

Contract Specifications of Crude Oil

<b>Symbol</b>	CRUDEOIL
<b>Description</b>	CRUDEOILMMMY
<b>Contract Listing</b>	Contracts are available as per the Contract Launch Calendar.
<b>Contract Start Day</b>	As per the Contract Launch Calendar
<b>Last Trading Day</b>	As per the Contract Launch Calendar
<b>Trading</b>	
<b>Trading Period</b>	Mondays through Fridays
<b>Trading Session</b>	Monday to Friday: 10.00 a.m. to 11.30/ 11.55 p.m.*  * based on US daylight saving time period.
<b>Trading Unit</b>	100 barrels
<b>Quotation/Base Value</b>	Rs. Per barrel
<b>Maximum Order Size</b>	10,000 barrels
<b>Tick Size (Minimum Price Movement)</b>	Re. 1
<b>Price Quote</b>	Ex – Mumbai excluding all taxes, levies and other expenses
<b>Daily Price Limits</b>	The base price limit will be 4%. Whenever the base daily price limit is breached, the relaxation will be allowed upto 6% without any cooling off period in the trade. In case the daily price limit of 6% is also breached, then after a cooling off period of 15 minutes, the daily price limit will be relaxed upto 9%.  <i>In case price movement in international markets is more than the maximum daily price limit (currently 9%), the same may be further relaxed in steps of 3%.and inform the Regulator immediately.</i>
<b>Initial Margin</b>	Minimum 4% or based on SPAN whichever is higher.
<b>Extreme Loss Margin</b>	1%
<b>Additional and/ or Special Margin</b>	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.
<b>Maximum Allowable Open Position</b>	For individual clients: 4,80,000 barrels or 5% of the market wide open position, whichever is higher for all Crude Oil contracts combined together.  For a member collectively for all clients: 48,00,000

	barrels or 20% of the market wide open position, whichever is higher for all Crude Oil contracts combined together.
<b>Delivery</b>	
<b>Delivery Unit</b>	50,000 barrels with +/- 2% tolerance limit
<b>Delivery Margin</b>	25%
<b>Delivery Center</b>	Port installation at Mumbai/ JNPT port
<b>Quality Specification</b>	Light Sweet Crude Oil confirming to the following quality specification is deliverable: Sulfur 0.42% by weight or less, API Gravity: Between 37 degree – 42 degree All volumes are defined at 60 degree Fahrenheit
<b>Due Date Rate</b>	Due date rate shall be the settlement price, in Indian rupees, of the New York Mercantile Exchange's (NYMEX)# Crude Oil (CL) front month contract on the last trading day of the MCX Crude Oil contract. The last available RBI USDINR reference rate will be used for the conversion. The price so arrived will be rounded off to the nearest tick.  For example, on the day of expiry, if NYMEX Crude Oil (CL) front month contract settlement price is \$40.54 and the last available RBI USDINR reference rate is 66.1105, then DDR for MCX Crude oil contract would be Rs. 2680 per barrel (i.e. \$40.54 * 66.1105 and rounded off to the nearest tick).  #A market division of Chicago Mercantile Exchange Inc. ("CME Group")
<b>Delivery Logic</b>	Both Option

### Contract Launch Calendar of Crude Oil

Contract Month	Contract Launch Date	Contract Expiry Date
January 2017	20 <sup>th</sup> July 2016	19 <sup>th</sup> January 2017
February 2017	22 <sup>nd</sup> August 2016	17 <sup>th</sup> February 2017
March 2017	20 <sup>th</sup> September 2016	20 <sup>th</sup> March 2017
April 2017	20 <sup>th</sup> October 2016	19 <sup>th</sup> April 2017
May 2017	21 <sup>st</sup> November 2016	19 <sup>th</sup> May 2017
June 2017	20 <sup>th</sup> December 2016	19 <sup>th</sup> June 2017
July 2017	20 <sup>th</sup> January 2017	19 <sup>th</sup> July 2017
August 2017	20 <sup>th</sup> February 2017	21 <sup>st</sup> August 2017
September 2017	21 <sup>st</sup> March 2017	19 <sup>th</sup> September 2017
October 2017	20 <sup>th</sup> April 2017	18 <sup>th</sup> October 2017
November 2017	22 <sup>nd</sup> May 2017	17 <sup>th</sup> November 2017
December 2017	20 <sup>th</sup> June 2017	18 <sup>th</sup> December 2017

## Delivery and Settlement Procedure of Crude Oil

<b>Delivery logic</b>	<b>Both Option</b>
<b>Tender day</b>	1 <sup>st</sup> working day after expiry of contract
<b>Tender and delivery period</b>	1 <sup>st</sup> to 2 <sup>nd</sup> working days after expiry of the contract.
<b>Buyer's and Seller's Intention</b>	On the contract expiry day by 6.00 p.m. Seller will submit copies of relevant documents as a proof of holding stock at the time of giving his intention.
<b>Mode of communication</b>	MCX eXchange
<b>Matching of Buyer's and Seller's intention</b>	On the basis of intention received from the buyers and sellers, the Exchange will match the total quantity offered by the buyers and sellers and with respect to the matched quantity, the allocation of delivery between the buyers and sellers will be done. The unmatched quantity of open position will be closed out as per DDR and actual delivery will be effected only to the extent of matched quantity.
<b>Dissemination of the information on delivery intention on TWS</b>	On the contract expiry day by 7.00 p.m.
<b>Delivery period margin</b>	25% margin will be imposed during tender and delivery period on both buyers and sellers on matched quantity.
<b>Delivery period margin exemption</b>	Sellers are exempted from payment of margin, if goods are tendered during tender days of the contract month with all the documentary evidences.
<b>Delivery allocation</b> - Date - Rate	On expiry date of the Contract At due date rate (DDR)
<b>Delivery pay-in of Commodities</b>	E+1 working day by 5.00 p.m. (E stands for expiry)
<b>Delivery pay-out of Commodities</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 provisions</b>	<p>After getting (matching) intentions from the buyer and seller to take or give delivery, if any of the party fails to honour his obligations, a penalty of 2.5% of the DDR will be imposed on him.</p> <p>Additionally, a replacement cost of 4% of DDR will be recovered from the defaulting buyer / seller.</p> <p>Out of the penalty, 2% will be credited to SGF and 0.5% will be credited to the counter party, while out of the replacement cost recovered 90% will be passed on to the counter party and 10% will be retained by the Exchange towards administrative expenses.</p>
<b>Taxes, Duties, Cess and Levies</b>	Ex – Mumbai excluding all taxes, levies and other expenses All other charges, levies or Cess, import or

	export duties and taxes applicable at the delivery center will be on account of buyer. In case of Inter-State movement, the buyer has to submit requisite forms or pay CST as applicable. Post lifting delivery all charges are borne by the buyer.
<b>Close out of open positions</b>	All outstanding positions on the expiry of contract where expression of interest for tendering delivery or receiving delivery has not been received and such positions where expression of intentions have been received but have not found the counter party for honoring the intentions, shall be closed out at due date rate and respective pay-in and pay-out of funds of such close out positions shall be effected on the following Settlement day of last day of trading at 9.30 a.m. and by 11.00 a.m. respectively.
<b>Due Date Rate (DDR)</b>	<p>Due date rate shall be the settlement price, in Indian rupees, of the New York Mercantile Exchange's (NYMEX)# Crude Oil (CL) front month contract on the last trading day of the MCX Crude Oil contract. The last available RBI USDINR reference rate will be used for the conversion. The price so arrived will be rounded off to the nearest tick.</p> <p>For example, on the day of expiry, if NYMEX Crude Oil (CL) front month contract settlement price is \$40.54 and the last available RBI USDINR reference rate is 66.1105, then DDR for MCX Crude oil contract would be Rs. 2680 per barrel (i.e. \$40.54 * 66.1105 and rounded off to the nearest tick).</p> <p>#A market division of Chicago Mercantile Exchange Inc. ("CME Group")</p>
<b>Odd lot treatment</b>	Delivery will be effected only on delivery lot basis. In case there is any mismatch in the position of seller and buyer then delivery will not be matched and accordingly the position will be closed out at DDR and penalty to such buyer / seller will be levied a minimum penalty @5% of DDR. 90% of the penalty collected shall be passed on to the counter party while 10% will be appropriated by the Exchange.
<b>Storage, Insurance and Freight charges</b>	The freight, duty and all other expenses will be on account of the buyer
<b>Delivery center</b>	Mumbai
<b>Delivery of Goods</b>	Each delivery shall be in multiples of minimum delivery lots and shall be designated for only one delivery center and one location in such center. Delivery will be accompanied with duly discharged Storage / Shipping / import / export documents, invoice and valid Quality Certificate,

	as per contract specifications from the Exchange approved quality certifying agency/s. Delivery once submitted cannot be withdrawn or cancelled or changed, unless so agreed by the Exchange. Goods tendered under delivery shall be in conformity with the contract specifications.
<b>Delivery grades</b>	The members tendering delivery will have the option of delivering such grades as permitted by the Exchange as per the contract specifications. The buyer will not have any option to select a particular grade and the delivery offered by the seller and allocation by the Exchange shall be binding on buyer.
<b>Evidence of stock in possession</b>	At the time of issuing delivery, the Member must prove to the Exchange that he holds stocks of the quantity and quality specified at the declared delivery center by producing bank documents/ LC/ appropriate receipt.
<b>Sampling and Analysis at the time of delivery</b>	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 commodity pay-out date.
<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, out of the exchange empanelled surveyor/s for the contract, 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 the 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>Failure of First Sample</b>	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 the collection of sealed sample along with a copy of the Surveyor's report. The seller shall immediately send the second sealed sample to another approved laboratory (out of Exchange approved panel), which is also agreed by the Exchange. 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.
<b>Final Surveyor's report</b>	The final approved laboratory and/or surveyor's report shall be forwarded by the Exchange to the parties immediately on receipt of the same. In case dispute on quality of the goods allocated to the buyer is raised by the buyer before funds pay-out to the seller, the pay-out of funds to the seller will be made on the basis of the final test report received by the Exchange, pursuant to the third and the final test, or it would be recovered from the seller, if the payment was already released. 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 be tantamount to failure on the part of the seller to give delivery, whose outstanding short position, shall be closed out as per the Penal provision applicable for seller default or any other rate as decided by the Exchange, treating the failure on the part of the seller to give delivery as shortage. The decision of the Exchange in this regard shall be final and binding to both the parties.
<b>Obligations of the independent analyst</b>	In order to ensure that tests are exactly comparable and that the results are consistent, the final approved laboratory and / or surveyor shall determine the particular analytical test by applying the methods specified in relevant IS. The said laboratory and / or the surveyor shall be required to append a certificate or certificates to those effects to the analysis report issued by the laboratory and/or surveyor.
<b>Legal obligation</b>	Every member delivering and receiving warehouse receipt by way of delivery shall provide appropriate tax forms wherever required as per law and as custom and neither of the parties shall unreasonably refuse to do so.
<b>Extension of delivery period</b>	The Exchange may extend the Delivery Period due to either force majeure or any other reason, as it thinks fit in the interest of the market.
<b>Applicability of Business Rules</b>	The general provisions of Byelaws, Rules and Business Rules of the Exchange and decisions taken by Regulator of Commodity Exchanges, the Board of Directors/Relevant Authority of the Exchange in respect of matters specified in this document shall form an integral part of this contract. The Exchange or Regulator of Commodity Exchanges as the case may be, may further prescribe additional measures relating to delivery procedures, warehousing, quality certification, margining, risk management from

time to time.

Members and market participants who enter into buy and sell transactions need to be aware of all the factors that go into the mechanism of trading and clearing, as well as all provisions of the Exchange's Bye Laws, Rules, Business Rules, circulars, directives, notifications of the Exchange as well as of the Regulators, Governments and other authorities.

It is the sole obligation and responsibility of the Members and market participants to ensure that apart from the approved quality standards stipulated by the Exchange, the commodity deposited / traded / delivered through the Approved warehouses/Vaults of Exchange is in due compliance with the applicable regulations laid down by relevant authorities as also other State/Central laws and authorities issuing such regulations in this behalf from time to time, including but not limited to compliance of provisions and rates relating to Sales Tax, Value Added Tax, APMC Tax, Mandi Tax, LBT, Octroi, Excise duty, stamp duty, etc. as applicable from time to time on the underlying commodity of any contract offered for deposit / trading / delivery and the Exchange shall not be responsible or liable on account of any non-compliance thereof.

The buyer shall have to lodge his claim, if any, against quality and/or quantity of goods/ delivery allocated to him if any, while retaining the disputed goods in the warehouse/s (without lifting them out of the warehouse/s), within 48 hours from the date of scheduled commodity pay out of the Exchange, failing which, no claim shall be entertained by the Exchange thereafter.

The Exchange is not responsible and shall not be held liable or accountable or responsible for value of the goods/stock of the commodities stored/lying in Exchange designated warehouse/s, vault agency/ Clearing House and which is fully/partially confiscated / seized by any local or statutory or any other authority for any reason whatsoever or for any deterioration in quality of the goods stored due to above reason or which have passed the Final Expiry date and continue to remain in the Exchange accredited warehouse. The decision of the Exchange shall be final and binding to all Members and their constituents in this regard. (The interpretation or clarification given by the Exchange on any terms of this contract shall be final and binding on the members and others.)