



## National Spot Exchange Limited

### EXCHANGE COMMUNIQUE TO DPs

Ref.: NSEL/DP/CIR/2010/67

April 26, 2010

Dear Sir,

### **Settlement Procedure in E-Silver (Demat Silver) at National Spot Exchange limited and various Charge Structure.**

DPs are advised to note the followings:

- 1) NSEL has introduced E-Silver( Demat Silver units) in the compulsory Demat Segment. ICIN details of E-Silver is as follows:

<b>Commodity</b>	<b>Silver</b>
Contract Symbol	E-SILVER
ICIN	INC200000015
Demat unit	1 gram
Trading lot at Exchange	100 units or 100 grams
Normal market desc.	T+2
Vault	Brinks Arya
RTA	Karvy Consultants ltd

- 2) The unique features of this segment are that trading, settlement and delivery of the Gold units shall be taken place in dematerialized form only. For the purpose of settlement CC-IDs of the Exchange in NSDL and in CDSL has been activated and in operational.
- 3) The trading of E-Silver contract takes place from Monday through Friday during 10AM to 11:30PM except Exchange specified Holidays. The settlement of the all open positions at the end of the trading session shall be carried out on T+2 basis.
- 4) The settlement schedule of such compulsory demat traded instruments shall be made available by the Exchange as well as depositories through its circulars and notifications.
- 5) The settlement of the delivery obligations takes place from Monday to Friday on T+2 basis. The pay-in and pay-out of E-Silver units shall be taken place at 1.00 PM and 05:30 PM respectively.
- 6) The procedure for transfer, settlement, pledge and freeze of demat ICINs shall be the same as applicable in respect of securities.
- 7) Clients intending to participate in this segment are required to open their beneficiary accounts either in NSDL or CDSL with NSEL empanelled DPs and inform their client ids and DP-id to their respective members through whom they trade.



- 8) In case the client is not having beneficiary accounts at the time of purchase , the member can retain the demat units in his beneficiary account till such time the client opens a beneficiary accounts after obtaining the written approval from the client.
- 9) However the members of the Exchange are required to open separate CM-Pool accounts and beneficiary accounts in both depository for the purpose of pay-in and pay-out .The members are required to intimate CM Pool account details to the Exchange immediately after receipt of such details from the DP. The DPs are requested to inform the above said requirement to their CM account holders during the time of opening the accounts.
- 10)In case the unit holder is interested to take physical delivery of Silver bar/ coin, against his E-SILVER units, he can surrender such units to the Exchange and get physical delivery, at any point of time at his discretion, subject to the conditions specified herein.
- 11)Delivery of physical Silver bar/coin will be offered in specified lots/ denominations and at specified locations only, where NSEL has made vaulting and delivery arrangements. Therefore, an investor can opt for physical delivery of Silver, only if he has such number of units to his credit (or multiples thereof), as specified herein. Initially Silver will be made available in multiples of 100 grams, 1 kg and 5 Kg and any combination thereof.
- 12)Delivery of physical Silver will be made available at Ahmadabad, Mumbai and Delhi (details available in the **annexure-1**). The Exchange will keep on expanding the number of centers in future to offer physical delivery. If a client opts for physical delivery, he can get the same from any center of his choice out of such specified centers.
- 13)For the purpose of physical delivery, the client needs to transfer the intended number of demat units in his accounts to the Exchange designated accounts by using a delivery instruction slip (DIS) to his DP along with the completely filled Surrender Request form (SRF).
- 14)On account of non availability of inter-depository in demat Commodities, clients are requested to transfer the demated units intending for conversion to the any of following accounts of the Exchange maintained in NSDL and CDSL.  

NSDL DP-ID:IN001125 DP name: NSEL , Client-ID:10000012  
CDSL DP-ID:11000026 DP name: NSEL ,Client-ID:00000031
- 15)The DP, thereafter, shall transfer the units to the account of NSEL based on DIS. DPs are also required to attest the signature of the holder on the SRF and handover the same to the client along with the acknowledgement of DIS Slip.
- 16)The unit holder shall fax the SRF and DIS acknowledgement copy to the Exchange at (fax no:022-67619931 or 022-67269527 /28.
- 17)On receipt of the copy of DIS and SRF, the Exchange shall compute charges relating to making and packaging charges of coin/ bar, Delivery charges, VAT and other dues, if any. The details of such charges mentioned in **annexure: II**. The Exchange will communicate the total amount due to the respective client through the E-mail ID provided in the SRF. The client shall be required to deposit a cheque of requisite amount favouring "National Spot Exchange Ltd" with the vault. After collecting such cheque, the vault will hand over delivery of Silver to the respective investor. In case the amount payable on above account will be more than Rs. 50,000/-, the payment will be acceptable by DD.



- 18) The client opting for conversion of electronic units to physical units, will be required to pay VAT/ GST, as applicable on that date plus local taxes such as Octroi, if any, applicable at the place of delivery. All such taxes and levies will be payable at the clearing rate on the date of execution of DIS, irrespective of original purchase price or multiple transactions of buy and sale executed during the intervening period.
- 19) For ensuring physical delivery of Silver bar/ coin, NSEL will issue instruction to the Authorized Dealer specifying the denominations of Silver bars/coins required as well as the relevant delivery location from where the investor intends to lift delivery.
- 20) The client or his authorized representative can lift the commodity from the designated Vault after 7 days and within 15 days from date of submission of the request. In case of non-lifting of the delivery within 15 days, the holder shall be liable to pay storage charges for the entire month.
- 21) The client/authorized representative should carry the DIS Acknowledgement and Original SRF along with the proof of identification. In case the client wants to authorize his representative to take physical delivery on his behalf, he must issue an authority letter with specimen signature of the authorized representative duly attested and accompanied by a copy of Photo identity proof. The specimen copy of the authority letter is provided.
- 22) Based on the Delivery Order received from the Exchange, the Vault officials will verify the documents and identity of the person and deliver the goods to the client / authorized representative. On delivery, the vault official will keep the acknowledgement from the receiver and update the same to the Exchange. In case of any discrepancy or doubt or any other reason, the vault official may withhold delivery under intimation to the Exchange.
- 23) The charges levied by depositories (NSDL & CDSL) on its participants towards various services for this segment are mentioned in circular No. **NSDL/POLICY/2009/007** dated January 20, 2009 and **CDSL/OPS/DP/1322** dated October 23, 2008 respectively and amendments thereafter

For any clarification, the following officials of the Exchange can be contacted.

- 1) Mr. H.B Mohanty at +91 9930 267 639 or through email at [hb.mohanty@nationalspotexchange.com](mailto:hb.mohanty@nationalspotexchange.com)
- 2) Mr. Santosh Mansingh at +91 9930 267 641 or through email at [santosh.mansingh@nationalspotexchange.com](mailto:santosh.mansingh@nationalspotexchange.com)

For and on behalf of  
National Spot Exchange Ltd.

Santosh Mansingh  
Asst.Vice President

Encl.: As above

----- Registered office -----  
102-A, Landmark, Suren Road, Chakala, Andheri (East), Mumbai – 400 093  
Tel.: 022 – 6761 9900 Fax: 022 – 6726 9525  
[www.nationalspotexchange.com](http://www.nationalspotexchange.com) email: [nsel-dp@nationalspotexchange.com](mailto:nsel-dp@nationalspotexchange.com)



Annexure :I

**Details of Specified Delivery Centres for lifting Physical Silver**

<b>Sl no.</b>	<b>Location</b>	<b>Name and Address of the delivery centres</b>
<b>1</b>	<b>MUMBAI</b>	<p><b>Name: Brinks Arya India (P) Ltd.</b></p> <p><b>Address:</b> Diamond Plaza, G-9, Ground Floor, Dr. D.B.Marg, Lamington Road, Mumbai – 400004</p> <p><b>Contact person:</b> Mr. Ravi G Som / Mr. Avinash R Shetty</p> <p><b>Contact no.:</b> Tel. No. – 022-66580400/66580457 / 58 / 59 Mobile No. – 9324511794 /9322408031</p> <p><a href="mailto:gs@brinksarya.com">Email: gs@brinksarya.com</a></p>
<b>2</b>	<b>Ahmedabad</b>	<p><b>Name: Brinks Arya India (P) Ltd.</b></p> <p><b>Address:</b> 1, Kailash Society, Bhagwan Nagar no Tekro, Mahalaxmi Panch Rasta, Paldi, Ahmedabad – 380 006</p> <p><b>Contact person:</b> Mr. S. K. Menon / Mr. Ramsingar Oza / Mr. Ranjith Gohil</p> <p><b>Contact no.:</b> Tel. No. – 079- 26640138/26630529 Mobile No. – 9327016360 / 9327017103</p> <p>Email: <a href="mailto:ahmedabad.gs@brinksarya">ahmedabad.gs@brinksarya</a></p>
<b>3</b>	<b>Delhi</b>	<p><b>Name: Brinks Arya India Pvt. Ltd.</b></p> <p><b>Address:</b> C-18, Community Centre, Janakpuri, New Delhi -110058</p> <p><b>Contact person:</b> Mr. Omender Sharma</p> <p><b>Contact no.:</b> Fax No. 011-25541210</p> <p>Mobile No. - 09313888909 / 011-25514597</p>



**STORAGE /TRANSACTION/DELIVERY CHARGES**

The Exchange shall levy the following charges in respect of transactions, delivery, settlement and holding of this instrument:

<p><b>Dematerialization / Corporate action Charges</b></p>	<p>The Authorized Dealer will be charged at such rate as may be levied by NSD /CDSL from time to time towards such Corporate action.</p>
<p><b>Storage charges</b></p>	<p>Storage charges shall be levied by the Exchange on monthly basis. Such charges will be computed based on the holding in the respective accounts on the last Saturday of every month. The person holding demat commodities on that day will be required to pay holding charges for the entire month, irrespective of the number of days for which he holds demat credit. However, an investor holding demat commodities on any day or number of days during such month, but not holding the same on the last Saturday of the month (because he has already sold and transferred it prior to last Saturday), then he shall not be required to pay any holding charges. The charges per month per unit of E-SILVER will be 1.5 paise only. On receipt of the details of client wise holding from the DP, the Exchange will compute the storage charges based on number of units held by the respective account holder on the last Saturday of every month and intimate the same to the concerned DPs, The DP thereafter shall raise bill on the respective beneficiary account holders. DPs shall recover such charges within 15 days from the date of such intimation.</p>
<p><b>Default in paying the Storage charges</b></p>	<p>In case of default in paying the storage charges by the client (ICIN holder) before the dead line, the DP shall freeze the ICIN immediately under intimation to the Exchange.</p> <p>In the event of delay in payment of aforesaid charges, an interest @15% p.a. shall be applicable on the defaulted amount from the date of default till the date of actual payment.</p> <p>If the ICIN holder fails to make payment after two reminders, the DP shall transfer the ICIN in default to the Exchange. In such case, the Exchange will sell such ICIN through auction, recover its dues and pass on the rest amount to the respective DP. The respective DP, after retaining their dues, will pass on the residual to the respective client. However, in the process of such recovery, if some dues could not be recovered, even after executing all such actions, then DP shall not be liable to pay the same to the Exchange.</p>



	<p>Provided that all empanelled DPs</p> <p>(i) must submit in writing a statement of all such dues within 25 days of last Saturday of every month specifying the amount in default.</p> <p>(ii) Must exercise due diligence and timely action in the best possible manner to ensure recovery of dues from the respective account holders</p>								
<b>Delivery charges</b>	<p>In respect of buying and selling of E-SILVER units resulting into demat deliveries, the Exchange will not levy any delivery charges. In respect of lifting of commodities, the Exchange shall levy the delivery/lifting charges and will charge a total of Rs. 150 per lifting, irrespective of number of coins/ bars involved in the delivery instruction. However, if two different clients of the same member take physical delivery even at the same point of time, it will be construed as two deliveries and therefore, Rs. 300 will be charged by the vaulting agency.</p>								
<b>Making charges, Packing charges in case of Silver Coin</b>	<p>In addition to the charges imposed by DP and Depository, the Exchange shall levy the following charges on account of cost of making, packaging and refinery certification charges:</p> <table border="1"> <thead> <tr> <th>Denominations</th> <th>100 gms</th> <th>1 kg</th> <th>5 kgs</th> </tr> </thead> <tbody> <tr> <td>Conversion charges(per coin/ bar)</td> <td>Rs.100</td> <td>Rs.200</td> <td>Rs.200</td> </tr> </tbody> </table>	Denominations	100 gms	1 kg	5 kgs	Conversion charges(per coin/ bar)	Rs.100	Rs.200	Rs.200
Denominations	100 gms	1 kg	5 kgs						
Conversion charges(per coin/ bar)	Rs.100	Rs.200	Rs.200						
<b>VAT charges</b>	<p>The client opting for conversion will be required to pay VAT/ GST and other local taxes, octroi, if any, applicable at the place of delivery as may be applicable on the date of execution of DIS. As per the current rates, VAT will be 1 % of the value of goods. In case physical delivery is lifted in Mumbai, octroi @ 0.1 % of the value of delivery will also be applicable. In case of any change in the rate of taxes, the same will be communicated to the members at the earliest. VAT/ GST, Octroi and other taxes, if any, collected from the client in the process will be remitted by the Exchange to the Authorized Dealer. The Authorized Dealer will issue a sale invoice in the name of the client opting for surrender of units for physical Silver specifying his VAT/ GST number(if any), address and other details.</p>								