
 - ✓ No relevant portion of the bank guarantee should be left blank.
 - ✓ All irrelevant portions struck off on the printed format should be authenticated by the bank by affixing the bank seal / stamp duly authorised.
-
- ✓ All handwritten corrections and blanks should be attested by the bank by affixing the bank seal / stamp duly authorized.
 - ✓ Each page of the bank guarantee should bear the bank guarantee number, issue date and should be signed by at least two authorised signatories of the bank.
 - ✓ That the bank guarantee should be free from any discrepancy before the same is submitted to ICCL.

Renewal of BGs

✓ Clearing Members may renew the BGs deposited towards Liquid Assets by submitting a renewal letter from the concerned bank along with the covering letter by the Clearing Member in the prescribed format.

**(Refer annexure 1.4.10.2.2) <https://www.bseindia.com/members/downloads.aspx?expandable=9>
Bank Guarantee in electronic form**

The Clearing Members can also deposit/Renew the Bank Guarantees in electronic form in favour of ICCL towards their Liquid Assets. For details Members may refer Circular No 20150903-26, dated 03, September 2015.

➤ **Eligible securities and MF units by way of pledge towards Liquid Assets**

Clearing Members can deposit eligible securities and MF units in dematerialised form towards liquid assets by way of pledge. The list of eligible securities and units is available on BSE/ICCL web-site. These securities and units shall be pledged in favour of ICCL in the designated depository accounts. The valuation of the securities and units deposited towards Liquid Assets shall be in accordance with the norms and limits as prescribed by ICCL from time to time. The value of the securities shall be subject to such haircut as may be prescribed by ICCL from time to time. The valuation of securities and units will be done on a periodic interval by ICCL and benefit to the extent of net value of the securities/units after haircut shall be considered. ICCL may revise the list of approved securities/units and the norms in respect of same from time to time. Clearing Members shall regularly monitor their valuation of securities/units lying towards Liquid Assets and replace/replenish the same based on the revised list of approved securities/units and change in norms.

Clearing Members shall also ensure that only eligible securities are pledged and lying towards their Liquid Assets with ICCL and that the said securities are not subject to any lock in period, any charge or lien, encumbrance of any kind, or such other limitations or title is questioned before the court or any regulatory body.

Procedure for pledging of demat securities/units towards Liquid Assets

Clearing Members need to follow the following procedure for availing the facility to pledge demat securities /units towards Liquid Assets:

- ✓ Clearing Members need to execute a deed of pledge in favour of ICCL, for deposit of approved securities towards liquid assets with ICCL for the concerned segment in the prescribed format stipulated by ICCL.
- ✓ The said deed of pledge should be stamped and signed by (i) Clearing Member in case of individual membership, (ii) all partners in case of a Partnership Firm (iii) In case of a company by any two of the following persons (Managing Director, Whole-time Director and other Directors on the board of the member company).
- ✓ The pledge needs to be submitted to ICCL along with the covering letter and certified true copy of the board resolution pertaining to the authorised signatories of the pledge deed.

➤ **Government Securities towards Liquid Assets**

Clearing Members can deposit eligible securities of Central Government (GSec) and Treasury Bills (T-bills) through RBI E-Kuber System or through demat mode. The list of such eligible securities is available on <https://www.bseindia.com/members/downloads.aspx?expandable=9>

(Refer Annexure 1.4.10.3.2)

The procedure for submitting G-sec's as collateral shall be as under:

- ✓ Members desirous of providing G-sec's will inform ICCL about the details of such G-Sec's as per the stipulated format. A copy of such letter should be emailed at bse.csd@bseindia.com

(Refer annexure 1.4.10.3.1 for Gsec procedure & formats)

<https://www.bseindia.com/members/downloads.aspx?expandable=9>

- ✓ The details filled in said format by the Member brokers need to be entered into in the Ekuber System under Margin Transfer Module before 5.00 pm for transfer of securities to the following CSGL account of ICCL.

Account Name : Indian Clearing Corporation Ltd. -CSGL Account.

CSGL Account No. : 53111600001

✓ The process of transfer will get completed on confirmation of the transfer instructions received by ICCL through EKUBER for acceptance of the said Govt. Securities.

✓ Members may note that the valuation of G-Sec's shall be based on the latest available closing price (subject to a minimum hair-cut of 10%) of G-Sec's.

✓ Member brokers may note that the periodic coupon/redemption payments received on such G-Sec's will be distributed/passed by ICCL to concerned Clearing Members by crediting the same to their settlement Accounts with the designated Clearing banks upon receipt of amount from RBI.

➤ **Procedure for deposit of Commodities towards Liquid Assets**

✓ Clearing Members can avail the facility to deposit the approved commodities towards collateral deposits.

✓ Clearing Members need to execute a deed of pledge in favour of ICCL, for deposit of approved commodities towards liquid assets with ICCL as per the prescribed format.

✓ To begin with, Clearing Members can deposit Bullion towards collateral. Members will be informed about the addition of commodities in the approved list of commodity towards collateral.

✓ Clearing member shall mark the Bullion deposited with the vaults as collateral (Kindly refer Annexure 3-Settlement Process for process of deposit Bullion) in the Collateral Management System post confirmation of the receipt of commodity in the collateral module.

✓ Commodities will be valued on the basis of previous day's closing price for the near month futures contract of the respective commodity.

✓ Once the near month contract enters the tender period, rates of the immediate far month contract shall be considered for the purpose of valuation.

✓ The valuation of the commodities will be done on daily basis and the valuation arrived at, will be subject to the commodity wise haircut to arrive at the eligible value of the collateral.

5. Process for withdrawal of Collateral (Liquid Assets)

✓ Clearing Members can place their on-line requests as per the timelines for release of Liquid Assets deposited by them with ICCL to the extent of collateral which is not utilised/blocked towards margins and/or other obligations of the member through the collateral module provided to them.

✓ In Collateral Module, clearing members are required to update their release requests by selecting 'commodity segment' and the respective collateral type of release ie. Cash, FDR, BG, Security, Commodity etc.

✓ Such requests may be considered by ICCL, inter alia, subject to availability of un-utilised collateral of the member after due adjustments for the fulfilment of all obligations and liabilities of the member towards ICCL/BSE as per the Bye Laws, Rules and Regulations of ICCL/BSE or anything done in pursuance thereof.

✓ For withdrawal of G-Secs (deposited towards Liquid Assets with ICCL), members will also be required to send the release request through E-kuber system on a working day to ICCL. (**Refer annexure 1.4.10.3.1 for Gsec release format**)

<https://www.bseindia.com/members/downloads.aspx?expandable=9>

6. Transfer of collateral from one trading segment to another trading segment



- ✓ Clearing Members, who intend to transfer collateral across segments need to send their on-line instruction in respect of same through the Collateral Module.
- ✓ Members can log-in through specific user-ids and passwords into the Collateral Module.
- ✓ Clearing Members can avail facility of on-line transfer of collateral except commodity collateral across segments to the extent of the available amount of unutilised collateral (collateral which is not utilised/blocked towards margins and/or other obligations of the member).
- ✓ The transfer requests received from Clearing Members through the Collateral Module shall be treated as request from the member and no separate letter would be required to be submitted.
- ✓ In case of Bank Guarantee, only Fungible BGs will be allowed for transfer across segments.
- ✓ Certain types of collateral cannot be transferred to other segments where such collateral is not eligible.
- ✓ The evaluation of collateral transfer across the segments will be subject to hair-cut and other criteria/norms in respect of the concerned segments as specified by SEBI/BSE/ICCL in this behalf from time to time.
- ✓ Clearing Members may verify the details of their request for transfer and its status in the Class Collateral Module.

CHAPTER 11- CLEARING & SETTLEMENT PROCESS

The Clearing & Settlement of trades executed on the Commodity Derivatives Segment of BSE Ltd. are cleared and settled through Indian Clearing Corporation Ltd. (ICCL) as per the guidelines issued by Securities and Exchange Board of India (SEBI) and as per the provisions of Rules, Bye-Laws and Regulations of ICCL and BSE as well as any other circulars/guidelines that may be issued in respect of the same from time to time.

The Clearing and Settlement shall be done on a multilateral netting basis as per the settlement obligations of the respective clearing members. The Clearing Members shall be responsible for all obligations, inter alia, including the payment of margins, penalties, any other levies and settlement of obligations of the trades entered by them as trading members and also of those trading members and custodial participants, if any, for whom they have undertaken to settle as a Clearing Member.

As a set process all obligations in respect of trades entered by trading members will be transferred to the respective Clearing Members who have undertaken to settle as Clearing Members for them.

Give-up/Take-up facility

Members can give-up trades pertaining to their Custodial Participant clients who want to settle their trades through other Clearing Members. The Clearing Members of the custodial participants need to confirm such trades to take-up the positions for settlement. Such trades shall be confirmed by the Clearing Members in such manner, within such time and through such facility as may be provided to Clearing Members from time to time by the Exchange/ICCL. The trades which have been confirmed by Clearing Members shall form part of the obligations of concerned Clearing Members and such Clearing Members shall be responsible for all obligations arising out of such trades including the payment of margins, penalties, any other levies and settlement of obligations. In case of trades which have not been confirmed by Clearing Members of the Custodial Participants shall be considered as trades pertaining to the Trading Members entering such trades and shall form a part of the obligations of Clearing Members, who clear and settle for such Trading Members.

ICCL has provided the facility for setting take-up limits at Custodial Participant Code (CP Code) level and for on-line, real time auto take-up/confirmation of trades. The said facility is available in the Real Time Risk Management System (RTRMS) module.

The salient features of the said facilities in the RTRMS module are as follows:-

- CP - Clearing Members can select the option on RTRMS screen to activate their respective CP code/s for the facility of auto take-up/confirmation of trades till 5.00 pm on any working day. Such selected CP Codes will get activated for auto take-up/confirmation on the next trading day.

- Default value of the set limit for all mapped CP Codes (auto-take up as well as manual take-up mode) would be zero (0) in RTRMS. For taking up of trades up to the assigned limit, the CP-Clearing Members would be required to set specific CP Code limit or select the option of 'unlimited' for taking-up position without any set limit.

a) **Auto Take-up process**

Through the CP Code limit setting window in RTRMS, CP-Clearing Members can set limit for auto take-up of trades for each of their mapped CP Code. Accordingly, the system would accept trades for auto confirmation up to the set limit in respect of the activated CP Codes. On reaching the set limit of margin utilisation, the pending trades under such CP code would get transferred to manual take-up mode and trading limits/margin deposits of the Trading Member/Clearing Member (mapped with the Trading Member) would get utilised as per the existing process. CP-Clearing Members can on-line enhance the limit for such CP Code for re-activating the auto take-up function for the respective CP Code. However, enhanced limit would be applicable for trades received by RTRMS after enhancement of such limit. The trades transferred to manual confirmation mode as mentioned above would be required to be taken-up manually by the CP-Clearing Members.

The trades of CP Code in auto confirmation mode would automatically get transferred under the concerned CP-Clearing Member in RTRMS module without any manual intervention subject to the abovementioned conditions.

- a) **Manual Take-up process** - The process for manual take-up would remain unchanged except for setting CP Code Limit as explained above.

Once the confirmed trades appear under the CP-Clearing Member, all types of margins pertaining to such trades will be utilised from the collateral deposits of the concerned CP-Clearing Member on an on-line, real time basis. However, if such CP-Clearing Member confirming (taking-up) the trades do not have sufficient un-utilised collateral, then such trades will not get confirmed and margins of the Clearing Member (mapped with the Trading member) would be utilised.

4.1. Settlement Schedule

The Settlement Schedule for Commodity Derivatives Segment shall be as under

Settlement Period - The pay-in and pay-out of daily mark to market settlements, premium settlement, final settlement of futures contracts and final exercise settlements of options contracts would be effected in accordance with the settlement schedule issued by ICCL periodically. The Clearing Members should maintain clear balance of funds in their settlement account with their designated Clearing Bank towards their funds pay-in obligation at the scheduled pay-in time on the settlement day.

The pay-out of funds will be credited to the receiving Clearing member's settlement account with their designated Clearing Bank.

Daily settlement - The daily mark-to-market settlement and premium settlement of commodity derivatives contracts would be cash settled on T+1 day basis as per the timelines specified by ICCL.

Final settlement in commodity futures and options - The final settlement of commodity futures and options contracts shall be effected on T+2 day basis as per the timelines specified by ICCL. The final settlement date shall be T+2 day from the last trading day of the contract as specified by the Exchange.

4.2. Settlement Price

Settlement price for settlement of contracts in the Commodity Derivatives segment are specified as under

- b) During staggered delivery period,
 - i. The delivery settlement price during the staggered delivery period will be the daily settlement price of the particular contract as specified in the contract specification. The price arrived at as above will be adjusted by applying freight adjustment factor /Discount/Premium on up country delivery and the discount / premium in respect of quality, quantity etc. in accordance with the adjustments specified in the Contract Specifications. The location premium/discount will be determined and disclosed prior to launch of the contract in various commodities.

- c) On the day of Contract Expiry
 - i. All open positions will be marked for delivery at the Final settlement price of the particular commodity. Final Settlement Price (FSP) is determined by polling, unless specifically approved otherwise, the FSP shall be arrived at by taking the simple average of the last polled spot prices of the last three trading days viz., E0 (expiry day), E-1 and E-2. In the event the spot price for any one or both of E-1 and E2 is not available; the simple average of the last polled spot price of E0, E-1, E-2 and E-3, whichever available, shall be taken as FSP. Thus, the FSP under various scenarios of non-availability of polled spot prices will be as under:

Scenario	Polled spot price availability on				FSP shall be simple average of last polled spot prices on:
	E0	E-1	E-2	E-3	
1	Yes	Yes	Yes	Yes / No	E0, E-1, E-2
2	Yes	Yes	No	Yes	E0, E-1, E-3
3	Yes	No	Yes	Yes	E0, E-2, E-3
4	Yes	No	No	Yes	E0, E-3
5	Yes	Yes	No	No	E0, E-1



6	Yes	No	Yes	No	E0, E-2
7	Yes	No	No	No	E0

- II. In case of non-availability of polled spot price on expiry day (E0) due to sudden closure of physical market under any emergency situations noticed at the basis centre, BSE will decide on further course of action for determining FSP in consultation with SEBI
- III. The price arrived at as above shall be adjusted by applying freight adjustment factor /Discount/Premium on up country delivery and the discount / premium in respect of quality, quantity etc. in accordance with the adjustments specified in the Contract Specifications.

Daily Settlement Price for mark to market settlement of commodity futures contracts - The Daily settlement price for futures contracts shall be the closing price of such contracts on the trading day. The same shall be computed as below:

- IV. VWAP (Volume Weighted Average Price) of all trades done during the last 30 minutes of the trading day, subject to minimum 10 trades.
- V. If the number of trades during last 30 minutes is less than 10, then it is based on the VWAP of the last 10 trades executed during the day.
- VI. If number of trades done during the day is less than 10 or no trades have been executed in a contract on a particular trading day, then the close price will be computed theoretically.

4.3. Settlement Process

The settlement process in Commodity Derivatives segment shall be as under

Funds settlement for trades done on BSE Commodity Derivatives Segment will be cleared and settled on a netted basis for daily settlement obligations & for delivery obligations.

The delivery obligations of commodities will be settled on gross basis.

The daily mark-to-market settlement and premium settlement of Commodity Derivatives Segment would be cash settled on T+1 day basis as per the timelines specified by ICCL.

The final settlement of Commodity Derivatives contracts would be effected as per the settlement schedule and as per the timelines specified by ICCL from time to time. In case of option contracts, on expiry date, all open long contracts shall be exercised/assigned as per exercise mechanism specified in the Contract Specifications of such Contracts.

The pay-in and pay-out of funds settlement obligations would be effected in accordance with the settlement schedule issued by ICCL periodically through the clearing accounts of Clearing Members with the designated Clearing Bank. The members should maintain clear balance of funds in their settlement account with their designated clearing bank towards their funds pay-in obligation at the

scheduled pay-in time on the settlement day.

4.4. Clearing Bank

Every clearing member shall maintain a settlement account for the Commodity Derivatives Segment with any one of the designated Clearing Banks. The settlement account shall be used exclusively for clearing and Settlement operations i.e., for settling funds obligations, payment of margins, penal charges, etc. as may be specified by ICCL from time to time. The list of Clearing Banks currently available for settlement is provided in Annexure – I.

Operation of settlement Account - Clearing members shall irrevocably authorize their designated clearing bank to access their settlement accounts for debiting and crediting their settlement accounts as per the instructions of ICCL, reporting of balances and other information as may be required by ICCL from time to time.

Clearing Members shall maintain clear balance of funds in their settlement account with their designated clearing bank towards their funds obligation/s to ICCL.

Clearing members shall not seek to close or de-activate the settlement accounts without the prior written consent of ICCL.

The Clearing Banks shall debit/credit the settlement accounts of Clearing Members as per instructions received by them from ICCL from time to time. Any request from the Clearing Members for revoking the authorisation furnished by them shall not be considered by the Clearing Banks. The Clearing Banks shall not close the settlement accounts or permit deactivation of the same without the prior written consent of ICCL.

Procedure for change in designated Clearing Bank - In case a Clearing Member wishes to shift their settlement account from one designated Clearing Bank to another, the following procedure shall be followed:

- 1 The Clearing Member shall submit their request letters (on their letterhead) of their intent to shift their settlement account from one designated Clearing Bank to another, to ICCL as per the format enclosed as (Annexure – II).
- 2 No Objection Certificate (NOC) from the existing Clearing Bank (format enclosed as (Annexure-III)).
- 3 Letter from the new clearing bank confirming the settlement account number and the client account number of the member (in the format enclosed as (Annexure-IV)).
- 4 Copy of Authorisation Letter addressed to new clearing bank ((in the format enclosed as (Annexure-V)).

4.5. SETTLEMENT OBLIGATIONS

4.5.1. Settlement of Admitted Deals - Deals executed in Commodity Derivatives segment, shall be cleared on a netted/ gross basis as per contract specifications, by ICCL.

It shall be the responsibility of the clearing members with regard to all the obligations arising out of such trades including the payment of margins, penalties, any other levies and settlement of obligations of the trades entered by them as trading members and also of those trading members and custodial participants, if any, for whom they have undertaken to settle as a clearing member.

4.5.2. Custodial Participant - Custodial participants are those constituents who are eligible for trading through trading members and who clear and settle deals through clearing members. Such custodial participants shall register themselves with ICCL through their clearing members.

Confirmation of trades entered by custodial participants - Clearing members of the custodial participants shall confirm trades entered into on behalf of the custodial participants. Such trades shall be confirmed by the clearing members in such manner, within such time and through such facility as may be provided to clearing members from time to time. Such confirmation shall be carried out within such time as may be specified by BSE/ICCL from time to time where such trades have been entered. All such trades which have been confirmed by clearing members shall form part of the obligations of clearing members concerned and such clearing members shall be responsible for all obligations arising out of such trades including the payment of margins, penalties, any other levies and settlement of obligations. Trades which have not been confirmed by clearing members of the custodial participants shall be considered as trades pertaining to the trading members entering such trades and shall form a part of the obligations of clearing members, who clear and settle for such trading members.

4.6. SETTLEMENT PROCEDURE

4.6.1. Daily mark to market settlement of futures contract - Daily mark to market settlement in respect of deals in Commodity Futures contracts shall be by debit/ credit of the clearing accounts of clearing members with the respective clearing bank.

At the close of trading hours on a day, all positions (brought forward, created during the day, closed out during the day) of a clearing member in futures contracts, shall be marked to market at the daily settlement price (for daily mark to market settlement) and settled.

4.6.2. Daily premium settlement of options contracts - Premium settlement for Options shall be netted with daily mark to mark settlement of commodity futures and the daily premium settlement shall be effected on T+1 day as per the timelines specified by ICCL.

Final settlement of commodity futures contract - The final settlement of commodity futures contracts will be effected as per the timelines specified by ICCL in the respective product specification circular issued from time to time.

Contract specifications circulars are issued by BSE/ICCL from time for cash settled contracts & delivery settled contracts. In case of Compulsory Delivery Contracts, all the open outstanding position on the maturity of the contract will compulsory result in delivery. Members with an open position, as at the close of contract expiry date, will be obliged to compulsorily tender/take delivery of the commodities as the case may be for the entire sell position or accept delivery for the entire buy position, as the case may be. In case of Contracts having Staggered Delivery, Members desirous of tendering delivery will have to submit Delivery Intention. Delivery marking will take place only to the extent of Delivery Intention of the sellers. Intentions submitted within the stipulated timelines will be marked for delivery on the date of receipt of intention. Buyers marked for delivery against the delivery intention of the seller will have to take the delivery of the commodity.

For details on Delivery settlement process, Members may refer the contract specifications for the respective commodity published by BSE/ICCL from time to time.

Final Exercised settlement of commodity options contract - On Expiry date, as per settlement calendar issued by ICCL, all open long in-the-money contracts shall be exercised at the final settlement price and assigned on random basis to the open short position of the same strike and series. Exercise mechanism shall be as mentioned in the contract specifications from time to time by ICCL.

5 Client Margin Reporting

Clearing/Trading members are required to collect margins (initial margin and extreme loss margin) from their client/constituents on an upfront basis and it is mandatory for all clearing /trading members to report details of such margins collected to the Clearing Corporation as per the formats specified hereunder or as may be specified by the Clearing Corporation from time to time.

a. Detailed margin file for Trading / Clearing Member (MGTM/MGCM)

Naming Convention	BCX_MGTM_<MEMBER CODE>_DDMMYYYY.CSV	Trading Member
	BCX_MGCM_<MEMBER CODE>_DDMMYYYY.CSV	Clearing Member
File Path	Extranet	
File Format	comma separated file format (CSV)	



Sr No.	Field Name	Description	Data Type
1	Date	Margin File Generation Date Format: DD-MMM- YYYY	Char (11)
2	Trading Member Code/CP Code	Trading Member code In case of accepted CPTrades, this will contain CP code	VarChar (12)
3	Client Code	Client code - For TCM/PCM it would be blank, For Pro record it will be 'OWN'	VarChar (12)
4	Initial Margin	Sum of Initial Margin + Extreme loss Margin+ Net Buy Premium at TM/CP/End Client level	Numeric (22,2)
5	OtherMargin	Sum of Additional Margin + Special Margin + Tender Margin + Delivery Margin + Concentration Margin + Devolvement Margin	Numeric (22,2)
6	MTMMargin	MTM loss(MTM + Exercise/Assignment)in absolute terms. If MTM Profit, then it would be 0.00	Numeric (22,2)
7	Total EOD Margin Amount	Initial Margin + MTM loss + Other Margin	Numeric (22,2)
8	Peak Margin	Peak of Intra-day margin amount	Numeric (22,2)
9	MTM Margin Collection	Reserved for Member Reporting	Numeric (22,2)
10	InitialMargin Collection	Reserved for Member Reporting	Numeric (22,2)
11	Other MarginCollection	Reserved for Member Reporting	Numeric (22,2)
12	Peak Margin Amount Collection	Reserved for Member Reporting	Numeric (22,2)

b. Margin Response File:

Naming Convention	BCX_MGRTM_<membercode>_YYYYMMDD.csv	Trading Member
	BCX_MGRCM_<membercode>_YYYYMMDD.csv	Clearing Member
File Path	Extranet	
File Format	comma separated file format (CSV)	

Sr No.	Field Name	Description	Data Type
1	Date	Margin File Generation Date Format: DD-MMM-YYYY	Char (11)
2	Trading Member Code/CP Code	Trading Member code In case of accepted CP Trades, this will contain CP code	VarChar (12)
3	Client Code	Client code - For TCM/PCM it would be blank. For Pro record it will be 'OWN'	VarChar (12)
4	Initial Margin	Sum of Initial Margin + Extreme loss Margin+ Net Buy Premium at TM/CP/End Client level	Numeric (22,2)
5	Other Margin	Sum of Additional Margin + Special Margin + Tender Margin + Delivery Margin + Concentration Margin + Devolvement Margin	Numeric (22,2)
6	MTMMargin	MTM loss(MTM + Exercise/Assignment)in absolute terms. If MTM Profit, then it would be 0.00	Numeric (22,2)
7	Total Margin Amount	Initial Margin + MTM loss + Other Margin	Numeric (22,2)
8	Peak Margin Amount	Peak of Intra-day margin amount	Numeric (22,2)
9	Reported MTM	MTM Margin Reported By Member	Numeric (22,2)
10	Reported Initial Margin	Initial Margin Reported By Member	Numeric (22,2)
11	Reported Other Margin	Other Margin Reported By Member	Numeric (22,2)
12	Reported Total EOD Margin	Initial Margin + MTM loss + Other Margin	Numeric (22,2)
13	Reported Peak Margin	Peak Margin Reported By Member	Numeric (22,2)
14	Margin File Upload Date/Time	Date & Time of margin file uploaded in the Exchange System	Char (24)
15	Margin Shortage	Higher of the margin shortage amount in respect of EOD Margin collected or Peak margin collected	Numeric (22,2)

16	Penalty Code	If any Margin shortage then applicable penalty category. Note: * is for invalid reported entry	Numeric (22,2)
17	Penalty Amount	If any Margin shortage then applied penalty as given by SEBI.	Numeric (22,2)
18	Filler	Reserved for future use and any value in the same should be ignored.	Numeric (22,2)

5.2 Statement of account of settlement & client margin - Clearing / trading members are required to collect upfront margins from their respective trading members/constituents. Every clearing /trading member is required to send a complete statement of account for settlements and margins as reported in the client margin files submitted to the Clearing Corporation in respect of trading member/constituents.

6. Annexures

Annexure – I

List of Clearing Banks

S. No.	List of designated Clearing Banks
1	Axis Bank Limited
2	Bank Of Baroda
3	Bank Of India
4	Canara Bank
5	Central Bank of India
6	Citibank N.A.
7	Corporation Bank
8	Deutsche Bank AG
9	HDFC Bank Limited
10	Hongkong and Shanghai Banking Corporation Limited
11	ICICI Bank Limited
12	IDBI Bank Limited
13	Indian Overseas Bank
14	IndusInd Bank Limited
15	Kotak Mahindra Bank Limited
16	Punjab National Bank
17	Standard Chartered Bank
18	State Bank of India
19	Union Bank of India
20	Yes Bank Limited

Annexure – II

Format of member's request letter for change of Designated Bank

Date

Manager,
Clearing & Settlement Dept.
Indian Clearing Corporation Ltd. (ICCL)
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai - 400 001

Dear Sir,

Re: Change of Designated Bank for Clearing & Settlement Purpose

I/We _____ Ctg.No. _____ is/ are having A/c.
No. _____ with _____ Bank for margins /clearing &
settlement obligations of ICCL – BSE Equity Derivatives Segment. I/We wish to shift my
/ our designated bank from _____ to
_____ bank.

Our Account No. _____ with _____ bank is
_____ and we wish to designate the same for Clearing &
Settlement purpose including margin payments for ICCL – BSE Equity Derivatives
Segment.

I/We agree that the operations in the abovementioned account would start only after
receiving intimation regarding the same from ICCL.

You are requested to please do the needful.

Signature & Stamp of the Member(s) / Director(s)

Annexure III

(To be issued by the existing Clearing Bank on its letterhead)

Date:

NO OBJECTION CERTIFICATE

We, _____, as a Clearing Bank to Indian Clearing Corporation Limited, have been providing the clearing services to _____ (name of the Member), a member of ICCL.

The said Member desires to appoint other Bank as their Clearing Bank and has requested us to close his settlement account and client account with us.

We hereby inform that we do not have any objection in the said member appointing other Clearing Bank for the purpose.

The settlement account number of the said member is _____ (Settlement account no.) and client account number is _____ (client account no.). These said accounts will be closed on receipt of a request of the member on its opening settlement and client accounts with other Clearing Bank.

For and on behalf of the (name of the Bank)

Authorised Signatory

(Affix bank seal/stamp)

Annexure IV

(To be issued by the new Clearing Bank on its letterhead)

Date:

The Clearing & Settlement Department

Indian Clearing Corporation Limited.

15TH Floor, P J Towers,

Dalal Street,

Mumbai -400001, India.

Dear Sir,

Settlement and Client accounts of _____ (name of the member) with Clearing Member ID - _____.

Date:

This is to inform you that we are one of the Clearing Banks of ICCL and that one of the members of ICCL, _____ (name of the member of ICCL) has appointed us as their Clearing Bankers.

We hereby confirm having opened the following accounts of the said member:

SETTLEMENT ACCOUNT	(ACCOUNT NO.)
CLIENT ACCOUNT	(ACCOUNT NO.)

We further confirm that the above-mentioned accounts are active for ICCL operations on the date of issue of this letter.

For and on behalf of the (name of the Bank)

Authorised Signatory

(Affix bank seal/stamp)

Annexure - V
(On the letter head of the member)

Date:

From:
Clearing Member Name
Address:

To
Name of Clearing Bank
Address:

Dear Sir/ Madam

Sub: Operation of Clearing Bank for Indian Clearing Corporation of Limited (ICCL) with effect from the date of account opening in _____ (Segment)

Ref: Our Clearing Bank Account no. _____ with _____ (Name of Bank) _____ (Address), With reference to above we note that:

- a) ICCL to undertake Clearing and Settlement activity for its Clearing Members. ICCL has established a system whereby its Clearing Members will be able to undertake the Clearing and Settlement of deals admitted.
- b) The bank has been nominated/appointed as Clearing Bank for the purpose of Clearing and Settlement by ICCL.
- c) As per the Bylaws, Rules and Regulation of ICCL, the Clearing Member shall authorize the Clearing Bank to access their clearing account for debiting and crediting their accounts as per the instruction received from ICCL from time to time.
- d) Having due regard to the above, we hereby irrevocably authorize the Clearing Bank to debit and credit our above-mentioned account number from time to time. Further, we authorize the Clearing Bank to report balance and other information relating to this account to ICCL/ as may be required by ICCL from time to time. This irrevocable undertaking will be effective from the date of commencement of our operations with ICCL.
- e) We further hereby undertake to abide by such other or further guidelines / instructions as may be communication / decided by ICCL from time to time.

Yours faithfully,

For (Name of Clearing Member)
Authorized Signatories