

Annexure I

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 –

- I. 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.
- II. Copy of Invoice with all deposits/eWay bill.
- III. Copy of Certificate of Origin any of Custom clearance documents in case of Imported Goods.
- IV. Packing list containing net weight, batch no, No.of units in bundles / lot.
- V. Any other documents required by WSP.

2. Size/Shape and Weight of Copper Cathodes

- a) Copper Cathodes deposited at ICCL Accredited warehouse shall be in the shape of uncut full plate cathodes.
- b) 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.

- c) 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.

- d) 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

- a) Copper Cathodes should come with intact original packing with certificate of analysis.
- b) The Warehouse/WSP must keep a record of all seals by number and date cross reference to each Lot.
- c) All markings on packaging and information on supporting documentation required for depositing Copper at warehouse shall be as per LME standards/Norms.
- d) 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. Cathodes are not found physically sound and free of harmful defects such as segregation, cracks, inclusions or visible contamination of metal, or
- III. there is any sign of broken or visibly corroded strapping on the Cathodes 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);

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.

- e) 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 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.

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