

संविधान : २२८१ १२६२ / २२८१ १४२९
वायदायोग कालवादेवी
२२८१ २०८६

SPEED POST
भारत सरकार
GOVERNMENT OF INDIA
वायदा बाजार आयोग

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FORWARD MARKETS COMMISSION
उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण मंत्रालय
MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
(उपभोक्ता मामले विभाग)
(DEPARTMENT OF CONSUMER AFFAIRS)

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No: 6/3/2007-MKT-II

Dated the 16th March, 2009

To

Shri R. Ramaseshan,
Managing Director and Chief Executive Officer,
National Commodity & Derivatives Exchange Limited,
Akruti Corporate Park, L B S Road,
Kanjur Marg (W), Mumbai - 400 078.

Sub: Direct delivery system.

Sir,

Please refer to your proposals No. NCDEX/2008-09/FMC-357 dated 5th September 2008 and No.NCDEX/2008-09/FMC-572 dated 20th December 2008 for facilitating the delivery in bulk commodities. Presently the Exchange accredits warehouses which are within 50 kms radius of the municipal limit of the delivery centre as per the existing delivery system. In order to enlarge the scope of delivery and widen the delivery base so that goods from warehouses located away from the existing limitations can be delivered, the Commission has granted approval to the following proposal of the Exchange :

1. The Exchange may accredit the warehouses of producers/processors/ similar participants within 50 km of the municipal limits of the delivery centers to enable such participants to deliver the goods on the Exchange platform. This facility may be extended in respect of bulk commodities which have a production base of not less than one million tons in India.

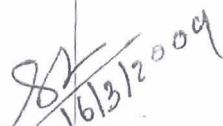
2. The Exchange may also accredit the warehouses of producer/processor/ similar participants located within a radius of **additional 100 km** beyond the 50 km radius from the municipal limits at present stipulated for the accredited warehouses at the delivery centres. Such warehouses can thus be located within a radius of 150 km of the municipal limits of the delivery centre. Such warehouses are to be called

as "Satellite Warehouses". Each Satellite Warehouse will act as an extension for feeding an already existing accredited warehouse at the delivery centre. This will be subject to the following conditions:

- (a) The commodity lying in satellite warehouses, as assayed/demat, as is the practice in the existing accredited warehouses, becomes 'Stocks available for delivery'. The demat credit for goods lying in such warehouses will be for the main accredited warehouse to which the said accredited warehouse is a satellite warehouse.
- (b) The "Stocks available for delivery" in the Satellite Warehouses shall remain physically segregated and can not be exchanged/replaced with other stocks of the same commodity in the warehouse
- (c) The goods may remain in the "Satellite Warehouses" until they are marked for delivery. The said goods would be arranged to be transported by the seller at his cost, including transportation charges, incidental costs like handling at both the ends, applicable taxes, octroi, etc., through the Warehouse Service Provider, to the main accredited warehouse at the delivery centre to which it is linked. Physical delivery would be effected from such main warehouses.
- (d) The Exchange should treat these warehouses at par with other Exchange-accredited warehouses and all the systems, such as clearing, pay in, pay-out, assaying etc. remain the same.
- (e) The Exchange takes the responsibility for quality assurance in the goods stored in the said warehouses and ensures delivery to the satisfaction of the buyers.
- (f) The Exchange puts in place a strict supervisory mechanism in place, so that credibility of these warehouses is not compromised in the eyes of the market participants.
- (g) The accreditation of such satellite warehouses should be initiated only in the case of bulk commodities, i.e. with an annual production base of not less than one million tonnes in India, for the purposes of this circular.
- (h) Stocks of participants other than the person(s) whose warehouse has been accredited as satellite warehouse will not be allowed to be delivered in the satellite warehouses.

Yours faithfully,


(Dinesh Kumar Soni)
Deputy Director


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