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The contents of this product note are subject to Rules, Byelaws and Regulations of NCDEX as in force from time to time and be read therewith.

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## Chapter 1

### Trading Conditions

#### **Authority**

Trading of Steel Long futures may be conducted under such terms and conditions as specified in the Rules, Byelaws & Regulations as well as directions of the Exchange issued from time to time. A specimen of Steel Long futures contract is indicated in **Exhibit 1** hereto.

#### **Unit of Trading**

The unit of trading for Steel Long shall be 10 Metric Tons (MT). Bids and offers may be accepted in lots of 10 MT or multiples thereof.

#### **Months Traded In**

Trading in Steel Long futures may be conducted in the months as specified by the Exchange from time to time.

#### **Tick Size**

The tick size of the price of Steel Long shall be Rs. 10/- per Metric Ton.

#### **Basis Price**

The price of Steel Long is on ex-warehouse basis Ghaziabad exclusive of all taxes and duties.

#### **Unit for Price Quotation**

The unit of Price quotation for Steel Long shall be in Rupees per Metric Ton, basis Ex-warehouse Ghaziabad, exclusive of all taxes and duties.

#### **Hours of Trading**

As per directions of the Forward Markets Commission from time to time, currently-

Monday through Friday: 10.00 am to 11.30 pm

Saturday: 10.00 am to 2.00 pm

The Exchange may vary the above timing with due notice

#### **Last Day of Trading**

20<sup>th</sup> day of the delivery month.

If 20<sup>th</sup> happens to be a holiday or a non-trading day, a Saturday or a Sunday then the due date shall be the immediately preceding trading day of the Exchange.

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## **Mark To Market**

The outstanding positions in futures contract in Steel Long would be marked to market daily based on the Daily Settlement Price as determined by the Exchange.

## **Position limits**

**Member wise:** 100,000 MT or 20% of market wide open interest whichever is higher.  
**Client wise:** 25000 MT.

The above limits will not apply to bona fide hedgers. For bona fide hedgers, the Exchange will, on a case to case basis, decide the hedge limits. Please refer to Circular No. NCDEX/TRADING-100/2005/219 dated October 20, 2005

## **Margin Requirements**

NCDEX will use Value at Risk (VaR) based margin calculated at 99.95% confidence interval for one day time horizon. NCDEX reserves the right to change, reduce or levy any additional margins including any mark up margin.

## **Pre-Expiry Additional Margin**

There will be an additional margin imposed for the last 2 trading days, including the expiry date of the Steel Long contract. The additional margin will be added to the normal exposure margin and will be increased by the 3 % everyday for the last 2 trading days including expiry date of the contract.

## **Delivery Margin**

In case of open positions materializing into physical delivery, delivery margins as may be determined by the Exchange from time to time will be charged. The delivery margins will be calculated based on the number of days required for completing the physical delivery settlement (the look-ahead period and the risks arising thereof).

## **Special Margin**

Special margin of 4% of the value of the contract will be levied whenever the rise or fall in price exceeds 20% of the 90 days prior settlement price. The margin will be payable by buyer or seller depending on whether price rises or falls respectively. The margins shall stay in force so long as price stays beyond the 20% limit and will be withdrawn as soon as the price is within the 20% band.

## **Arbitration**

"Disputes between NCDEX members inter-se and between members and constituents, arising out of or pertaining to trades done on NCDEX shall be settled through arbitration. The arbitration proceedings and appointment of arbitrators shall be as governed by the Bye-laws and Regulations of NCDEX."

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**Chapter 2**

**Delivery Procedures**

**Unit of Delivery**

The minimum unit of delivery for Steel Long shall be 10 Metric Tonnes.

**Delivery Size**

Delivery is to be offered and accepted in lots of 10 Metric Tonnes or multiples thereof. A Quantity variation of +/- 3% or 5 Tonnes, whichever is lower, with applicable rates is available as per contract specifications.

**Quality Standards**

The contract grade for delivery of Steel Long futures contracts made under NCDEX Regulations shall be Steel Long confirming to the quality specification indicated in **Exhibit 1**. No lower grade/ quality shall be accepted in satisfaction of contracts for futures contract delivery except as provided in the contract specifications.

**Accredited Warehouse**

NCDEX has accredited warehouse for receipt and delivery of Steel Long. Receipt and delivery of Steel Long will be undertaken only from the accredited warehouse. The details of the NCDEX accredited warehouse is as per **Exhibit 2**. In case any buyer/ seller wishes to give/ receive delivery from the accredited warehouse, the buyer/ seller will have to be registered with Central Excise authorities for the purpose of availing CENVAT credit. Please be guided by our circular no.: NCDEX/TRADING-035/2005/081 dated April 07, 2005 in this regard.

**Steel Long Delivery**

The procedure for Steel Long delivery is based on the contract specifications as per Exhibit I. During the period from E-14 to E-1 prior to expiry, Seller & Buyer having open position are required to give their intention/notice to deliver to the extent of his open position. The delivery position would be arrived at by the Exchange based on the information to give/take delivery furnished by the seller and buyer as per the process put in place by the Exchange for effecting physical delivery. If the intentions of the buyers/sellers match, then the respective positions would be closed out by physical deliveries. If there is no delivery intention matching between sellers and buyers, then such intentions will get automatically extinguished at close of E-1 day. Intentions can be withdrawn during the course of E-14 to E-1 day if they remain unmatched.

Upon expiry (i.e. E) of the contracts all the outstanding open positions should result in compulsory delivery. That is, "upon expiry of the contracts, any seller with open position shall give delivery of the commodity. The corresponding buyer with open position as matched by the process put in place by the Exchange shall be bound to settle by taking physical delivery. In the event of default by seller to give delivery such defaulting seller will be liable to penalty as may be prescribed by the Exchange from time to time". Presently, the penalty structure for failure to meet delivery obligations will be as per circular no. NCDEX/TRADING-086/2008/216 dated September 16, 2008

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The Buyers and the Sellers need to give their location preference through the front end of the trading terminal. If the Sellers fail to give the location preference then the allocation to the extent of his open position will be allocated to the base location on the day of expiry.

### **Good / Bad delivery Norms**

Steel Long delivery into NCDEX designated warehouse would constitute either good delivery or bad delivery based on the good / bad delivery norms as per **Exhibit 3**. The list contained in **Exhibit 3** is only illustrative and not exhaustive. NCDEX would from time to time review and update the good & bad delivery norms retaining the trade / industry practices.

### **Assayer**

NCDEX has empanelled Assayer for quality testing and certification of Steel Long. Warehouse service provider can appoint assayer for particular warehouse only from the Exchange empanelled list of assayers. The quality testing and certification of Steel Long will be undertaken only by such assayer as appointed by the warehouse service provider.

### **Assayer Certificate**

Testing and quality certificate issued by warehouse appointed Assayer for Steel Long delivered at designated/ to be designated warehouses in Ghaziabad, Mandi Gobindgarh, Raipur, Mumbai, Chennai, Jharsuguda, Durgapur, Jaipur and any other additional centres notified by the Exchange from time to time shall be acceptable and binding on all parties. Each delivery of Steel Long at the warehouse must be accompanied by a certificate from such Assayer in the format as per **Exhibit 4**.

### **Steel Long Sampling**

Steel Long samples shall be drawn by such assayer at the premises of the manufacturer. A sample of one ingot per heat shall be randomly drawn depending upon the capacity of the furnace. Thereafter with the help of a drilling machine, chips of about 30-50 grams (depending upon the size of the laboratory) is drawn from three equal parts i.e. each 1/3<sup>rd</sup> part of the ingot. The chips are put in a sealed envelop and is appropriately marked to identify the heat and ingot number, NCDEX member identity, date, time, etc.

### **Weight**

The quantity of Steel Long received and delivered at the NCDEX accredited warehouse would be determined / calculated by the weighbridge / weigh scale at the premises of the warehouse or at the weighbridge / weigh scale in the vicinity and recognized by such warehouse and the quantity so determined would be binding on all parties.

### **Testing Procedure**

#### **Inspection at Mill:**

The Ingots will be inspected visually to check surface defects. Heat No. will be verified with mill test certificate and the test certificates will be verified for chemistry as per NCDEX Specification. Heat number should be mentioned on each ingot.

Samples will be prepared per heat number and will be sent to assayer’s lab for testing. The warehouse would be responsible for putting identification marks on the lot/heat of ingots from which samples are drawn for purpose of further identification.

**Inspection at NCDEX accredited warehouse:**

The Inspection at the mill does not release the seller of his responsibility to deliver the material (ingots) as per NCDEX specification. The material when transported to the NCDEX accredited warehouse will be subjected to weighment check, verification of warehouse stamp(identification marks) placed on the sampled material during inspection, test certificate issued at the mill and visual check for finish. After verification as above, the material will be accepted by accredited warehouse manager for deposit. Warehouse should stack the material as per heat numbers.

The depositor of the material will also hand over the material test certificate signed by the Assayer for verification during receipt of material at NCDEX accredited warehouse.

**Validity period**

The validity period for Steel Long is appended in the table.

<b>Months of Deposit/Date of entry by warehouse in system(Jan-dec)</b>	<b>Expiry period from the date of Fresh Deposit(no. of months)</b>	<b>Validity period at the time of fresh deposit(no of months)</b>	<b>How many times revalidation allowed</b>	<b>Validity period of first revalidation(n o. of months)</b>	<b>Validity Period of second revalidation (no. of months)</b>
January	18	18	0	0	0
February	18	18	0	0	0
March	18	18	0	0	0
April	18	18	0	0	0
May	18	18	0	0	0
June	18	18	0	0	0
July	18	18	0	0	0
August	18	18	0	0	0
September	18	18	0	0	0
October	18	18	0	0	0
November	18	18	0	0	0
December	18	18	0	0	0

**Electronic Transfer**

Any buyer or seller receiving and or effecting Steel Long delivery would have to open a depository account with an NCDEX empanelled Depository Participant (DP) to hold the Steel Long in electronic form. On settlement, the buyer account with the DP would be credited with the quantity of Steel Long received and the corresponding seller’s account would be debited. The Buyer wanting to take physical delivery of the Steel Long holding has to make a request in the prescribed form to his DP with whom depository account has been opened. The DP would route the request to the warehouse who would issue the physical commodity i.e.: Steel Long to the buyer and debit his account, thus reducing the electronic balance to the extent of Steel Long rematerialized.

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## **Delivery Allocation**

The Exchange would compile delivery information received from the selling members on the last trading day, i.e. 20<sup>th</sup> of the month or such other day as specified in Chapter I above. The buyers who have to receive delivery would be notified on the same day after the close of trading hours. Delivery of Steel Long is to be accepted by buyers at the accredited warehouse where the seller effects delivery in accordance with the contract specifications.

## **Actual Delivery**

Where Steel Long is sold for delivery in a specified month, the seller must have requisite electronic credit of such Steel Long holding in his Clearing Member's Pool Account before the scheduled date of pay in. On settlement, the buyer's Clearing Member Pool Account would be credited with the said delivery quantity after pay out. The clearing member is expected to transfer the same to the buyer's depository account. The buyer may withdraw the actual physical delivery thereafter and before final expiry date (FED).

## **Charges**

All charges and costs payable to the designated warehouse towards delivery of Steel Long including sampling, grading, weighing, handling charges, storage etc. from the date of receipt into accredited warehouse upto date of pay in & settlement shall be paid by the seller. All charges and costs associated & including storage, handling etc. after the pay out shall be borne by the buyer. Warehouse storage charges will be charged to the buyer/ seller/ member as the case may be by the respective Depository Participant.

The Assayer charges for testing and quality certification should be paid to the assayer directly at the delivery location either by cash / cheque / demand draft.

## **Stamp duty**

Stamp duty is payable on all contract notes issued as may be applicable in the State from where the contract note is issued or as per the Stamp Act of the State in which such contract note is received by the client if the client is located in other State.

## **Excise Duty**

Prices quoted for trades in Steel Long on the Exchange are exclusive of central excise:

Sellers on the exchange can claim central excise amount to the extent of amount specified in the Central Excise Invoice which will have to be handed over to the buyers. Only manufacturers and first stage dealers (as defined by relevant Central Excise/CENVAT rules and regulations) registered under the Act can sell on the exchange platform.

Under the existing Central Excise/CENVAT rules and regulations, only a 'Manufacturer' can **levy** excise duty at the applicable rate. However a 'Registered Dealer' can only **pass on** the exact Excise Duty amount that was charged to him by the Manufacturer.

## **Value Added Tax/Sales Tax**

Local sales tax/Value Added Tax (VAT) is to be borne by the buyer on all contracts resulting in delivery. Members and / or their constituents requiring to receive or deliver

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Steel Long should register with the relevant sales tax authorities of place where the delivery is proposed to be received / given. In the event of sales tax/VAT exemption, such exemption certificate should be submitted before settlement of the obligation. There will be no exemptions on account of resale or second sale in VAT regime.

**Other Local Taxes**

Any incidence of other local taxes such as Octroi/Entry Tax has to be borne by the depositor. In addition, any such local levies incurred by the depositor would not be reimbursed by the buyer on the exchange.

**Service tax**

Service tax will be payable by the members of Commodity Exchanges on the gross amount charged by them from their clients on account of dealing in commodities.

**Premium / Discount**

Steel Long conforming to contract specification and delivered to NCDEX accredited warehouse will be graded and stored. Due to grade of the material and location of the delivery centres, there will be premium / discount determined by the exchange. The decision of the Exchange in determination of premium / discount is final and binding on all market participants.

<b>Type</b>	<b>Size</b>	<b>Grade</b>
Base Grade	3 <sup>1/2</sup> * 4 <sup>1/2</sup> inch	INGOTBASE
Additional Deliverable Grade	3 <sup>1/4</sup> * 4 <sup>1/4</sup> inch	INGOTADDL
Additional Deliverable Grade	Mild Steel Billets	BILLET

## Chapter 3

### Clearing and Settlement

#### Daily Settlement

All open positions of a futures contract would be settled daily based on the Daily Settlement Price (DSP).

#### Daily Settlement Price & Final Settlement Price

The Daily Settlement Price (DSP) determined by the exchange at the end of every trading day. The DSP will be utilized for marking to market all open positions.

#### Final settlement

The Final Settlement Price (FSP) will be determined by the exchange on maturity of the contract.

All open positions on the expiry day of the contract would result in compulsory delivery.

#### Spot Prices

NCDEX will announce / disseminate spot prices for Steel Long relating to the designated delivery center and specified grade / quality parameters determined through the process of polling a set of market participants representing different segments of the value chain such as traders, importers, exporters, processors, etc.

The polled prices shall be input to a normalizing algorithm (like 'bootstrapping' technique) to arrive at a representative, unbiased and clean 'benchmark' spot price for Steel Long. The security of data and randomness of polling process will ensure transparency and correctness of prices. The Exchange has absolute right to modify the process of determination of spot prices at any time without notice.

#### Dissemination of Spot Prices

Spot prices for Steel Long will be collected and disseminated on daily basis.

#### Pay in and Pay out for daily settlement

The table below illustrates timings for pay in and pay out in case of daily settlement. The buyer clients would have to deposit requisite funds with their respective Clearing Member before "pay in".

All fund debits and credits of the Member would have to be done in the Member's Settlement Account with the Clearing Bank.

Time (T+1)	Activity
On or before 11.00 hours	<b>PAYIN:</b> Debit paying member a/c
After 13.00 hours	<b>PAYOUT:</b> Credit receiving member a/c

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**Pay in and Pay out for final physical settlement**

The table below illustrates timings for pay in and pay out in case of positions marked for physical settlement. The buyers / sellers would have to deposit requisite funds / Steel Long with their respective Clearing Member before “pay in”.

<b>Pay in and Pay out for Final Settlement in case of physical deliveries</b>	
<b>Time ( T/E + 2 )</b>	<b>Activity</b>
On or before 12.00 hours	<b>PAYIN:</b> -Debit Buyer Member Settlement a/c for funds -Debit Seller Member’s CM Pool Account for Steel Long
After 14.30 hours	<b>PAYOUT:</b> -Credit Seller Member Settlement a/c for funds -Credit Buyer Member’s CM Pool Account for Steel Long

**Tender Date –T**

**Tender period:**

Tender period would be of 14 Calendar days during trading hours prior to the expiry date of the contract.

**Pay-in and Pay-out:** on a T+2 basis. If the tender date is T then, pay-in and pay-out would happen on T + 2 day. If such a T + 2 day happens to be a Saturday, a Sunday or a holiday at the Exchange, clearing banks or any of the service providers, Pay-in and Pay-out would be effected on the next working day.

During the period from E-14 to E-1, Seller & Buyer having open position are required to give their intention/notice to deliver to the extent of his open position. The delivery position would be arrived at by the exchange based on the information to give/take delivery furnished by the seller and buyer as per the process put in place by the exchange for effecting physical delivery. If the intention of the buyers/sellers match, then the respective positions would be closed out by physical deliveries. If there is no delivery intention matching between sellers and buyers, then such intentions will get automatically extinguished at close of E-1 day. Intentions can be withdrawn during the course of E-14 to E-1 day if they remain unmatched.

Upon expiry (i.e E) of the contracts all the outstanding open positions should result in compulsory delivery.

**Expiry Date**

20th day of the delivery month. If 20th happens to be a holiday or non-trading day, a Saturday or a Sunday then the due date shall be the immediately preceding trading day of the Exchange, which is other than a Saturday.

The settlement of contract would be by a early delivery system of a maximum of 15 Payins and Pay-outs or less including the last Pay-in and Pay-out which would be the Final Settlement of the contract.

Additionally, the supplemental settlement for Steel Long futures contracts for premium/discount adjustments related to quality of Steel Long delivered, actual quantity delivered and close out for shortages will be conducted on the same day. Clearing members are required to maintain adequate fund balances in their respective accounts.

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<b>Pay in and Pay out for supplemental settlement</b>	
<b>Time (T/E + 2)</b>	<b>Activity</b>
On or before 15.00 hours	<b>PAY IN:</b> Debit Member Settlement a/c for funds
After 15.00 hours	<b>PAY OUT:</b> Credit Member Settlement a/c for funds

**Supplementary Settlement for Taxes**

The Exchange will conduct a separate supplementary settlement, as illustrated below, three days after normal pay out for completion of sales tax transactions.

In order to facilitate issue of invoice to right parties, the buyer Clearing Members are required to give the buyer client details to the Exchange latest by 15.00 hrs on E+3 day failing which the buying member is considered as the end buyer and accordingly invoice is issued in his/their name.

The Seller Clearing Members are required to give the seller client details to the exchange latest by 15.00 hrs on E + 4 day.

It may also be noted that excise duty paid by the seller can be recovered from the buyer provided CENVAT credit is made available to the buyer. The seller shall furnish all necessary documents including the break up of the excise duty pad and clearly indicating whether he is a manufacturer or the first stage dealer. The amount of excise duty is to be paid along with the sales tax amount.

For the issuance of invoices and other relevant documents pertaining to CENVAT and other taxes & duties, buyers can additionally co-ordinate with individual warehouses where they have received delivery of goods who would facilitate the same.

In view of CENVAT credit implications, it is critical that the actual buyer's / sellers details are provided in time.

The amounts due to the above differences will be debited / credited to members clearing bank account similar to normal settlement.

<b>Pay in and Pay out for Tax</b>	
<b>Time (T/E + 5)</b>	<b>Activity</b>
On or before 11.00 hours	<b>PAY IN:</b> Debit Buyer Member Settlement a/c for funds.
After 11.00 hours	<b>PAY OUT:</b> Credit Seller Member Settlement a/c for funds

For further clarification and detailed procedure on sales tax settlement, participants can refer to circular number NCDEX/CLEARING-001/2008/002 issued on January 04, 2008.

**Exhibit 1 – Contract specifications of Steel Long**

**Applicable for contracts expiring in December 2010 and thereafter**

Type of contract	Futures Contract																
Name of commodity	Steel Long																
Ticker symbol	STEELLONG																
Trading system	NCDEX Trading System																
Basis	Ex-Warehouse Ghaziabad, exclusive of all taxes and duties																
Unit of trading	10 MT																
Delivery unit	10 MT																
Quotation/base value	Rs. Per MT																
Tick size	Rs. 10/- per MT																
Quality specification	<p>Mild Steel Ingot/Steel Long</p> <table border="1"> <tr> <td>Size</td> <td>3 1/2 * 4 1/2 inch</td> </tr> <tr> <td>Carbon content</td> <td>upto 0.3 % max</td> </tr> <tr> <td>Manganese</td> <td>min 0.4 %</td> </tr> <tr> <td>Sulphur</td> <td>upto 0.06% max</td> </tr> <tr> <td>Phosphorus</td> <td>upto 0.09% max</td> </tr> <tr> <td>Sulphur + Phosphorous</td> <td>upto 0.14% max</td> </tr> <tr> <td>Weight</td> <td>min of 90 Kgs per ingot</td> </tr> <tr> <td>Length</td> <td>min of 48 inches per ingot</td> </tr> </table> <p>Ingots without harmful and appreciable hollowness, piping and rising. Ingots must have reasonably plain surface. Heat number to be mentioned on each ingot. Ingots must be free of harmful refractories.</p>	Size	3 1/2 * 4 1/2 inch	Carbon content	upto 0.3 % max	Manganese	min 0.4 %	Sulphur	upto 0.06% max	Phosphorus	upto 0.09% max	Sulphur + Phosphorous	upto 0.14% max	Weight	min of 90 Kgs per ingot	Length	min of 48 inches per ingot
Size	3 1/2 * 4 1/2 inch																
Carbon content	upto 0.3 % max																
Manganese	min 0.4 %																
Sulphur	upto 0.06% max																
Phosphorus	upto 0.09% max																
Sulphur + Phosphorous	upto 0.14% max																
Weight	min of 90 Kgs per ingot																
Length	min of 48 inches per ingot																
Additional deliverable grade	<p>1)Mild Steel Ingots</p> <table border="1"> <tr> <td>Size</td> <td>3 1/4 * 4 1/4 inch</td> </tr> </table> <p>All other parameters exactly as per the quality specification mentioned above.</p> <p>2) Mild Steel Billets</p> <table border="1"> <tr> <td>Size</td> <td>100*100 to 130*130 mm</td> </tr> <tr> <td>Length</td> <td>6m ± 200mm</td> </tr> </table> <p>Billets to be free from open and harmful surface defects. Billets should be suitable for re rolling. Heat number to be mentioned on each billet. Mill Test certificate to accompany for each heat.</p> <p>Chemistry to be the same as mentioned in the quality specifications for MS Ingot.</p>	Size	3 1/4 * 4 1/4 inch	Size	100*100 to 130*130 mm	Length	6m ± 200mm										
Size	3 1/4 * 4 1/4 inch																
Size	100*100 to 130*130 mm																
Length	6m ± 200mm																
Quantity variation	+/- 3% or 5 MT, whichever is lower																

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Delivery center	Ghaziabad (within 50 kms of the municipal limits of Ghaziabad)
Additional Delivery Centres	Mandi Gobindgarh, Raipur, Mumbai, Chennai, Jharsuguda, Durgapur, Jaipur (within 50 kms from the municipal limits of the additional delivery centres)
Trading hours	As per directions of the Forward Markets Commission from time to time, currently- Monday through Friday: 10:00 AM to 11:30 PM Saturday: 10.00 AM to 2.00 PM The Exchange may vary the above timing with due notice
No. of active contracts	As per launch calendar below
Opening of Contracts	Trading in any contract month will open on the 10th day of the month. If the opening day happens to be a non-trading day, contracts would open on the next trading day.
<b>Tender Period</b>	<p>Tender Date : T</p> <p>Tender Period: Tender period would be of 14 Calendar days during trading hours prior to the expiry date of the contract.</p> <p>Pay-in and Pay-out: on a T+2 basis. If the tender date is T then, pay-in and pay-out would happen on T + 2 day.</p> <p>If such a T + 2 day happens to be a Saturday, a Sunday or a holiday at the Exchange, clearing banks or any of the service providers, Pay-in and Pay-out would be effected on the next working day.</p>
<b>Due Date/ Expiry Date</b>	<p>Expiry date of the contract:</p> <p>20th day of the delivery month. If 20th happens to be a holiday or non trading day, a Saturday or a Sunday then the due date shall be the immediately preceding trading day of the Exchange, which is other than a Saturday, Holiday or Sunday.</p> <p>The settlement of contract would be by a early delivery system of a maximum of 15 Pay-ins and Pay-outs or less including the last Pay-in and Pay-out which would be the Final Settlement of the contract.</p>

<p><b>Delivery Specification</b></p>	<p>During the period from E-14 to E-1, Seller &amp; Buyer having open position are required to give their intention/notice to deliver to the extent of his open position. The delivery position would be arrived at by the exchange based on the information to give/take delivery furnished by the seller and buyer as per the process put in place by the exchange for effecting physical delivery. If the intention of the buyers/sellers match, then the respective positions would be closed out by physical deliveries. If there is no delivery intention matching between sellers and buyers, then such intentions will get automatically extinguished at close of E-1 day. Intentions can be withdrawn during the course of E-14 to E-1 day if they remain unmatched.</p> <p>Upon expiry (i.e E) of the contracts all the outstanding open positions should result in compulsory delivery.</p> <p>The penalty structure for failure to meet delivery obligations will be as per circular no. NCDEX/TRADING-086/2008/216 dated September 16, 2008 as modified from time to time.</p>
<p>Closing of contract</p>	<p>Clearing and Settlement of contracts will commence with the commencement of Tender Period by delivery through intention matching arrived at by the exchange based on the information furnished by the seller and buyer respectively as per the process put in place by the exchange for effecting physical delivery during the period from E-14 to E-1 prior to expiry. Upon the expiry of the contract all the outstanding open position should result in compulsory delivery</p>
<p>Price band</p>	<p>Daily price fluctuation limit is (+/-) 4%. If the trade hits the prescribed daily price limit there will be a cooling off period for 15 minutes. Trade will be allowed during this cooling off period within the price band. Thereafter the price band would be raised by another 50% of the existing limit i.e. (+/-) 2%. If the price hits the revised price band (6%) again during the day, trade will only be allowed within the revised price band. No trade/order shall be permitted during the day beyond the revised limit of (+/-) 6%.</p>
<p>Position limits</p>	<p><b>Member-wise:</b> 1,00,000 MT, or 20% of the market wide open interest whichever is higher. <b>Client-wise:</b> 25,000 MT.</p> <p>(For hedge limits refer circular no. NCDEX/TRADING-100/2005/219 dated October 20, 2005)</p>

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Special margins	Special margin of 4% of the value of the contract will be levied whenever the rise or fall in price exceeds 20% of the 90 days prior settlement price. The margin will be payable by buyer or seller depending on whether price rises or falls respectively. The margins shall stay in force so long as price stays beyond the 20% limit and will be withdrawn as soon as the price is within the 20% band.															
Location Premium/Discount	<p>Location Premium/Discount would be announced before launch of contracts.</p> <table border="1" data-bbox="560 554 1369 888"> <thead> <tr> <th colspan="3">STEEL LONG</th> </tr> </thead> <tbody> <tr> <td data-bbox="560 590 873 709">Base Grade</td> <td data-bbox="881 590 1187 709">Additional Grade</td> <td data-bbox="1195 590 1365 709">P/D Applicable to additional grade</td> </tr> <tr> <td data-bbox="560 716 873 884" rowspan="2">Mild Steel Ingots</td> <td data-bbox="881 716 1187 779">Mild Steel Ingots</td> <td data-bbox="1195 716 1365 779" rowspan="2">No Premium/Discount</td> </tr> <tr> <td data-bbox="881 785 1187 884">Size    3<sup>1/4</sup>*4<sup>1/4</sup> inch</td> </tr> <tr> <td data-bbox="560 800 651 884">Size</td> <td data-bbox="659 800 873 884">3<sup>1/2</sup>*4<sup>1/2</sup> inch</td> <td data-bbox="1195 785 1365 884" rowspan="2"><b>Premium: Rs. 700 per MT</b></td> </tr> <tr> <td colspan="2" data-bbox="881 800 1187 884">Mild Steel Billets</td> </tr> </tbody> </table> <p>The grade premium/discounts would be in addition to the applicable location premium/discounts.</p>	STEEL LONG			Base Grade	Additional Grade	P/D Applicable to additional grade	Mild Steel Ingots	Mild Steel Ingots	No Premium/Discount	Size    3 <sup>1/4</sup> *4 <sup>1/4</sup> inch	Size	3 <sup>1/2</sup> *4 <sup>1/2</sup> inch	<b>Premium: Rs. 700 per MT</b>	Mild Steel Billets	
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Mild Steel Billets																
Delivery Logic	Compulsory Delivery															

**Launch calendar**

Contract Launch Month	Contract Expiry Month
July 2010	December 2010
August 2010	January 2011
September 2010	February 2011
October 2010	March 2011
November 2010	April 2011
December 2010	May 2011
January 2011	June 2011
February 2011	July 2011
March 2011	August 2011
April 2011	September 2011
May 2011	October 2011
June 2011	November 2011
July 2011	December 2011

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**Exhibit 2 – Warehouse/ Assayer address for delivery of Steel Long**

CHENNAI	<p><b>JICSBHASIN-CHENNAI JICS LOGISTICS</b> C/O BHASIN ROAD, NEAR MARUTHI WEIGH BRIDGE, TRIVATIYUR, CHENNAI – 600019, TAMIL NADU. <b>CONTACT PERSON:</b> MR. GOVIND SABOO MOBILE – 09324246515</p>	<p><b>M/S JICS LABORATORIES</b> 13-B, SECTOR A, SANVER ROAD, INDORE- 452015 MADHYA PRADESH. <b>CONTACT PERSON:</b> MR. ANIL JHAWAR; MOBILE: 098930 25380</p>
GHAZIABAD	<p><b>IEMSUPREME-GHAZIABAD INDIAN EXCHANGE OF METAL LIMITED</b> C/O SUPREME ALLOYS LIMITED, AN-37 TO AN-38, AN-123 TO AN-132, MASSORI GULAWATI ROAD, UPSDIC INDUSTRIAL AREA, GHAZIABAD-201001, UTTAR PRADESH <b>CONTACT PERSON:</b> MR. GAURAV KAPOOR MOBILE: 09717099102</p>	<p><b>INDIAN EXCHANGE OF METAL LIMITED</b> AN-37 TO AN-38, AN-123 TO AN-132, MASSORI GULAWATI ROAD, UPSDIC INDUSTRIAL AREA, GHAZIABAD-201001, UTTAR PRADESH <b>CONTACT PERSON:</b> MR. GAURAV KAPOOR MOBILE: 09717099102</p>
MANDIGOBIND GARH	<p><b>SWCMLSUBA-MANDIGOBINDGARH STAR AGRIWAREHOUSING &amp; COLLATERAL MANAGEMENT LTD.</b> C/O SUBASH GUPTA &amp; SONS VILLAGE KUMBH, AMLOH ROAD, MANDI GOBINDGARH, PIN CODE- 147301, PUNJAB. <b>CONTACT PERSON:</b> MR. RAKESH KHANDELWAL MOBILE – 09352327918</p>	<p><b>STAR AGRIWAREHOUSING &amp; COLLATERAL MANAGEMENT LTD.</b> MOLSHREE RESIDENCY, PLOT NO 29, G-102, MISSION COMPOUND, AJMER ROAD, JAIPUR <b>CONTACT PERSON:</b> MR. AMIT KUMAR GOYAL: MOBILE: 09314093765 MR. YOGENDRA GUPTA: MOBILE: 09351796804 / 0141- 2371079.</p>
MUMBAI	<p><b>JICSSHREES-BHIWANDI JICS LOGISTICS</b> C/O SHREE SMARAN ENTERPRISES PLOT NO. 119-B, GANGARAM PADA, VADAPE NASHIK HIGHWAY ROAD TALUKA-BHIWANDI THANE-421302, MAHARASHTRA. <b>CONTACT PERSON:</b> MR. DILIP SINGH MOBILE – 09320894001 MR. GOVIND SABOO MOBILE: 09324246515</p>	<p><b>M/S JICS LABORATORIES</b> 13-B, SECTOR A, SANVER ROAD, INDORE- 452015 MADHYA PRADESH. <b>CONTACT PERSON:</b> MR. ANIL JHAWAR: 09893025380.</p>
RAIPUR	<p><b>JICSKE-RAIPUR</b> JICS LOGISTICS C/O.KIRTI ENGINEERS PVT. LTD. D-22, LOHA BAZAR, RINGROAD NO.- 2, OPP. KABIR NAGAR,</p>	<p><b>M/S JICS LABORATORIES</b> 13-B, SECTOR A, SANVER ROAD, INDORE- 452015 MADHYA PRADESH. <b>CONTACT PERSON:</b> MR. ANIL JHAWAR;</p>

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	RAIPUR – 493221, CHATTISGARH. <b>CONTACT PERSON:</b> MR. GOVIND SABOO MOBILE: 093242 46515 MR. RAGHAV NATHANI MOBILE: 09425204281	MOBILE: 098930 25380
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For more information & the updated list of Warehouse & Assayers kindly refer to the NCDEX Website [http://www.ncdex.com/ClearingServices/Clearing\\_Services\\_others.aspx](http://www.ncdex.com/ClearingServices/Clearing_Services_others.aspx)

**Exhibit 3- Good / Bad delivery norms**

No.	Particulars	Good / Bad delivery
1.	Delivery before contract expiry.	Good delivery
2.	Steel quality not meeting futures contract specification.	Bad delivery
3.	Delivery at non designated warehouse.	Bad delivery
4.	Delivery completed but without sampling & testing / certification / expired validity.	Bad delivery
5.	Delivery without weight certificate.	Bad delivery
6.	Delivery beyond quantity variation allowed	Bad delivery
7.	Delivery not compatible to delivery size as mentioned in contract specification.	Bad delivery
8.	Delivery beyond specified working hours.	Bad delivery
9.	Delivery without proper documentation.	Bad delivery
10.	Steel weighed at other than designated warehouse weigh bridge / weigh scale.	Bad delivery
11.	Delivery of Steel found contaminated on visual inspection.	Bad delivery
12.	Deposit of goods by a seller who is NOT either a 'Manufacturer' or 'First Stage Dealer' as defined under relevant Central Excise/CENVAT rules and regulations.	Bad delivery

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**Exhibit 4- Specimen of Assayer certificate**

**CERTIFICATE OF QUALITY**

Date : \_\_\_\_\_ Report no.: \_\_\_\_\_

NCDEX Member : \_\_\_\_\_

Commodity : \_\_\_\_\_

Warehouse details: \_\_\_\_\_

Lorry No. : \_\_\_\_\_

Heat number : \_\_\_\_\_

**QUALITY :**

The results of analysis performed by our laboratory of the samples collected is stated below :

Test Items	Test method	Specification	Test results

The goods delivered may be **accepted / rejected**. The validity and Final Expiry Date is---.

**Chief Inspector / Authorized Signatory**