

**Contract Specifications of Kapasia Khalli (Cottonseed Oilcake)**

<b>Symbol</b>	KAPASIA KHALI
<b>Description</b>	KAPASKHALIMMMYY
<b>Contracts available for trading</b>	
January 2010 contract	From date of receipt of approval to 31 <sup>st</sup> January of the contract year 2010
February 2010 contract	From date of receipt of approval to 29 <sup>th</sup> February of the contract year 2010
March 2010 contract	1 <sup>st</sup> November of the previous year to 31 <sup>st</sup> March of the contract year 2010
April 2010 contract	1 <sup>st</sup> December of the previous year to 30 <sup>th</sup> April of the contract year 2010
May 2010 contract	1 <sup>st</sup> January to 31 <sup>st</sup> May of the contract year 2010
June 2010 contract	1 <sup>st</sup> February to 30 <sup>th</sup> June of the contract year 2010
July 2010 contract	1 <sup>st</sup> March to 31 <sup>st</sup> July of the contract year 2010
August 2010 contract	1 <sup>st</sup> April to 31 <sup>st</sup> August of the contract year 2010
September 2010 contract	1 <sup>st</sup> May to 30 <sup>th</sup> September of the contract year 2010
November 2010 contract	1 <sup>st</sup> July to 30 <sup>th</sup> November of the contract year 2010
December 2010 contract	1 <sup>st</sup> August to 31 <sup>st</sup> December of the contract year 2010
<b>Trading</b>	
<b>Trading period</b>	Mondays through Saturdays
<b>Trading session</b>	Monday to Friday: 10.00 a.m. to 5.00 p.m. Saturday: 10.00 a.m. to 2.00 p.m.
<b>Trading unit</b>	10 MT
<b>Quotation/Base Value</b>	<b>Rs./ 100 Kg</b>
<b>Price Quote</b>	Ex-Warehouse Akola (inclusive of sales tax/ VAT, as the case may be)
<b>Tick size (minimum price movement)</b>	10 paise
<b>Daily price limits</b>	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
<b>Initial margin</b>	5%
<b>Special Margin</b>	In case of additional volatility, a special margin at such percentage, as deemed fit, will be imposed immediately on both buy and sale side in respect of all outstanding position, which will remain in force till volatility persists, after which the special margin will be relaxed.

<b>Maximum allowable open position</b>	For individual clients: 12000 MT For a member collectively for all clients: 36000 MT or 15% of the market-wide open position, whichever is higher. Near Month Limits For individual clients: 2400 MT For a member collectively for all clients: 7200 MT or 15% of the market-wide open position, whichever is higher																		
<b>Delivery</b>																			
<b>Delivery unit</b>	<b>10 MT</b> (with tolerance limit of <b>0.20 MT</b> ) which means that if the seller delivers any quantity between <b>9.80 MT to 10.20 MT</b> , it will be construed as adequate discharge of his delivery obligation of 10 MT, though he will get the value only for actual quantity delivered by him.																		
<b>Delivery center</b>	Exchange designated warehouse within 50 kilometers of Akola municipal limits in Maharashtra.																		
<b>Additional Delivery Center</b>	Jalgaon in Maharashtra. Exchange designated warehouse within 50 kilometers of Jalgaon municipal limits																		
<b>Quality specifications</b>	<p>Uncorticated Cottonseed Oilcake / Kapasia Khalli (Dhep) conforming to the specifications prescribed in the Contract.</p> <table border="1"> <tr> <td>Protein</td> <td>20% (minimum)</td> </tr> <tr> <td>Moisture content</td> <td>10% (maximum)</td> </tr> <tr> <td> <ul style="list-style-type: none"> <li>• Basis</li> <li>• Acceptable</li> <li>• Rejection at buyer's option</li> </ul> </td> <td>Between 10% -12% with discount of 1: 1 Above 12%</td> </tr> <tr> <td>Sand / Silica maximum</td> <td>2.5%</td> </tr> <tr> <td> <ul style="list-style-type: none"> <li>• Basis</li> <li>• Acceptable</li> <li>• Rejection at buyer's option</li> </ul> </td> <td>Between 2.5% - 5% with discount of 1:1 Above 5%</td> </tr> <tr> <td>Fibre</td> <td>28% max</td> </tr> <tr> <td>Colour</td> <td>Greenish Yellow</td> </tr> <tr> <td>Oil content</td> <td>Minimum 6%</td> </tr> <tr> <td>Other conditions:</td> <td>Free from adulterants like Rice Bran Husk, Rice Bran cake, castor seed husk, safflower cake (kardi cake) or any others.</td> </tr> </table>	Protein	20% (minimum)	Moisture content	10% (maximum)	<ul style="list-style-type: none"> <li>• Basis</li> <li>• Acceptable</li> <li>• Rejection at buyer's option</li> </ul>	Between 10% -12% with discount of 1: 1 Above 12%	Sand / Silica maximum	2.5%	<ul style="list-style-type: none"> <li>• Basis</li> <li>• Acceptable</li> <li>• Rejection at buyer's option</li> </ul>	Between 2.5% - 5% with discount of 1:1 Above 5%	Fibre	28% max	Colour	Greenish Yellow	Oil content	Minimum 6%	Other conditions:	Free from adulterants like Rice Bran Husk, Rice Bran cake, castor seed husk, safflower cake (kardi cake) or any others.
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<b>Packing</b>	50 Kg Sada Bardana of Sound quality without any patches.																		
<b>Delivery Logic</b>	Compulsory Delivery																		

**Delivery and Settlement procedure of Kapasia Khalli (Cottonseed Oilcake)**

<b>Delivery logic</b>	Compulsory delivery
<b>Tender Period</b>	Last 5 working days of the contract
<b>Delivery period</b>	Five working days after expiry of the contract
<b>Tender notice / Delivery Pay-in</b>	The seller shall submit 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.
<b>Mode of communication</b>	Fax / Courier
<b>Tender Period Margin</b>	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.
<b>Delivery Period Margin</b>	During last trading day of the contract, an additional margin of 20% will be imposed on the date of expiry of the contract (a total of 25 % margin including the initial margin imposed by the Exchange). Such margin will be applicable on both buyers and sellers and will be in addition to special margin and/or any other additional margins, if any.
<b>Exemption from Delivery Period Margin</b>	Tender & Delivery Period Margin is exempted if goods tendered during tender days with all the documentary evidence
<b>Delivery Allocation</b> - Date - Rate	On expiry date At DDR
<b>Delivery Pay-in</b>	For delivery marked by the Exchange on Expiry of contract, before 5:00 p.m. on E+2. (E-Expiry Date)
<b>Delivery Pay-out</b>	E+ 5 working days by 11.00 a.m.
<b>Pay-in of Funds</b>	E+ 3 working days by 11.00 a.m.
<b>Pay-out of Funds</b>	E+ 4 working days by 11.00 a.m.
<b>Penal Provision</b>	<p><b>I – Seller Default</b></p> <p>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.</p> <p>Out of which 1.75% will be deposited to IPF, 1% of penalty will be given to the buyer &amp; balance 0.25% will be retained by the Exchange.</p> <p>Additionally, the difference between the DDR &amp; 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.</p> <p><b>II – Buyer Default</b></p> <p>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</p>

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/discard 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:

<b>S. No</b>	<b>Where Auction is fully conducted</b>	<b>Where Auction is partly conducted</b>	<b>Where no Auction is conducted</b>
1	Penalty @ 3% on DDR  <b>AND</b>	Penalty @ 3% on DDR  <b>AND</b>	Penalty @ 3% on DDR  <b>AND</b>
2	Difference between DDR & Auction price if Auction price is lower than DDR  (including proportionate quality and quantity differences)  <b>AND</b>	Difference between DDR & Auction price if Auction price is lower than DDR to the tune of auctioned quantity  (including proportionate quality and quantity differences)  <b>AND</b>	NA  <b>AND</b>
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 &amp; 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>
<b>Taxes, Duties, Cess and Levies</b>	<p>Ex- Warehouse Akola (inclusive of sales tax / VAT, as the case may be).</p> <p>All the taxes and expenses including Sales Tax/VAT, cess, municipal taxes or other levies shall be on account of the seller. All the Sellers tendering goods shall have the necessary Registration from the Sales Tax and obtain other licenses, if any, required by them. In case the selling member does not have a Sales Tax Registration number then he shall appoint an Agent/Nominee who has the required Sales Tax Registration and deliver the goods through him. The Member giving delivery and the Member taking delivery will exchange appropriate tax forms as provided in law and as customary, and neither of the parties will unreasonably refuse to do so. In case any of the member or his client fails to provide necessary forms in respect of sales tax resulting into pecuniary loss to the either party, the Exchange will impose a charge on the party in default and after collection thereof, will pass on the same to the member, who or whose client has suffered such loss. In addition to above, the Exchange can impose additional penalty on the party in default.</p>
<b>Due Date Rate</b>	Due date rate is calculated on the contract expiry day by taking simple average prices of spot market during the last three (3) trading days of the contract expiry.
<b>Odd lot treatment</b>	Not Applicable
<b>Delivery Center</b>	Delivery can be effected at Exchange designated warehouse within 50 kilometers of Akola municipal limits in Maharashtra.
<b>Additional Delivery Center</b>	Exchange designated warehouse within 50 kilometers of Jalgaon municipal limits in Maharashtra.
<b>Warehouse, fumigation, insurance and transportation charges</b>	<p>-Borne by the seller upto commodity pay-out date</p> <p>-Borne by the Buyer after commodity pay-out date</p>
<b>Buyer's option for lifting of Delivery</b>	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.
<b>Transfer of delivery</b>	Warehouse receipts shall be endorsed in the name of the buyer after the pay-in and pay-out procedures are completed.
<b>Delivery order</b>	<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</p>

	<p>Delivery Quality Certificate valid upto 10 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 the 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>
<b>Delivery grades</b>	<p>The members tendering delivery will have the option of delivering such grades of good 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.</p>
<b>Endorsement of delivery order</b>	<p>The buyer member can endorse delivery order to a client or any third party with full disclosure given to the Exchange. Responsibility for contractual liability would be with the original assignee.</p>
<b>Sampling and analysis at the time of delivery</b>	<p>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.</p>
<b>Sampling Procedure</b>	<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"> <li>• First Sample – for the buyer</li> <li>• Second Sample – for the seller</li> <li>• Third Sample – for final reference, if necessary</li> </ul> <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>
<b>Failing of first sample</b>	<p>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.</p>
<b>Final surveyor's report</b>	<p>The analyst's report of the approved and agreed independent laboratory shall be forwarded by the 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</p>

<p><b>Obligations of the independent analyst</b></p>	<p>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.</p> <p>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.</p>
<p><b>Legal obligation</b></p>	<p>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. Failing which exchange shall impose penalty as per Circular No. MCX/219/2008 dated June 27, 2008.</p>
<p><b>Extension of delivery period</b></p>	<p>As per the Exchange decision due to a force majeure or otherwise.</p>
<p><b>Applicability of Byelaws, Rules, Business Rules of the Exchange</b></p>	<p>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.</p> <p>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.)</p>