

Contract Specifications of Crude Oil

Symbol	CRUDEOIL
Description	CRUDEOILMMYY
Contract Listing	Contracts are available as per the Contract Launch Calendar.
Contract Start Day	As per the Contract Launch Calendar
Last Trading Day	As per the Contract Launch Calendar
Trading	
Trading Period	Mondays through Saturdays
Trading Session	Monday to Friday: 10.00 a.m. to 11.30 p.m. Saturday: 10.00 a.m. to 2.00 p.m.
Trading Unit	100 barrels
Quotation/Base Value	Rs. per barrel
Maximum Order Size	10,000 barrels
Tick Size (Minimum Price Movement)	Re. 1
Price Quote	Ex – Mumbai excluding all taxes, levies and other expenses
Daily Price Limits	The base price limit will be 4%. Whenever the base daily price limit is breached, the relaxation will be allowed upto 6% without any cooling off period in the trade. In case the daily price limit of 6% is also breached, then after a cooling off period of 15 minutes, the daily price limit will be relaxed upto 9%. <i>In case price movement in international markets is more than the maximum daily price limit (currently 9%), the same may be further relaxed in steps of 3% with the approval of FMC.</i>
Initial Margin	Minimum 5% or based on SPAN whichever is higher
Additional and/ or Special Margin	In case of additional volatility, an additional margin (on both buy & sell side) and/ or special margin (on either buy or sell side) at such percentage, as deemed fit, will be imposed in respect of all outstanding positions.
Maximum Allowable Open Position	For individual clients: 4,80,000 barrels For a member collectively for all clients: 24,00,000 barrels or 15% of the market wide open position, whichever is higher.

Delivery	
Delivery Unit	50,000 barrels with +/- 2% tolerance limit
Delivery Margin	25%
Delivery Center	Port installation at Mumbai/ JNPT port
Quality Specification	Light Sweet Crude Oil confirming to the following quality specification is deliverable: Sulfur 0.42% by weight or less, API Gravity: Between 37 degree – 42 degree All volumes are defined at 60 degree Fahrenheit
Due Date Rate	Due date rate is calculated on the last trading day of the contract on the basis of the market price of crude, ex-Mumbai, excluding all taxes, levies and freight, as available for this variety from various market sources and converted at the Rupee – US Dollar rate prevailing on expiry.
Delivery Logic	Both Option

Contract Launch Calendar of Crude Oil

Contract Month	Contract Launch Date	Contract Expiry Date
July 2013	22-Jan-13	19-Jul-13
August 2013	20-Feb-13	19-Aug-13
September 2013	20-Mar-13	19-Sep-13
October 2013	20-Apr-13	21-Oct-13
November 2013	21-May-13	19-Nov-13
December 2013	20-Jun-13	18-Dec-13

Delivery and Settlement Procedure of Crude Oil

Delivery logic	Both Option
Tender day	1 st working day after expiry of contract
Tender and delivery period	1 st to 2 nd working days after expiry of the contract.
Buyer's and Seller's Intention	On the contract expiry day by 6.00 p.m. Seller will submit copies of relevant documents as a proof of holding stock at the time of giving his intention.
Mode of communication	Fax/ Courier
Matching of Buyer's and Seller's intention	On the basis of intention received from the buyers and sellers, the Exchange will match the total quantity offered by the buyers and sellers and with respect to the matched quantity, the allocation of delivery between the buyers and sellers will be done. The unmatched quantity of open position will be closed out as per DDR and actual delivery will be effected only to the extent of matched quantity.
Dissemination of the information on delivery intention on TWS	On the contract expiry day by 7.00 p.m.
Delivery period margin	25% margin will be imposed during tender and delivery period on both buyers and sellers on matched quantity.
Delivery period margin exemption	Sellers are exempted from payment of margin, if goods are tendered during tender days of the contract month with all the documentary evidences.
Delivery allocation - Date - Rate	On expiry date of the Contract At due date rate (DDR)
Delivery pay-in of Commodities	E+1 working day by 5.00 p.m. (E stands for expiry)
Delivery pay-out of Commodities	E+2 working days by 5.00 p.m.
Pay-in of funds	E+2 working days by 11.00 a.m.
Pay-out of funds	E+2 working days after 2.00 p.m.
Penal provisions	<p>After getting (matching) intentions from the buyer and seller to take or give delivery, if any of the party fails to honour his obligations, a penalty of 2.5% of the DDR will be imposed on him.</p> <p>Additionally, a replacement cost of 4% of DDR will be recovered from the defaulting buyer / seller.</p> <p>Out of the penalty, 2% will be credited to IPF and 0.5% will be credited to the counter party, while out of the replacement cost recovered 90% will be passed on to the counter party and 10% will be retained by the Exchange towards administrative expenses.</p>

Taxes, Duties, Cess and Levies	All other charges, levies or Cess, import or export duties and taxes applicable at the delivery center will be on account of buyer. In case of Inter-State movement, the buyer has to submit requisite forms or pay CST as applicable. Post lifting delivery all charges are borne by the buyer.
Close out of open positions	All outstanding positions on the expiry of contract where expression of interest for tendering delivery or receiving delivery has not been received and such positions where expression of intentions have been received but have not found the counter party for honoring the intentions, shall be closed out at due date rate and respective pay-in and pay-out of funds of such close out positions shall be effected on the following day of last day of trading by 11.00 a.m.
Due Date Rate (DDR)	Due date rate is calculated on the last trading day of the contract on the basis of the spot market price of crude, ex-Mumbai, excluding all taxes, levies and freight, as available for this variety from various market sources and converted at the Rupee – US Dollar rate prevailing on expiry.
Odd lot treatment	Delivery will be effected only on delivery lot basis. In case there is any mismatch in the position of seller and buyer then delivery will not be matched and accordingly the position will be closed out at DDR and penalty to such buyer / seller will be levied a minimum penalty @5% of DDR. 90% of the penalty collected shall be passed on to the counter party while 10% will be appropriated by the Exchange.
Storage, Insurance and Freight charges	The freight, duty and all other expenses will be on account of the buyer
Delivery center	Mumbai
Delivery of Goods	Each delivery shall be in multiples of minimum delivery lots and shall be designated for only one delivery center and one location in such center. Delivery will be accompanied with duly discharged Storage / Shipping / import / export documents, invoice and valid Quality Certificate, as per contract specifications from the Exchange approved quality certifying agency/s. Delivery once submitted cannot be withdrawn or cancelled or changed, unless so agreed by the Exchange. Goods tendered under delivery shall be in conformity with the contract specifications.
Delivery grades	The members tendering delivery will have the option of delivering such grades as permitted by the Exchange as per the contract specifications. The buyer will not have any option to select a particular grade and the delivery offered by the seller and allocation by the Exchange shall be

	binding on buyer.
Evidence of stock in possession	At the time of issuing delivery, the Member must prove to the Exchange that he holds stocks of the quantity and quality specified at the declared delivery center by producing bank documents/ LC/ appropriate receipt.
Sampling and Analysis at the time of delivery	In case the buyer does not agree to the Surveyor's report as to the quality of the commodity, he shall desire for second sampling and intimate the Exchange in writing within 48 hours of the commodity pay-out date.
Sampling Procedure	<p>The system of drawing of samples tendered for delivery will be as prescribed in the Bureau of Indian Standards procedure. Three Samples shall be drawn as under:</p> <ul style="list-style-type: none"> • First Sample – for the buyer • Second Sample – for the seller • Third Sample – for final reference, if necessary <p>If the first sample collected by the buyer and analyzed by the surveyor, out of the exchange empanelled surveyor/s for the contract, appointed by him, conforms to the specifications, then the goods tendered for delivery shall be accepted and no subsequent claims from the buyer regarding quantum of rebate or any other indemnification shall be admissible nor the sellers shall be obliged to pass any sealed samples to the buyer if requested subsequently. The sampling methods to be adopted for analysis will be decided by the Exchange.</p>
Failure of First Sample	If the first sample as examined by the buyer's surveyor fails to conform to the quality standards specified, the buyer shall intimate the seller within 72 hours of the collection of sealed sample along with a copy of the Surveyor's report. The seller shall immediately send the second sealed sample to another approved laboratory (out of Exchange approved panel), which is also agreed by the Exchange. In the event the buyer and seller do not mutually reach agreement with the results of the second sample test, then the Exchange shall send the third sealed sample to any one of the approved laboratories / surveyor, as decided by the Exchange.
Final Surveyor's report	The final approved laboratory and/or surveyor's report shall be forwarded by the Exchange to the parties immediately on receipt of the same. In case dispute on quality of the goods allocated to the buyer is raised by the buyer before funds pay-out to the seller, the pay-out of funds to the seller will be made on the basis of the final test

	<p>report received by the Exchange, pursuant to the third and the final test, or it would be recovered from the seller, if the payment was already released. The Exchange will also direct the party, in whose favour the result is declared to collect the cost of tests and detention charges from the other party. In case the commodity stands rejected then it will be tantamount to failure on the part of the seller to give delivery, whose outstanding short position, shall be closed out as per the Penal provision applicable for seller default or any other rate as decided by the Exchange, treating the failure on the part of the seller to give delivery as shortage. The decision of the Exchange in this regard shall be final and binding to both the parties.</p>
Obligations of the independent analyst	<p>In order to ensure that tests are exactly comparable and that the results are consistent, the final approved laboratory and / or surveyor shall determine the particular analytical test by applying the methods specified in relevant IS. The said laboratory and / or the surveyor shall be required to append a certificate or certificates to those effects to the analysis report issued by the laboratory and/or surveyor.</p>
Legal obligation	<p>Every member delivering and receiving warehouse receipt by way of delivery shall provide appropriate tax forms wherever required as per law and as custom and neither of the parties shall unreasonably refuse to do so.</p>
Extension of delivery period	<p>The Exchange may extend the Delivery Period due to either force majeure or any other reason, as it thinks fit in the interest of the market.</p>
Applicability of Business Rules	<p>The general provisions of Byelaws, Rules and Business Rules of the Exchange and decisions taken by Forward Markets Commission, the Board of Directors and Executive Committee of the Exchange in respect of matters specified in this document shall form an integral part of this contract. The Exchange or FMC as the case may be, may further prescribe additional measures relating to delivery procedures, warehousing, quality certification, margining, risk management from time to time.</p> <p>The buyer shall have to lodge his claim, if any, against quality and/or quantity of goods/ delivery allocated to him if any, while retaining the disputed goods in the warehouse/s (without lifting them out of the warehouse/s), within 48 hours from the date of scheduled commodity pay out of the Exchange, failing which, no claim shall be entertained by the Exchange thereafter.</p> <p>Quality certification of the lot is based on the sample/s selected and therefore, it should not be construed and mean that the entire lot of the</p>

	<p>goods is duly quality certified. In case of dispute arising on quality of the goods not conforming to the contract specifications and discovered / found out subsequently, the introducing member and/ or its constituent who has tendered delivery on Exchange platform shall be liable for all losses / cost/ closeout charges / claims etc including refund of funds pay-out released earlier, as may be decided by the Exchange in the matter and which shall be final and binding to the member. (The interpretation or clarification given by the Exchange on any terms of this contract shall be final and binding on the members and others.)</p>
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