

**Contract Specifications of Mild Steel Ingots/ Billets**

<b>Symbol</b>	<b>STEELGZB</b>
<b>Description</b>	<b>STEELGZBMMYY</b>
<b>Contracts Available for Trading</b>	
20 <sup>th</sup> January 2010 contract	10 <sup>th</sup> October of the previous year to 20 <sup>th</sup> January of the contract year
20 <sup>th</sup> February 2010 contract	10 <sup>th</sup> November of the previous year to 20 <sup>th</sup> February of the contract year
20 <sup>th</sup> March 2010 contract	10 <sup>th</sup> December of the previous year to 20 <sup>th</sup> March of the contract year
20 <sup>th</sup> April 2010 contract	10 <sup>th</sup> January to 20 <sup>th</sup> April of the contract year
20 <sup>th</sup> May 2010 contract	10 <sup>th</sup> February to 20 <sup>th</sup> May of the contract Year
20 <sup>th</sup> June 2010 contract	10 <sup>th</sup> March to 20 <sup>th</sup> June of the contract year
20 <sup>th</sup> July 2010 contract	11 <sup>th</sup> April to 20 <sup>th</sup> July of the contract year
20 <sup>th</sup> August 2010 contract	11 <sup>th</sup> May to 20 <sup>th</sup> August of the contract year
20 <sup>th</sup> September 2010 contract	10 <sup>th</sup> June to 20 <sup>th</sup> September of the contract year
20 <sup>th</sup> October 2010 contract	10 <sup>th</sup> July to 20 <sup>th</sup> October of the contract year
20 <sup>th</sup> November 2010 contract	10 <sup>th</sup> August to 20 <sup>th</sup> November of the contract year
20 <sup>th</sup> December 2010 contract	10 <sup>th</sup> September to 20 <sup>th</sup> December of the contract year
<b>Trading</b>	
<b>Trading Period</b>	Mondays to Saturdays
<b>Trading Session</b>	Mondays to Fridays: 10.00 a.m. to 11.30 p.m. Saturdays: 10.00 a.m. to 02.00 p.m.
<b>Trading Unit</b>	10 MT
<b>Quotation/Base Value</b>	Rs. per MT
<b>Price Quote</b>	Ex- Warehouse Ghaziabad – within 50 km outer radius of municipal limits (excluding excise duty, sales tax or VAT as the case may be.) At the time of delivery, the buyer has to pay excise duty and sales tax or VAT as the case may be over and above the delivery order rate.
<b>Maximum order quantity</b>	300 MT
<b>Tick Size (minimum price movement)</b>	Rs. 10.00
<b>Daily Price Limits</b>	The base price limit will be 4%. Whenever, the daily price limit is breached, relaxation will be provided upto 6%, 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 on both buy and sell 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: 1,00,000 MT For a member collectively for all clients: 25% of the open market or 4,00,000 MT whichever is higher
<b>Delivery</b>	
<b>Delivery Unit</b>	10 MT with tolerance limit between +/- 3%. If quantity delivered is 100 MT or more, it would be +/- or 5MT, whichever is lower. The seller will get the value only for actually quantity delivered by him.
<b>Delivery margin</b>	25% on the open position
<b>Delivery Center(s)</b>	Ex-Warehouse at Ghaziabad (within 50 km outer radius of municipal limits)
<b>Additional delivery center</b>	Mandi Gobindgarh and Raipur, (within 50 Kms from the municipal limits of the additional delivery centre)
<b>Quality specifications</b>	Mild Steel Ingots
<b>Size and weight</b>	3 ½ inch * 4 ½ inch Length: Minimum 48 ” Weight: Minimum 90 kgs
<b>Chemical composition</b>	Carbon content – 0.3% max
	Manganese – 0.4% min
	Sulphur – upto 0.06% max
	Phosphorous – upto 0.09% max
	Copper: Below 0.35% Sulphur + Phosphorus: Upto 0.14% max
<b>Physical condition</b>	Ingots should be physically sound and free of harmful refractoriness. Ingots for delivery should bear the heat (batch) number. Surface of Ingots should be reasonably plain. Ingots should be without harmful and appreciable hollowness, piping and rising.
<b>Delivery Logic</b>	Compulsory Delivery
<b>Additional deliverable grade</b>	1. Mild Steel Ingots Size : 3 ¼ inch * 4 ¼ inch All other parameters exactly as the quality specification mentioned above.
	2. Mild Steel Billets Chemical composition to be same as mentioned in the quality specification for MS Ingot. Size : 100mm * 100mm to 130mm * 130mm Length : 6m +/- 100mm Billets should be physically sound and free from open and harmful surface defects. Billets should be suitable for further value addition like re-rolling. Billet should bear the heat (batch) number. For each heat, mill test certificate to accompany.

### Delivery and Settlement Procedure of Mild Steel Ingots/ Billets

<b>Delivery logic</b>	<b>Compulsory Delivery</b>
<b>Delivery type</b>	<b>Compulsory Demat</b>
<b>Tender Period</b>	Last 5 working days of the contract expiry and 1 <sup>st</sup> working day after expiry of the contract.
<b>Delivery period Tender notice / Delivery Pay-in</b>	Two working days after expiry of the contract. The Seller Clearing Member will have to send a request to his DP to deliver the commodity to the exchange as per the scheduled delivery pay in day.
<b>Mode of communication</b>	Fax or courier
<b>Incremental Margin</b>	5% incremental margin for last 5 days on all outstanding positions.
<b>Delivery Period Margin</b>	25% on marked quantity.
<b>Exemption from Delivery Period Margin</b>	Delivery Period Margin is exempted if goods tendered on designated tender days of the contract month with all the documentary evidence.
<b>Delivery allocation</b> - Date - Rate	On the Expiry date At Due Date Rate (DDR)
<b>Delivery pay-in</b>	E+1 working day (after the Expiry of the Contract ) by 5.00 pm. (Accordingly, the members are required to submit the delivery instructions to their DP's well in advance so as to adhere to the pay-in time of delivery)
<b>Delivery pay-out</b>	E+2 working days by 5.00 p.m.
<b>Pay-in of funds</b>	E+2 working days by 11.00 a.m.
<b>Pay-out of funds</b>	E+2 working days after 2.00 p.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 3.50% of DDR shall be imposed on such defaulting seller.</p> <p>Out of which 1.75% will be deposited to IPF, 1.50% 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 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</p>

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 @ 3.50% on DDR  <b>AND</b> Difference between DDR & Auction price if Auction price is lower than DDR	Penalty @ 3.50% on DDR  <b>AND</b> Difference between DDR & Auction price if Auction price is lower than DDR to the tune of auctioned quantity	Penalty @ 3.50% on DDR  <b>AND</b> NA
2	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 3.50%, 1.75% will be deposited to IPF, 1.50% 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.		
<b>Taxes, Duties, Cess and Levies</b>	Mild Steel Ingots or Billets ex-warehouse Ghaziabad exclusive of all taxes, excise and levies. All the taxes, excise, levies and charges as applicable will be on account of the buyer.  In case of Inter state movement, Buyer has to submit requisite forms or pay CST as applicable.		
<b>Other local charges</b>	Any incidence of other local taxes such as Octroi/Entry Tax has to be borne by the depositor. In addition, any such local levies incurred by the depositor would not be reimbursed by the buyer on the exchange.		
<b>Due Date Rate</b>	For deriving the DDR the Exchange will consider the average of the last polled Spot prices on the day of expiry of the contract by around 5.00 pm.		
<b>Odd lot Treatment</b>	Not applicable		
<b>Warehouse, grading, weighing and transportation Charges</b>	-Borne by the seller up to commodity pay-out date -Borne by the buyer after commodity pay-out date		
<b>Excise Duty</b>	Prices for Steel Ingot / Billet are excluding central excise. Only zero stage (manufacturers) and first stage dealers (as defined by relevant Central Excise rules and regulations) can deliver on the Exchange platform.		
<b>Submission of Invoice Details under relevant applicable provision</b>	Respective Clearing members should submit the buyer and seller client details to Exchange by E+3 and E+4 respectively.		
<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>Delivery Center</b>	Mild Steel Ingots or Billets ex- MCX designated warehouse Ghaziabad (up to the radius of 50 kms from the municipal limits)		
<b>Additional Delivery Center</b>	<ol style="list-style-type: none"> <li>1. MCX designated warehouse Mandi Gobindgarh (up to the radius of 50 Kms from municipal limit)</li> <li>2. MCX designated warehouse Raipur (up to the radius of 50 Kms from municipal limit)</li> </ol>		
<b>Premium / Discount over base delivery center for deliveries at Additional Delivery centers (Rs. per Mt)</b>	<b>Mandi Gobindgarh</b>	<b>Raipur</b>	
	(+) 250	(-) 2000	
<b>Delivery Order (Seller giving delivery to the Exchange)</b>	Good delivery order will be submitted in specified format giving details of Members / Registered Non-Members who shall perform delivery. Members tendering the delivery order shall clearly specify the grade and shall be in conformity with the test lab certificate accompanied with the delivery document and cannot be changed subsequently.  Each delivery order issued shall be in multiples of		

	<p>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 Invoice. Further, the goods being delivered under the said ICIN.</p>
<b>Delivery Grades</b>	<p>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.</p>
<b>Premium / Discount For deliveries for Additional Grade (Rs. per Mt)</b>	<p>Ingot : NIL</p> <p>Billet : Premium of Rs 500/- for all delivery locations</p>
<b>Evidence of Stock in possession</b>	<p>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.</p>
<b>Sampling and Analysis at the time of Delivery</b>	<p>Exchange appointed assayer will have to approve the Ingot / Billet before acceptance as good delivery. Assaying at accredited warehouse is mandatory and sole basis of good delivery. This would be over and above the mill certificate.</p>
<b>Sampling Procedure</b>	<p>In case the buyer does not agree to the assayers 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> <p>The system of drawing of samples tendered for delivery will be as IS 6907:92. 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 it becomes necessary</li> </ul>
<b>Failure of First Sample</b>	<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> <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</p>

	<p>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.</p>
<p><b>Final Surveyor's Report</b></p> <p><b>Obligations of the Independent Analyst</b></p>	<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 received by the Exchange pursuant to the third test. The Exchange will also direct the party, in whose favor 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><b>Extension of Delivery Period</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.</p> <p>As per the Exchange decision due to a force majeure or otherwise.</p>
<p><b>Applicability of Business Rules</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 be 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 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>