



**IPSTA ONLINE SPOT TRADING/AUCTION PLATFORM**  
**ONBOARDING AGREEMENT**

This Agreement (“**Agreement**”) entered on this the ..... day of ..... 2023 and entered into between :

1. The person/s and entities named herein who have registered on IPSTA Online Trading/Auction Platform hereinafter called as “**Participant**” on the one part and
2. India Pepper & Spice Trade Association, which owns and operates Online Spot Trading Platform/Auction for Black Pepper hereinafter called as “**IPSTA**” on the other part.

**WHEREAS:**

A. IPSTA Online Spot Trading/Auction is a platform wherein e-auctions and spot trading of Black Pepper takes place. IPSTA Platform allows:

- (a) Sellers to make offers for sale of Black Pepper to the Buyers (“**Offer**”);
- (b) The placement of information regarding the Black Pepper so offered for sale;
- (c) Intermediation by IPSTA of any payments to be made by the Buyers to the Sellers.

B. Both Seller and Buyer are to register on the IPSTA Platform and desirous of participating in the auctions and/or negotiated trade of Black Pepper on the Platform and have approached IPSTA to register it as a Participant client on the IPSTA Platform, subject to the terms and conditions of this Agreement read with terms and conditions of the Product Note and its Annexures which shall form part and parcel of this Agreement.

C. Subject to the Terms and Conditions of this Agreement read with terms and conditions of the Product Note and its Annexures IPSTA has agreed to permit the participation of the Seller and the Buyer in the auction and/or negotiate in trading of Black Pepper as displayed on IPSTA platform.

D. The Seller and the Buyer have agreed to enter into this Agreement read with terms and conditions of the Product Note and its Annexures, to record their understanding and undertaking regarding the sale and purchase of the Black Pepper and agreeing to the Terms and Conditions of the IPSTA Platform.

**IT IS AGREED AS FOLLOWS:**

**1. SALE AND PURCHASE OF BLACK PEPPER**

A. Sale of Black Pepper will take place on IPSTA platform by the following method:

**Offer to Sell.** Each Participant shall place the offer to sell on the IPSTA Platform indicating therein the details of the Lot of Black Pepper, intended to be sold, including its price, and complying with requirements of the Product Note and its Annexures. Each Offer placed by the Participant to sell Black Pepper shall be valid till the time period indicated on the IPSTA



Platform, during which time the Participant cannot change the price or withdraw the Lot of Black Pepper being offered. The Participant may revise the price / quantity or withdraw the Lot, post the expiry of the time period indicated on the IPSTA Platform, provided a Participant buyer has not acted on the offer.

- B. Purchase of Black Pepper on IPSTA platform shall take place by the following method :

Prior to bidding, a Buyer Participant has to maintain 5% Margin of the entire value of the goods of the particular lot on offer, or such Margin as stipulated by IPSTA from time to time, in the IPSTA Designated Bank Account.

**Bidding for the Lot on Offer.** A Participant who intends to purchase the lot shall intimate his bid price for the Lot on the IPSTA Platform. The bid price offered by a participant shall remain for the time period indicated on the IPSTA Platform, during which time other participant can also bid for the lot. A Participant who intends to increase the last existing bid price, can do so, by offering a price of minimum of Re 0.25p per Kilogram in addition to the last existing bid amount.

**Culmination of the bid.** In case of E-Auction the Bidding period is for 5 minutes and the highest bid shall be confirmed and culmination of the bid shall be deemed to have taken place. Upon Culmination, the Participant who has exercised the highest bid, shall be treated as Buyer of the lot provided the price is equal to or higher than the intended price of the seller.

## 2. DELIVERY OF PURCHASED COMMODITIES

Upon intimation of delivery the buyer upon payment for the lot, shall take delivery of Black Pepper from the Designated Warehouse as shown on the IPSTA Platform, as per the terms and procedures laid down in the Product Note and its Annexures.

## 3. PAYMENT

- A. **Payment by Buyer.** The buyer participant shall maintain 5% Margin in the IPSTA Designated Bank Account, or such Margin as stipulated by IPSTA from time to time, prior to Bidding of Lot and Balance 95% shall be deposited on T+1 basis in the IPSTA Designated Bank Account.
- B. **Payment to be made through IPSTA Platform only.** All payments are required to be remitted only through IPSTA Platform, through the payment methods provided therein. Any payments made directly by the Buyer Participant to the Seller Participant will constitute a violation of the Terms and Conditions of the usage of the IPSTA Platform and also of this Agreement. It is agreed by the Participants that any trade done or payments remitted outside the IPSTA Platform, will be the responsibility of the respective Participants and IPSTA will not be made a party to any disputes that arise on, any and all, trades done or payments remitted outside the IPSTA Platform.
- C. **Payment to Seller.** That IPSTA shall transfer to the Seller the payment after deducting its Transaction Fee and GST due on the lot sold, on T+3 basis.



The GST due on the lot sold held back by IPSTA, shall be released to the Seller, only after due compliance under the GST Act and Rules related to the sale, has been intimated to IPSTA with requisite evidences.

Upon culmination of the bid in favour of a buyer, in case of Buyer Participant defaults in making complete payment of the goods within the time stipulated herein, the Margin money deposited by the buyer in the IPSTA Designated Bank Account, shall be forfeited to IPSTA.

- D. **Limit on Transactions.** Participant agrees that as a security measure or in compliance with Applicable Law or any reason thereof, IPSTA or the Payment Gateway shall have the right (but not obligation) to impose limits or restrictions on transaction at IPSTA Platform. Neither IPSTA nor Payment Gateway will be liable to a Participant in case of any Transactional failure to meet regulatory requirements or due to any technology failure or limitations of technology being used.
- E. Subject to Special Terms and Conditions, apart from the bid amount, the Participant would be liable to pay GST/Mandi Tax/Cess/TDS/TCS and other charges under the respective local, State or the Central legislations or the APMC Act and also such other levies if any, as may be applicable and will be solely responsible for complying with all the provisions, General as well as Special Terms and Conditions of the applicable laws in force in that regard. In no event IPSTA shall be liable for payment of GST or any other local tax, fees, levies etc. in relation to the transactions on the IPSTA Platform. In the event of any of the aforesaid liability of any party, is discharged or paid by the other party or IPSTA, the party liable for such payment, shall be liable to reimburse the same together with penalty if any, for such default and interest thereon. IPSTA will facilitate smooth transaction by using their good offices for both sides.
- F. Participant shall raise an Invoice and such other documents as required by GST laws for the transactions executed/made on IPSTA Platform within the time period as may be prescribed by IPSTA. For the purpose of raising invoice, sale price (“**Sale Price**”) shall be the same as reflected on the IPSTA Platform for the lot on sale and shall be calculated on the basis of Quality and Quantity of Black Pepper and the final bid amount.

G. Payment of Levies:

In respect of each Transaction, the Seller has to Pay Transaction Charge to IPSTA based on the category he / she / it falls in, as given hereunder :

- (i) For IPSTA Members Rs.1/- per Kilogram, or such Transaction Charge as stipulated by IPSTA from time to time.
- (ii) For Non Members registered through IPSTA Members: Rs. 1.50/- per Kilogram, or such Transaction Charge as stipulated by IPSTA from time to time.
- (iii) For Direct Non Members Rs. 2/- per Kilogram, or such Transaction Charge as stipulated by IPSTA from time to time.

A 50% Discount will be given on above Transaction Charge to all the above categories for the First Six Months from the Date of Starting Online Spot Trading/ E-Auction and Offline Trades.



H. Participant will have to pay Warehouse Rent and Testing Charges at Actuals directly to the Service Providers.

#### 4. PREREQUISITE FOR IPSTA PLATFORM MEMBERSHIP

- A. Before availing of online trading services, the Participant shall complete the registration process as may be prescribed in the IPSTA Platform and also from time to time thereafter, as instructed by IPSTA. The Participant shall follow the instructions given in the IPSTA Platform website for registering.
- B. To register as a Participant, a Person must:
- (a) be an Individual above 18 (eighteen) years of age, living in India or an LLP or Partnership firm registered in India or any Indian Registered Company Private or Public ;
  - (b) have a bank account in Participant's name with a Banking Financial Institution (“**Nominated Bank Account**”) authorized to offer online banking services in India or such other bank account in such financial institution as may be prescribed by IPSTA from time to time ;
  - (c) have a valid GSTIN.
  - (d) satisfy IPSTA's identity verification checks
  - (e) have a valid mobile number and email ID.
  - (f) Have a valid FSSAI License & PAN Card.
- C. Each Participant (who has executed this Agreement) voluntarily give(s) their respective consent to IPSTA to use his/her/their respective Aadhaar for doing authentication with Unique Identification Authority of India (“**UIDAI**”) for establishing identity, in the manner acceptable as per UIDAI guidelines or under any Act or Law in force from time to time. The Buyer and Seller confirm(s) having been informed by IPSTA that the Aadhaar will not be stored/shared/used by IPSTA for any other purpose other than as mentioned herein, unless the same is required or permitted by Law.
- D. The Buyer and Seller further confirm(s) that the information which is submitted through the Aadhaar is true and correct and he/she/they will not hold IPSTA responsible in case any incorrect information is provided.
- E. Participant shall maintain DEMAT Account with CDSL/and or any other Repository Service Provider and Agrees to transfer The ENWR (Electronic Negotiable Warehouse Receipt) to IPSTA's Account before Tendering the Lot for sale on IPSTA Platform.
- F. IPSTA may decline to register any person to use the IPSTA Platform for any reason at IPSTA's sole and absolute discretion.



**G. One Time Non Refundable On Boarding Fee:**

- (i) For Existing Member of IPSTA, registering on or before 30<sup>th</sup> April 2023, there will not be any On Boarding Fee. IPSTA Member registering after 30<sup>th</sup> April 2023 will have to pay Rs.5,000/- as On Boarding Fee.
- (ii) Non-Member Clients Trading through IPSTA Members, registering on or before 30<sup>th</sup> April 2023 will have to pay Rs.5,000/- as On Boarding Fee. If the said Non Member Clients Trading through IPSTA Members register after 30<sup>th</sup> April 2023, they would have to pay Rs.10,000/- as On Boarding Fee.
- (iii) Non-Member Clients Registering on or before 30<sup>th</sup> April 2023 will have to pay On Boarding Fee of Rs.10,000/-. Non-Member Clients Registering after 30<sup>th</sup> April 2023 will have to pay On Boarding Fee of Rs.15,000/-.

**5. IPSTA ACCOUNT**

**A. If IPSTA approves a Participant's application for registration, IPSTA will:**

- (a) set up a data account (hereinafter called "**IPSTA Account**") in its systems that is used to record the Transactions and certain information about the registered Participant ("**Registered User**") on the IPSTA Platform. The process of creating a IPSTA Account requires the Registered User to fill in certain personal information such as name, address, mobile phone number, email address, payment details, company data, among others on the IPSTA Platform; and
- (b) issue and/or activate any secret codes ("**Access Codes**") required by Registered User, as the case may be to access IPSTA Account on the IPSTA Platform.
- (c) IPSTA will take all commercially reasonable actions to prevent unauthorized access to the IPSTA Account of the Register User.
- (d) To undertake a Transaction through the IPSTA Platform, the Registered User must log on to Registered User's IPSTA Account using his / her / its Access Codes. So long as the correct Access Codes are entered, IPSTA will assume that the Registered User is giving instructions and he / she / it will be liable for the activity / transactions on his / her / its IPSTA Account.

**B. IPSTA can refuse to act on any instruction that it reasonably believe is unclear/ not given by Registered User/ or might result in a breach of Applicable Laws.**

**C. IPSTA shall not be responsible for any order / transaction, that is made by the Registered User by mistake and every order / transaction that is entered by the Registered User through the Registered User's IPSTA shall be deemed to be a valid and stating order / transaction, for which the Registered User shall be fully responsible.**

**6. ADDITIONAL TERMS AND CONDITIONS**

The parties agree to be bound by the Terms and Conditions of use of IPSTA Platform as provided in the Product Note and its Annexures and also instructions given on the IPSTA



Platform. The parties acknowledge that they have read these Terms and Conditions and have agreed to be bound by the same.

## **7. IPSTA LIABILITY**

- A. The Transactions on IPSTA Platform will be deemed to have taken place between the Buyer and the Seller and that IPSTA shall not be deemed to guarantee the title, ownership, genuineness, regularity or validity of Black Pepper traded through IPSTA Platform and the only obligation of IPSTA in this matter shall be to facilitate the delivery and payment in respect of Black Pepper between the Buyer and Seller. No liability shall attach either to IPSTA by reason of anything done or omitted to be done by the Buyer and Seller in the course of its operations.
- B. While, reasonable care and diligence will be taken by IPSTA in discharge of its responsibilities, the Buyers and/or Sellers shall indemnify IPSTA against all liabilities, losses, damages, claims, charges etc. for any shortcomings on these aspects. It is clearly understood that these activities are undertaken by IPSTA to assist the Buyers/Sellers in participation in Trading on IPSTA Platform but the ultimate responsibility on all these counts lies totally with the Buyer and Seller.
- C. IPSTA shall not be liable for any claims arising against the Buyer / Seller in relation to any duties, actions or obligations correctly performed and / or rights or powers exercised by IPSTA in accordance with the Terms and Conditions of this Agreement. The Parties to the dispute shall defend, indemnify and hold harmless IPSTA, its employees and authorized persons against any claim arising against IPSTA for due discharge of its obligations under the General Terms and Conditions of this Agreement.
- D. In case of default in payment by the buyer participant of any confirmed trade, IPSTA shall, at the request of the seller participant, facilitate re-sale of the goods within 15 days from default by the buyer participant, and on culmination of such re-sale, if the seller participant incurs any loss, the liability on IPSTA to the seller participant shall be limited to the maximum of the Margin money amount collected from the defaulting buyer participant prior to the Original bid, relating to the said transaction.

## **8. REPRESENTATION AND WARRANTIES**

- A. The Participant represents and warrants as under:
  - a. It is duly organised and validly existing under the Applicable Laws and is duly registered and authorised to do the business and has all requisite government and regulatory approvals, corporate powers and authority to own and operate its business and to enter into this Agreement and while entering into this Agreement shall not violate or conflict with any agreement, contract, arrangement and understanding or any instrument, to which it is a party or by which it is bound.
  - b. There is no action, suit, proceeding, claim, arbitration, inquiry or investigation pending against Participant, its activities, properties or assets or for its winding up which may materially affect its financial condition. It is not a party to or subject to the provisions of any order, writ, injunction, judgment or decree of any court or



Governmental Authority or instrumentality which affects the business or interests of Participant.

c. It is the owner of the Black Pepper being sold by it on the IPSTA Platform or has legally procured the Black Pepper being sold by it on the IPSTA Platform.

## **9. INDEMNITY**

The Participant agrees to indemnify and hold IPSTA, its Directors and employees harmless from and against all trade related claims, demands, actions, proceedings, losses, damages, liabilities, charges and/or expenses that are occasioned or may be occasioned to IPSTA directly or indirectly, relating to giving / taking delivery of Purchased Black Pepper, whether authorized or unauthorized and during the course of their dealings/ operations on the IPSTA Platform and/ or proof of address, identity and other supporting/ documents provided by the Buyer or the Seller, as the case may be, at the time of registration and/ or subsequently.

## **10. ARBITRATION.**

In case of any disputes, buyers shall, in writing, report to IPSTA within two working days, the nature of the complaint/ dispute and his/her/their grievance that is raised by him/her/them.

The seller, if he has any issues, with regard to delivery matters, payment, security of goods, may address the same to IPSTA within two working days.

All disputes shall be settled through arbitration within 6 (Six) weeks of raising of the dispute. The Arbitrator/s shall be appointed by IPSTA on the receipt of complaint. The decision of the arbitrator/s will be Final and binding on all parties. Cost of Arbitration to be borne equally by the Participants.

## **11. DATA PROTECTION.**

The Participant undertakes to comply with the provisions of the IPSTA Platform Service Terms as given on the IPSTA Platform, this Agreement and the Product Note and its Annexures.

## **12. ASSIGNMENT.**

Except IPSTA, no other party shall assign, transfer or otherwise dispose of its rights or obligations under this Agreement. Any assignment or transfer shall be void and have no effect.

## **13. NOTICES.**

The IPSTA Platform Service Terms shall govern the giving and receipt of notices in respect of this Agreement read with the Product Note and its Annexures.



#### 14. GOVERNING LAW AND JURISDICTION.

- A. This Agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of the Republic of India.
- B. Each party irrevocably agrees that the courts of Kochi, Kerala State shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this Agreement or its subject matter or formation (including non-contractual disputes or claims).

#### 15. DEFINITIONS.

The Terms mentioned in this agreement shall have the following Definitions mentioned against the said terms :-

1. **“Aadhar”** means an identification number issued to an individual under Sub-section 3 of Section 3 of the AADHAAR (Targeted Delivery Of Financial And Other Subsidies, Benefits And Services) Act, 2016;
2. **“Access Codes”** shall mean any secret codes required by Registered User, as the case may be to access their Account on IPSTA Platform;
3. **“Additional Terms and Conditions”** or **“General Terms and Conditions”** or **“IPSTA Platform Service Terms”** or **“Terms and Conditions”** means the terms and conditions available on the IPSTA Platform at [ipstaindia.com](http://ipstaindia.com) or mobile app;
4. **“Agreement”** shall mean this Agreement between the Participant and IPSTA;
5. **“Applicable Laws”** means, any and all, laws, ordinances, constitutions, regulations, statutes, treaties, rules, acts, licenses, certificates, franchises, permits, principles of common law, requirements and Orders adopted, enacted, implemented, promulgated, issued, entered or deemed applicable by or under the authority of any Governmental Body having jurisdiction over the Buyer/Seller or any of such Buyer/Seller’s properties or assets;
6. **“Black Pepper”** in this Agreement shall mean Black Pepper of all sizes and varieties;
7. **“Buyer”** in this Agreement shall mean purchaser of the goods in all its grammatical meanings and as defined under Indian Contract Act 1972.
8. **“Force Majeure Event”** shall mean failure to fulfil the Terms and Conditions of this Agreement resulting from circumstances beyond the affected party’s control including, without limitation, such circumstances as fire, storm, flood, earthquake, strikes, work stoppage or slowdowns, delay or failure of transportation, or supplies, acts of the public enemy, acts of Gods or acts, epidemics, regulations, priorities or actions of the state or any local government or agents thereof.
9. **“GSTIN”** means the Goods and Services Tax Identification Number;





10. **“IPSTA”** means India Pepper & Spice Trade Association, having its registered office at **VI/150 Pepper Exchange Bldg., Jew Town, Kochi -682002 Kerala, India** which owns and operates a marketplace by the name of IPSTA Platform;
11. **“IPSTA Platform”** means a online trading platform which is owned and operated by India Pepper & Spice Trade Association.
12. **“IPSTA Account”** shall mean a data account in IPSTA’s systems that is used to record the Transactions and certain information about the registered Buyer or Seller; on the IPSTA Platform.
13. **“Margin”** shall mean Pre-Deposit made by Participant in respect of a lot prior to Bidding on IPSTA Online Trading/Auction Platform and to safeguard for any default by Participant.
14. **“Nominated Bank Account”** means a bank account for deposit and payments, in Seller’s/Buyer’s name (or Seller’s/Buyer’s company name) with a financial institution authorized to offer banking services in India or such other bank account with such services as may be prescribed by IPSTA from time to time ;
15. **“Offer”** shall mean the offers of sale of Black Pepper so exhibited to the Buyers by the Seller;
16. **“Offered”** means Black Pepper being offered by the Seller on the IPSTA Platform;
17. **“Payment Gateway”** shall mean the payment gateways aggregators on the IPSTA Platform;
18. **“Participant”** shall mean those person/s and entities who have registered on IPSTA Online Trading/Auction Platform.
19. **“Product Note and its Annexures”** shall mean the Product Note and its Annexures issued by IPSTA from time to time containing the details, procedures and requirements to be followed with regard to the lot of Black Pepper to be put on auction on the IPSTA Platform and also procedures and requirements to be followed after the culmination of the bid.
20. **“Purchase”** means acquiring Black Pepper by paying for it on the IPSTA Platform;
21. **“Purchased Black Pepper”** shall mean Black Pepper purchased by the Participant;
22. **“Registered User”** shall mean a data account in IPSTA’s systems that is used to record the Transactions on the IPSTA Platform, and certain information about the registered Buyer or Seller;
23. **“Sale”** means the selling of Black Pepper in exchange for money on the IPSTA Platform ;



24. **“Sale Price”** shall mean the meaning ascribed to it in Clause 3 Sub-clause F of this Agreement;
25. **“Seller”** in this Agreement shall mean seller of goods in all its grammatical meanings and as defined under Indian Contract Act 1972.
26. **“Terms and Conditions of this Agreement”** shall mean the terms and conditions as mentioned in this Agreement;
27. **“Transaction”** means Seller has agreed to sell and transfer and the Buyer has agreed to buy Black Pepper mentioned in this Agreement;
28. **“Transaction Fee”** means the fee charged by IPSTA from the Participants with regard to each transaction undertaken on the IPSTA Platform and for which IPSTA will issue an Invoice to the Participant with applicable tax as may be applicable from time to time.
29. **“Transaction Processing Service”** means the Seller authorising the Payment Gateway for processing payments, refunds and adjustments for Seller Transactions, receiving and holding Sales Proceeds on Seller’s behalf and remitting entire Sales Proceeds to IPSTA’s bank account; and
30. **“UIDAI”** means the Unique Identification Authority of India.
31. **“Participant”** means Seller or Buyer.
32. **“Margin”** means Any Buyer prior to Bidding of the Lot shall pay 5% Margin of the total value of that particular Lot.
33. **“T+1”** means date of Trading + 1 day.
34. **“T+3”** means date of Trading + 3 days.

This Agreement has been entered into on the date stated at the beginning in it.