Annexure 1

Contract Specifications of Mentha Oil

Symbol	MENTHAOIL
Description	MENTHAOILMMMYY
Contracts available for trading: as per Contract Launch Calendar at Appendix- I	
Trading	
Trading period	Mondays through Saturdays
Trading session	Monday to Friday: 10.00 a.m. to 5.00 p.m. Saturday: 10.00 a.m. to 2.00 p.m.
Trading unit	360 kg (2 drums)
Quotation / Base value	1 kg
Price quote	Ex – Chandausi, District Moradabad, Uttar Pradesh (Inclusive of Mandi Tax, but exclusive of all taxes, purchase tax/ sales tax/ VAT, if applicable and levies)
Maximum order size	18000 kg (100 drums)
Tick size (minimum price movement)	10 paise
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%
Special margin	In case of additional volatility, a special margin at such percentage, as deemed fit, will be imposed on both buy and sale side in respect of all outstanding positions, which will remain in force till volatility persists, after which the special margin will be relaxed.
Maximum allowable open position	For individual clients: 300 MT For a member collectively for all clients: 1500 MT or 15% of the market-wide open position, whichever is higher. Near Month Limits For individual clients: 100 MT For a member collectively for all clients: 500 MT or 15% of the market-wide open position, whichever is higher

	Delivery
Delivery unit	360 kg/ 2 drums (with a tolerance limit of 1% per drum) and direct multiples thereof, though he will get the value only for the actually quantity delivered by him.
Delivery period margin	25%
Delivery center	At Exchange designated warehouse at Chandausi
Additional Delivery Center	At exchange designated warehouse at Barabanki at a discount of Rs. 2/- per kg.
Quality specifications	Natural Crude Mentha Oil (Arvensis) confirming to the following quality specifications: ▪ Appearance: Liquid ▪ Odour: Strong minty with Herbal ▪ Colour: Light/ pale Yellow ▪ Solubility: Soluble (1:4 to 6 volume in 70% alcohol) ▪ Liquid Mentha Oil having L- Menthol 68% as per GLC test – packed column (Assay by GLC) - Above 68%: Premium of 1:1 - Between 63% – 68%: Discount 1: 1 - Below 63% Rejected ▪ Terpene - Basis 7.5% - Between 7.5% - 9%: Discount 1:1 - Above 9%: Rejected ▪ Menthol Isomers: 6% (maximum) ▪ Menthyl Acetate: 6.5% (maximum up to 6% with out discount, 6% to 6.5 % with 1:1 discount) ▪ Water and solid sediments: 0.65% (maximum) ▪ Total Menthol contents (TMC): 70% - 79% ▪ Optical Rotation: -33^{o} to -38^{o} ▪ Refractive Index: 1.42 – 1.48 (at 25^{o} C) ▪ Fats and Oils: Negative ▪ Menthofuran: Negative ▪ pH: It should be neutral ▪ Congealing point: 21 to 23 degree C ▪ Identification: Confirm to BP / USP ▪ Specific gravity: 0.80 to 0.91 (at 25^{o}C) ▪ High boilers : Nil ▪ GC Temperature

	- Detector temperature: 240^{o} - Injector temperature: 240^{o} - Oven temperature : Starting 80^{o} - Temperature rise : 4^{o} per minute ▪ It should be free from any admixture such as edible oil, petroleum, mineral oil, sediments, etc. ▪ In order to check adulteration, water test, paper test and alkali test will also be conducted, which should confirm to be negative.
Packing	Mentha oil for delivery would be accepted in brand new galvanized iron container with minimum drum weight of 21 kg containing 180 kg of Mentha oil of specified quality. The cost of container, as fixed by the Exchange, will be payable by the buyer.
Delivery Logic	Compulsory

Appendix - I

Contract Launch Calendar of Mentha Oil

Contract Launch Month	**Contract Expiry Month**
Immediately after approval of the Commission	31st August 2010
1st June 2010	30th September 2010
1st July 2010	31st October 2010
1st August 2010	30th November 2010
1st September 2010	31st December 2010

Annexure 2

Delivery and Settlement Procedure of Mentha Oil Contract

Delivery Logic	**Compulsory delivery**
Tender Period	Last five working days and 1st working day after expiry of the contract.
*** Delivery period**	Two working days after expiry of the contract
Tender notice / Delivery Pay-in	The seller shall submit warehouse receipt (duly endorsed and signed by the depositor & the member and valid quality certificate issued by quality certifying agency. All outstanding positions will be marked for delivery at the expiry of the contract.
Mode of communication	Fax / Courier
Tender Period Margin **Delivery Period Margin**	During last 5 working days of the contract, tender period margin will be increased by 3 % every day (a total of 15 % margin in addition to the initial margin or special margin imposed by the Exchange). Such margin will be applicable on both buyers and sellers and will be in addition to the initial/daily margin, special margin and/or any other additional margins, if any. Delivery period margin of 25 % will be levied on the marked quantity.
Exemption from Tender and Delivery Period Margin	Tender & Delivery Period Margin is exempted if goods tendered on designated tender days of the contract month with all the documentary evidence.
Delivery Allocation - **Date** - **Rate**	 On Expiry date At DDR (Due Date Rate)
Delivery Pay-in	E+1 working days by 5.00 p.m. (E – Expiry date)
Pay-in of Funds	E+2 working days by 11.00 a.m.
Delivery Pay-out	E E+2 working days by 5.00 p.m.
Pay-out of Funds	E+2 working days 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.

	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. 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.
Taxes, Duties, Cess and Levies	Ex – Chandausi, District Moradabad, Uttar Pradesh (Inclusive of Mandi Tax, but exclusive of all taxes, purchase tax/ sales tax/ VAT, if applicable and levies) The seller tendering delivery should have Mandi registration and CST / UP state VAT Registration No. In case he doesn't have VAT Registration No. in the state of UP, he should appoint a Commission Agent located in UP for the purpose of tax compliance.
Due Date Rate	Due date rate is calculated on the contract expiry day by taking weighted average prices of spot market during the last three (3) trading days from the following mandis: **Mandis** — **Weightage** Sambhal — 25% Barabanki — 30% (2% will be added to Barabanki price) Chandausi — 15% Rampur — 15% Badayun — 7.5% Bareli — 7.5%
Odd lot treatment **Adjustment of transportation cost**	 Not Applicable Not Applicable
Warehouse, fumigation, insurance and transportation charges **Standard Deduction**	-Borne by the seller upto commodity pay-out date -Borne by the Buyer after commodity pay-out date 50 grams per barrel per month
Buyer's option for lifting of Delivery	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.
Delivery Center	Delivery can be effected at Exchange designated warehouse at Chandausi
Additional **Delivery Center**	At exchange designated warehouse at Barabanki at a discount of Rs. 2/- per kg.
Drum Charges **Transfer of delivery**	Rs. 1200/- per drum (Exclusive of VAT) Warehouse receipts shall be endorsed in the name of the buyer after the pay-in and pay-out procedures are completed.

Delivery order	Good delivery order will be submitted in specified format giving details of members / registered non-members who shall perform delivery. 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. It will be accompanied with warehouse receipt, invoice and Good Delivery Quality Certificate valid upto 1 month 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.
Delivery grades	The members tendering delivery will have the option of delivering such grades of Menthol Oil 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 **Endorsement of delivery order**	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. 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.
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	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: • First Sample – for the buyer • Second Sample – for the seller • Third Sample – for final reference, if necessary 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.

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 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 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 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	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.
Extension of delivery period	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 be, 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.)

- Early Delivery Period as per Circular MCX/C&S/037/2009 dated January 21, 2009.