Annexure 1

Contract Specifications of Rubber

Symbol	RUBBER
Description	RUBBERMMMYY
Contracts available for trading	
July contract	16th March to 15th July of the contract year
August contract	16th April to 14th August of the contract year
September contract	16th May to 15th September of the contract year
October contract	16th June to 15th October of the contract year
November contract	16th July to 15th November of the contract year
December contract	16th August to 15th December of the contract year
Trading	
Trading period	Mondays through Saturdays
Trading session	Monday to Friday: 10.00 am to 5.00 pm Saturday: 10.00 am to 2.00 pm
Trading unit	1 MT
Quotation / Base Value	100 kg
Price Quote	Ex- Kochi (excluding all taxes, sales tax or VAT as the case may be and levies)
Maximum order size	50 MT
Tick size (minimum price movement)	Re. 1
Daily price limits	The base price limit will be 3%. Whenever the base daily price limit is breached, the relaxation will be allowed up to 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: 4000 MT For a member collectively for all clients: 12000 MT or 15% of the market-wide open position, whichever is higher.

	Near Month Limits For individual clients: 1250 MT For a member collectively for all clients: 5000 MT or 15% of the market-wide open position, whichever is higher
Delivery	
Delivery unit	1 MT
Delivery margin	20% of the net outstanding position.
Delivery center(s)	Designated warehouses of Central Warehousing Corporation (CWC) and other approved warehouses at Cochin
Additional Delivery Center (s)	Calicut, Trichur, Kottayam, Manjeri, Palghat, Thodupuzha, Pala, Moovatupuzha, Chalakudy, Iritty and Mangalore
Quality certification	Ribbed Smoked Sheets 4 (RSS4). The seller must obtain quality certificate from Exchange empanelled quality certification agency before tendering delivery.
Quality specifications as provided under Part II Section 1 of the Green Book including the following specifications which are also a part of the Green Book: a) Rubber must be dry, firm, and free of blemishes, blisters, sand, dirty packing and all other foreign matter other than specified above as permissible. b) Medium size bark particles, bubbles, translucent stains, slightly over smoked rubber are permissible to the extent shown in the sample. c) Oxidised spots or streaks, weak, heated, under cured, over smoked (in excess of the degree shown in the sample), and burnt sheets are not permissible. d) Slight resinous matter (rust) and slight amounts of dry mould on wrappers bale surfaces and interior sheets, found at time of delivery will not be objected to. e) Should 'rust or dry mould' in an appreciable extent appear on more than 20% of the bales sampled, it shall constitute grounds for objection. f) Nothing but coagulated Rubber sheets, properly dried and smoked can be used in making these grades: block, cuttings or other scrap or frothy sheets, weak, heated or burnt sheets, air dried or smooth sheets not permissible.	
Delivery Logic	Compulsory

Annexure 2

Delivery and Settlement Procedure of Rubber Contract

Delivery logic	**Compulsory delivery**
Tender period	Last five working days of the contract expiry 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 may issue tender notice on tender days along with warehouse receipt (duly endorsed & signed by the depositor & the Member) and 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
Delivery Period Margin	25 % on the marked quantity
Tender Period Margin **Exemption from Tender and Delivery 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. Tender and Delivery Period Margin exempted if goods tendered on designated tender days of the contract month with all the documentary evidence
Delivery Allocation **- Date** **- Rate**	 On contract expiry date At Due Date Rate (DDR)
Early Delivery Period	As per Circular MCX/C&S/037/2009 dated January 21, 2009.
Delivery Pay-in	E+1 working days by 5.00 p.m. (E – Expiry date)
Delivery Pay-out	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 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	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

<table>
<tr><td></td><td><table><tr><td></td><td></td><td>the average price so determined is lower than DDR.</td><td>the average price so determined is lower than DDR.</td></tr></table>
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.</td></tr>
<tr><td>Taxes, Duties, Cess and Levies</td><td>The buyer pays the Sales Tax/VAT and all the other taxes and levies as applicable. In case of Inter-State movement, the buyer has to submit requisite form(s) or pay CST as applicable. Post lifting delivery all charges are borne by the buyer.</td></tr>
<tr><td>Due Date Rate</td><td>Exchange shall take spot prices from a panel of different entities from spot market and shall compute the daily average price. Due Date Rate is calculated on the last day of the contract maturity by way of taking the simple average of last 3 days spot price.</td></tr>
<tr><td>Odd lot treatment</td><td>Not Applicable</td></tr>
<tr><td>Adjustment of transport cost</td><td><table>
<tr><th colspan="2">Transport Discount in Rubber Contract</th></tr>
<tr><th>Delivery Centre</th><th>Discount</th></tr>
<tr><td>COCHIN</td><td>BASIS CENTRE</td></tr>
<tr><td colspan="2">Addl. Centres:</td></tr>
<tr><td>CALICUT
IRITTY</td><td>50 paise per kg discount</td></tr>
<tr><td colspan="2"></td></tr>
<tr><td>TRICHUR
KOTTAYAM
THODUPUZHA
MUVATTUPUZHA
CHALAKUDY
PALA</td><td>20 paise per kg discount</td></tr>
<tr><td colspan="2"></td></tr>
<tr><td>PALGHAT
MANJERI</td><td>40 paise per kg discount</td></tr>
<tr><td colspan="2"></td></tr>
<tr><td>MANGALORE</td><td>Re.1 per kg discount</td></tr>
</table></td></tr>
<tr><td>Warehouse, fumigation, insurance and transportation charges</td><td>-Borne by the seller upto commodity pay-out date
-Borne by the buyer after commodity pay-out date</td></tr>
<tr><td>Buyer's option for lifting of delivery</td><td>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.</td></tr>
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Delivery centre **Additional delivery center(s)**	Kochi (Cochin) Calicut, Trichur, Kottayam, Manjeri, Palghat, Thodupuzha, Pala, Moovatupuzha, Chalakudy, Iritty and Mangalore
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 at least for 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 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.
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 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 **Legal obligation**	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. 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 and 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. 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.)