

**NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED**  
**Member Compliance Guide – GST settlement - Procedure for exchange of Physical Delivery Information**

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The Exchange in order to simplify and strengthen the processes of tax settlement post-delivery on the Exchange platform has prescribed the following process.

**Updation of GST Information:**

The Exchange has put in place, an interface in Web NCFE application for updation of GST information by members. Accordingly, members have to login to the Web NCFE and update the GST information in the tax settlement module. A help manual for using the Web based tax settlement module is available at "\\Common\Web NCFE" folder on Extranet.

**For receiving Clearing Members**

The receiving Clearing Members shall update GST information along with other additional requisite information including Constituent details or his / its agent details as the case may be, in the Web NCFE application system by 03:00 pm on the next working day after Settlement day as per Settlement Calendar notified by the Exchange.

**For delivering Clearing Members**

Information submitted by the receiving Clearing Members would be provided through Web NCFE to the delivering Clearing Members. The delivering Clearing Members are required to provide their GST and other information along with other additional requisite information including Constituent details or his / its agent details as the case may be (including mandi and other license details) in Web NCFE by 03:00 pm on or before 2nd working day after Settlement day as per Settlement Calendar notified by the Exchange.

Delivering Clearing Members are required to ensure that GST amount details submitted to the Exchange is in compliance with applicable GST laws. Based on the GST information submitted by the delivering Clearing Members, GST amount will be collected from the receiving Clearing member.

Further, based on the information provided by the receiving Clearing Member as above, the delivering Clearing Member/its Constituent will issue/ensure issuance of invoice/other related documents by T/E+5 days where T is tender date and E is the expiry date.

For the purpose of the process as above, Saturdays and Sundays shall be excluded for calculation of working days from T or E day.

The delivering Clearing Members will also be able to view the status of the records in Web NCFE.

**OBLIGATIONS OF PARTIES:**

1. The delivering Clearing Member/its Constituent should ensure that all necessary registrations and licenses as may be required under the applicable laws including GST and any other applicable enactments are subsisting before marking any delivery intention or tendering physical delivery in any commodity on the Exchange platform.

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For further information / clarifications, please contact:

Customer Service Group by E-mail to: [askus@ncdex.com](mailto:askus@ncdex.com)

Customer Service Group on toll free number: 1800 26 62339, Website: [www.ncdex.com](http://www.ncdex.com)

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2. The receiving Clearing Member/its Constituent shall ensure that their positions in commodities where deliveries can be allocated are kept open during staggered period/expiry of contract only after ensuring that they/their Constituents are complying with the applicable tax and other licensing laws, for receiving physical deliveries including registrations required under applicable laws.
3. The delivering Clearing Member/its Constituent tendering delivery during staggered period/up on the expiry of contract will have to upload details of invoice and all other documents including mandi related documents which are mandatorily required by T/E+5 day. The details are required to be updated in the Exchange Web NCFE system through respective delivering Clearing Members and the same shall be made available to the receiving Clearing Members for verification.
4. The delivering Clearing Member / Constituents shall dispatch the settlement related documents so as to reach the receiving Clearing Member / Constituent latest by T/E+7. The delivering Clearing Member shall upload the details of proof of dispatch in the Exchange Web NCFE system immediately after such documents are dispatched.
5. The receiving Clearing Member / Constituent is required to inform discrepancy/non receipt of invoices or any settlement related document including mandi tax paid certificate/receipt etc. or other required information to the Exchange by T/E+9 day through Web NCFE. In the event of non-receipt of any such reference of discrepancies if any in respect of the delivery related documents within the said period, the counter parties (i.e, sellers and the buyers) shall be deemed to have exchanged all requisite documents and information and the Exchange shall not entertain any communication in this regard after the said T/E+9.

**LATE FEE**

The discretion to determine the nature and extent of discrepancies or violations of timelines shall rest with the Exchange.

The late fees stipulated above will be without prejudice to any other right of the Exchange to take action under the provisions of its Rules, Byelaws and Regulations and notifications issued from time to time.

<b>BUYER/SELLER</b>	<b>ACTIVITY</b>	<b>TIMELINE (excluding Saturday and Sunday)</b>	<b>LATE FEE FOR NON-ADHERANCE</b>
Seller	Uploading of invoices and other relevant and applicable documents	T/E+5	Rs. 5000/- per day per invoice from T/E+6
Seller	Discrepancies in invoice/documents or non-receipt of documents by buyer	T/E+9	A late fee of 0.10% of the delivery value or ₹ 5,000/- whichever is higher, for each invoice will be charged per day

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**EFFECTS OF NON FURNISHING OF INFORMATION TO THE EXCHANGE.**

- 1) If the receiving Clearing Member fails to submit Constituents' information within the stipulated time, the delivery shall be treated as received by such Member himself and respective Member details will be provided to the delivering Member/Constituent.
- 2) If the delivering member fails to submit the required GST amount to be collected from the buyer Clearing Member within the prescribed timeline, it will be construed that no GST is payable by the Buyer and consequently no GST will be recovered by the Exchange from the Receiving buyer Clearing Member.

In both the above cases, the defaulting delivering and/or receiving Clearing Members would be wholly responsible to ensure all statutory and tax related compliances applicable to their transactions.

Members and Constituents are advised to note that every transaction resulting in the electronic transfer of goods should be supported by all required documents including tax and mandi related documents which shall be produced as and when required.

Members and their clients are requested to note the above and ensure compliance accordingly. The Exchange reserves the right to alter, amend, modify, and withdraw any of the provisions stated above or to introduce additional processes as may be deemed necessary from time to time.

In respect of contracts where direct delivery mechanism is permitted, the relevant circulars and procedures as notified by the Exchange from time to time in respect thereof, shall continue to apply.

**References:**

- Circular no. NCDEX/CLEARING-016/2013/204 dated June 18, 2013
- Circular no. NCDEX/CLEARING-021/2013/248 dated August 06, 2013
- Circular no. NCDEX/CLEARING-002/2014/003 dated January 06, 2014
- Circular no. NCDEX/CLEARING-008/2014/082 dated March 28, 2014