

Contract Specifications of Sugar M -30 (Medium Grade)

Symbol	SUGARMDEL
Description	SUGARMDELMMMYY
Contract Listing	Contracts are available as per the Contract Launch Calendar.
Contract Start Day	21 st of contract launch month. If 21 st is a holiday then the following working day.
Last Trading Day	20 th of contract month. If 20 th is holiday or Saturday then preceding working day.
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	10 MT
Maximum Order Size	500 MT
Quotation/Base Value	Rs. per quintal
Tick size (minimum price movement)	Re. 1.00
Daily price limits	Daily price fluctuation limit is (+/-) 3%. If the trade hits the prescribed daily price limit there will be a cooling off period for 15 minutes. Trade will be allowed during this cooling off period within the price band. Thereafter the price band would be raised by another (+/-) 1% and trade will be resumed. If the price hits the revised price band (4%) again during the day, trade will only be allowed within the revised price band. No trade/ order shall be permitted during the day beyond the revised limit of (+/-) 4%.
Price Quote	Ex-Warehouse Delhi, including all taxes, levies and expenses.
Initial margin	Minimum 5% or based on SPAN whichever is higher
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.
Maximum Allowable Open Position	Limit for aggregate contracts traded on all Exchanges: Client wise: 20,000 MT Member wise: 1,00,000 MT applicable for all the contracts together for Grade-M and Grade-S both including position in expiry month or 15% of market-wide open interest whichever is higher. Near Month Limits: The following limits would be applicable for one month prior to the expiry of a contract Client wise: 8,000 MT Member wise: 40,000 MT or 15% of market-wide open interest whichever is higher.

Delivery															
Delivery unit	10 MT (with tolerance limit of (+/-5%))														
Delivery center	Designated warehouse within 50 km. Of Delhi Municipal Limits.														
Additional Delivery Centers	Muzaffarnagar, Kanpur, Sitapur, Gorakhpur, Ludhiana, Kolkata, Belgaum, Solapur and Pune up to 50 km of municipal limits and Kolhapur up to 100 kms radius . Including all taxes and expenses as and where applicable. Delivery at Belgaum, Solapur, Pune and Kolhapur will be at a discount of Rs 150 per quintal. While delivery at other centers will be at par.														
Delivery period margin	15% on the quantity marked for delivery.														
Quality specifications	Sugar in crystal form manufactured by vacuum pan process. <table border="1" style="margin-left: 20px;"> <tr> <td>Grade</td> <td>M</td> </tr> <tr> <td>Grain Size</td> <td>Medium as determined by the methods prescribed in IS:498-2003</td> </tr> <tr> <td>ICUMSA</td> <td>Maximum of 200 ICUMSA as determined by ICUMSA GS 9/1/2/3-8, prescribed in Sugar Analysis ICUMSA Methods Book</td> </tr> <tr> <td>Polarization</td> <td>99.80% minimum on dry basis</td> </tr> <tr> <td>Moisture</td> <td>0.08% maximum</td> </tr> <tr> <td>Foreign Matter</td> <td>Less than 0.20%</td> </tr> <tr> <td>Crop year reference</td> <td>Only sugar of current year is allowed for delivery</td> </tr> </table>	Grade	M	Grain Size	Medium as determined by the methods prescribed in IS:498-2003	ICUMSA	Maximum of 200 ICUMSA as determined by ICUMSA GS 9/1/2/3-8, prescribed in Sugar Analysis ICUMSA Methods Book	Polarization	99.80% minimum on dry basis	Moisture	0.08% maximum	Foreign Matter	Less than 0.20%	Crop year reference	Only sugar of current year is allowed for delivery
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Packing	10 MT net basis packed in 50 kgs new A Twill Bags/PP bags. Also deliverable in 100 kgs new A Twill/jute bags														
Delivery option	Compulsory														

Delivery and Settlement Procedure of Sugar M-30 (Medium Grade)

Delivery logic	Compulsory Delivery
Delivery Mode	Compulsory Demat
Tender Period	Last 5 working days of the contract expiry and 1 st working day after expiry of the contract
Delivery period	Two working days after expiry of the contract
Tender notice / Delivery Pay-in	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. Any outstanding positions will be marked for delivery at the expiry of the contract.
Mode of communication	Fax or courier
Incremental 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	15% on quantity marked for delivery.
Exemption from Delivery Period Margin	Delivery Period Margin is exempted after delivery pay in is received by the exchange in its CC pool account during the tender period.
Delivery allocation - Date - Rate	On contract expiry date At DDR (Due date rate)
Delivery pay-in	E+1 working day by 5.00 p.m. (E – Expiry date).(Accordingly, the members are required to submit the delivery instructions to their DPs well in advance so as to adhere to the pay-in time of delivery)
Pay-in of funds	E+2 working days by 11.00 a.m.
Delivery pay-out	E+2 working days by 5.00 p.m.
Pay-out of funds	E+2 working days after 2.00 p.m. In case the buyer opts for second sampling the funds pay-out will be done only after completion of sampling procedure but not later than 2 working days after the delivery pay-out.
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>
Taxes, Duties, Cess and Levies	The seller will pay Entry Tax or Sales Tax or VAT, whichever is applicable and the seller will issue invoice in the name of the buyer, reflecting the Entry Tax or Sales tax or VAT paid by him. Post lifting delivery charges are borne by the buyer. Including all taxes and expenses as and where applicable.
Due Date Rate	Due Date Rate is calculated on the last day of the contract maturity. This is based on last day's spot price. For obtaining the prices of spot market, the Exchange will take the prices from a panel of mills, dealers and brokers and take the average of such prices.
Odd lot Treatment	Not applicable
Location Premium/ Discount	Delivery at Belgaum, Solapur, Pune and Kolhapur will be at a discount of Rs 150 per quintal. While delivery at other centers will be at par.
Warehouse, fumigation, insurance and transportation Charges	<ul style="list-style-type: none"> -Borne by the seller up to commodity pay-out date -Borne by the buyer after commodity pay-out date
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	Designated warehouse within 50 km of Delhi Municipal Limits
Additional Delivery Center	Muzaffarnagar, Kanpur, Sitapur, Gorakhpur, Ludhiana, Kolkata, Belgaum, Solapur and Pune up to 50 km of municipal limits and Kolhapur up to 100 kms radius. Including all taxes and expenses as and where 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 (ICIN) 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>Further, the goods being delivered under the said ICIN should be valid at least for a period of 15 days after the expiry / payout of the contract.</p> <p>Delivery order once submitted cannot be withdrawn or cancelled or changed unless so agreed by the Exchange in writing.</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 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 72 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>
Failure 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 Business Rules	<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>