

Contract Specifications of Cardamom

Symbol	CARDAMOM
Description	CARDAMOMMMYY
Contract Listing	Contracts are available for all 12 calendar months in a year, as per the Contract Launch Calendar.
Last Trading Day	15 th of contract month. If 15 th is a holiday then preceding working day.
Trading	
Trading Period	Mondays through Saturdays
Trading Session	Mondays through Fridays: 10.00 am to 5.00 pm Saturdays: 10.00 am to 2.00 pm
Trading Unit Quotation/Base Value	100 KG (1 quintal) Rs. per Kg
Maximum Order Size	5000 KG (50 quintals)
Tick Size (minimum price movement)	10 paisa per Kg
Price Quote	Ex- Vandanmedu, Dist. Idukki, Kerala (exclusive of all tax and levies)
Daily Price Limits	The base price limit will be 3%. Whenever the base daily price limit is breached, the relaxation will be allowed upto 4% with a cooling off period of 15 minutes
Initial Margin	5%
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.
Delivery Period Margin Maximum Allowable Open Position	25 % of the open position during the delivery period For individual clients: 160 MT For a member collectively for all clients: 600 MT or 15% of the market-wide open position, whichever is higher. Near Month Limits For individual clients: 40 MT For a member collectively for all clients: 160 MT or 15% of the market-wide open position, whichever is higher
Delivery	
Delivery Unit	100 Kg, and direct multiples thereof.
Delivery Centers	At Exchange designated warehouse at Vandanmedu in Idukki Dist of Kerala State

<p>Quality certification:</p>	<p>Cardamom 7mm bold</p> <ol style="list-style-type: none"> 1. Size of the capsules: Entire quantity of cardamom delivered shall remain on a sieve of 7mm size. However, 5% droppings by count will be allowed. 2. The Entire stock delivered shall be crop of current season. 3. Density of stock delivered shall be 400 gms per litre [400 gm l/w] minimum. 4. The cardamom delivered shall be free from blacks and fruits (Yellow). 5. Split and thrips capsules. 0.5% by count. 6. The colour of cardamom delivered shall be uniform green, as per prevailing market available quality in the particular crop year. 7. It shall not be discoloured capsules. However, 2 side green and 1 side discolored capsule will be allowed upto 15% by count. 8. Tips Open: 5% maximum by count allowed. 9. Shriveled Capsules: 2% max by count allowed. 10. However, the relaxations at Sl.No. [1], [5], [8], & [9] above put together shall not exceed 10% max. by count in the entire stock.
<p>Quality Certification:</p>	<p>Cardamom 6 mm bold</p> <ol style="list-style-type: none"> 1. Size of the capsules: Entire quantity of cardamom delivered shall remain on a sieve of 6 mm size. However, 5% droppings by count will be allowed. 2. The Entire stock delivered shall be crop of current season. 3. Density of stock delivered shall be 385 gms per litre [385 gm l/w] minimum. 4. The cardamom delivered shall be free from blacks and fruits (Yellow). 5. Split and thrips capsules. 0.5% by count 6. The colour of cardamom delivered shall be uniform green, as per prevailing market available quality in the particular crop year. 7. It shall not be discoloured capsules. However, 2 side green and 1 side discoloured capsule will be allowed upto 15% by count. 8. Tips Open: 5% maximum by count allowed. 9. Shriveled Capsules: 2% max by count allowed. 10. However, the relaxations at Sl.No. [1],[5], [8], & [9] above put together shall not exceed 10% max. by count in the entire stock.
<p>Premium/ Discount On Additional Tenderable Variety</p>	<p>Delivery of the said variety (6mm) shall be settled on the basis of average of last three days spot price pooled for this variety.</p>
<p>Packing</p>	<p>Delivery would be accepted only if the stock is packed in double jute bag with inner black polyethelene lining containing 50 kg net weight of cardamom of specified quality.</p>
<p>Delivery Logic</p>	<p>Compulsory</p>

Contract Launch Calendar

Contract Launch Months	Contract Expiry Months
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

Annexure 2

Delivery and Settlement procedure for Cardamom Contracts

Delivery Logic	Compulsory Delivery
Tender Period	Last 5 working days of the contract expiry and up to 2 nd working day after expiry of the contract
Delivery Period	Three working days after expiry of the contract
Tender notice / Delivery Pay-in	The seller may issue tender notice on tender days along with Warehouse Receipt (duly endorsed & signed by the depositor and the member) and Valid Quality Certificate issued by Quality Certifying Agency. Any outstanding positions will be marked for delivery at the expiry of the contract.
Mode of Communication	Fax / Courier
Tender Period Margin	During last 5 days of the contract, tender period margin will be increased by 3% every day (a total of 15% margin on last day). Such margin will be imposed on both buy & sell open positions and will be in addition to the initial/daily margin, special and/ or any other additional margins, if any.
Delivery Period Margin	25 % on the marked quantity
Exemption from Delivery Period Margin	Tender & Delivery Period Margin is exempted if goods tendered during tender days with all the documentary evidence
Delivery Allocation - Date of Delivery Allocation	On the Expiry date
- Rate	At due date rate (DDR)
Delivery Pay-in	E+2 working day by 5.00 p.m. (E – Expiry date)
Delivery Pay-out	E+ 3 working day by 5.00 p.m.
Pay-in of Funds	E+3 working day by 11.00 a.m.
Pay-out of Funds	E+3 working day after 2.00 p.m.
Penal Provision	I – Seller Default Any seller having open position on the expiry date fails to deliver on the next day then a penalty of 3% of DDR shall be imposed on such defaulting seller. Out of which 1.75% will be deposited to IPF, 1% of penalty will be given to the buyer & balance 0.25% will be retained by the Exchange. Additionally, the difference between the DDR & the average of the three highest last spot prices of the five succeeding days after the Expiry of the contract (E+1 to E+5 days) if the average price so determined is higher than DDR.

II – Buyer Default

The buyer will have to compulsorily take the delivery of goods. Default on taking delivery by the buyer is not permitted and therefore, the amount due from the buyer for delivery obligation shall be recovered from the buyer as pay-in of funds on stipulated pay-in day. Failure to discharge the pay-in amount will be treated as pay-in default which may lead to deactivation of the trading terminal/s of the member and will also be liable for such other actions as Exchange deems appropriate.

Exchange, as deemed appropriate, shall have the right to sell/dispose the goods through auction (or through other appropriate mechanism as and when required) on account of such defaulting buyer to recover the dues.

Penalties & charges to be debited to defaulting Buyer:

S. No	Where Auction is fully conducted	Where Auction is partly conducted	Where no Auction is conducted
1	Penalty @ 3% on DDR AND	Penalty @ 3% on DDR AND	Penalty @ 3% on DDR AND
2	Difference between DDR & Auction price if Auction price is lower than DDR (including proportionate quality and quantity differences) AND	Difference between DDR & Auction price if Auction price is lower than DDR to the tune of auctioned quantity (including proportionate quality and quantity differences) AND	NA AND
3	NA	Difference between DDR and the average of the three lowest last spot prices of the five succeeding days after the Expiry of the contract (E+1 to E+5 days) if the average price so determined is lower than DDR.	Difference between DDR and the average of the three lowest last spot prices of the five succeeding days after the Expiry of the contract (E+1 to E+5 days) if the average price so determined is lower than DDR.

	<p>Out of penalty of 3%, 1.75% will be deposited to IPF, 1% of penalty will be given to the seller & balance 0.25% will be retained by the Exchange.</p> <p>Whereas, out of the close out amount for un-auctioned quantity as mentioned above, 90% will be credited to the counter party and 10% of the same will be retained by the Exchange towards administrative expenses.</p>
<p>Taxes, Duties, Cess and Levies</p> <p>Close out of open positions</p>	<p>Ex- Vandanmedu, Dist. Idukki, Kerala (exclusive of all tax and levies) Sales Tax/VAT and any other levies will be on the account of the Buyer.</p> <p>All outstanding positions on the expiry of the contract shall be settled by delivery. In case, any member with outstanding open position opts out of the physical delivery on expiry, then such position shall be closed out at Due Date Rate. Penalty as per the penal provisions will be levied on such defaulting members.</p>
<p>Due Date Rate</p> <p>Premium/ Discount on Additional tenderable variety</p>	<p>Due date rate for 7 mm cardamom (basis variety) is calculated on the last day of contract maturity by way of taking the simple average of last 3 days spot price of the Vandanmedu market for the basis variety (i.e. 7mm cardamom).</p> <p>Modalities to calculate Premium / Discount: Exchange will poll the spot prices for 6 mm variety along with the 7 mm variety.</p> <p>On the last day of contract maturity, separate average price for 6 mm variety will be calculated by way of taking the simple average of last 3 days spot price of the Vandanmedu market for 6 mm cardamom variety, (similar to the DDR calculation of 7mm variety). Note: 6mm prices will be polled only to ascertain the premium / discount, for clients tendering delivery of this variety / grade.</p> <p>Discount: Difference between the DDR of 7 mm Cardamom (Basis variety) and average price of 6mm cardamom of last 3 days calculated as mentioned above provided the DDR of 7mm variety is higher than the average price of 6 mm cardamom variety. Premium: Difference between the DDR of 7 mm Cardamom (Basis variety) and average price of 6mm cardamom of last 3 days calculated as mentioned above provided the DDR of 7mm variety is lower than the average price of 6 mm cardamom variety.</p>
<p>Odd lot Treatment Adjustment of Transportation Cost</p>	<p>Not applicable</p> <p>Not applicable</p>
<p>Warehouse, fumigation, insurance and transportation Charges</p>	<p>-Borne by the seller up to commodity pay-out date -Borne by the buyer after commodity pay-out date</p>
<p>Buyer's option for lifting of Delivery</p>	<p>Buyer will not have any option about choosing the place of delivery and will have to accept the delivery as per allocation made by the Exchange.</p>

Delivery Center	At Exchange designated warehouse at Vandanmedu in Idukki Dist of Kerala State
Additional Delivery Center	Not applicable
Delivery Order	<p>Good delivery order will be submitted in specified format giving details of Members / Registered Non-Members who shall perform delivery.</p> <p>Each delivery order issued shall be in multiples of minimum delivery lots and shall be designated for only one delivery center and one location in such center.</p> <p>It will be accompanied with Warehouse Receipt, Invoice and Good Delivery Quality Certificate valid up to 15 days after the expiry of the contract, as per contract specifications from Exchange designated certifier, Delivery order once submitted cannot be withdrawn or cancelled or changed unless so agreed by Exchange in writing. Members tendering the delivery order shall clearly specify the grade and shall be in conformity with the surveyor's certificate accompanied with the delivery document and cannot be changed subsequently.</p>
Delivery Grades	The members tendering delivery will have the option of delivering such grades of goods as permitted by the Exchange under the contract specifications. The Buyer will not have any option to select a particular grade and the delivery offered by the seller and allocated by the Exchange shall be binding on him.
Evidence of Stock in possession	At the time of issuing the delivery order, the member must prove to the Exchange that he holds stocks of the quantity and quality specified in the delivery order at the declared delivery center. This should be substantiated by way of producing warehouse receipt.
Endorsement of Delivery Order	The buyer member can endorse delivery order to a client or any third party with full disclosure given to Exchange. Responsibility for contractual liability would be with the original buyer member.
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 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 it becomes necessary <p>If the first sample collected by the Buyer and analyzed by the surveyor 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 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>

Failing 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 collection of sealed sample along with a copy of the analyst's report. The seller shall immediately send the second sealed sample to an approved laboratory, which is also agreed by the buyer. The result of the same shall be binding on both the parties. In the event the buyer and seller do not mutually reach agreement with the results of the second sample test, then 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 analyst's report of the approved and agreed independent laboratory shall be forwarded by Exchange to the parties immediately on receipt of the same. In such case, the final payment to the seller will be made on the basis of test report received by the Exchange pursuant to the third test. 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 tantamount to failure on the part of the seller to give delivery, which shall be closed out as per the Due Date Rate treating the same as shortage.
Obligations of the Independent Analyst	In order to ensure that tests are exactly comparable and that the results are consistent, the independent analyst shall determine the particular analytical test by applying the methods specified in relevant IS. The analyst shall be required to append a certificate to that effect to the analysis report issued by him.
Legal Obligation Extension of Delivery Period	The member will provide appropriate tax forms wherever required as per law and as customary and neither of the parties will unreasonably refuse to do so. As per the Exchange decision due to a force majeure or otherwise.
Applicability of Byelaws, Rules, Business Rules of the Exchange.	The general provisions of Byelaws, Rules and Business Rules of the Exchange and decisions taken by Forward Markets Commission, Board of Directors and Executive Committee of the Exchange in respect of matters specified above will form an integral part of this contract. The Exchange or FMC as the case may further prescribe additional measures relating to delivery procedures, warehousing, quality certification, margining, and risk management from time to time. The buyer shall have to lodge their claim against quality of goods / delivery allocated to them, if any, within 48 hours from the date of scheduled pay out of the Exchange and failing which, no claim shall be entertained by the Exchange thereafter. (The interpretation or clarification given by the Exchange on any terms of this contract shall be final and binding on the members and others.)