

Contract Specifications of Soya Bean Contract

Symbol	SOYABEAN
Description	SOYABEANMMYY
Contracts available for trading	
January contract	After approval of the Commission to 20 th January 2010
February contract	After approval of the Commission to 20 th February 2010
March contract	21 st November of the previous year to 20 th March 2010
April contract	21 st December of the previous year to 20 th April 2010
May contract	21 st January to 20 th May 2010
June contract	21 st February to 20 th June 2010
July contract	21 st March to 20 th July 2010
August contract	21 st April to 20 th August 2010
September contract	21 st May to 20 th September 2010
October contract	21 st June to 20 th October 2010
November contract	21 st July to 20 th November 2010
December contract	21 st August to 20 th December 2010
Trading period	Mondays to 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	
Trading unit	10 MT
Quotation/Base Value	100 kg
Maximum order size	500 MT
Tick size (minimum price movement)	Re. 0.50
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%
Price Quote	Ex - Indore (Inclusive of all taxes but exclusive of Sales Tax/VAT).
Special Margin	In case of additional volatility, a special margin at such percentage, as deemed fit, will be imposed immediately 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 may be relaxed
Maximum Allowable Open Position	For individual clients: 20,000 MT For a member collectively for all clients: 60,000 MT or 15% of the market-wide open position, whichever is higher. Near Month Limits For individual clients: 6000 MT For a member collectively for all clients: 18000 MT or

	15% of the market-wide open position, whichever is higher
Delivery	
Delivery unit	10 MT (with tolerance limit of 250 kg) which means that if the seller delivers any quantity between 9.75 MT to 10.25 MT, it will be construed as adequate discharge of his delivery obligation of 10 MT, though he will get the value only for a actually quantity delivered by him.
Delivery Centre	Exchange approved warehouse at Indore (Within 50 km radius from the Municipal limits)
Additional Delivery Centres	Exchange approved warehouse at Itarsi, Mandsour, Bhopal, Sagar, Ujjain, Akola, Nagpur, Amravati and Kota (Within 50 km radius from the Municipal limits) Premium/ discount will be announced at the time of launching of contract.
Quality certification	
Moisture:	For the contracts maturing in October to January every year: Basis: 10% Accepted upto 12%; Single rebate (1:1) Rejectable above 12% For the contracts maturing during the period February to September every year: Basis: 8% Accepted upto 10%; Single rebate (1:1) Rejectable above 10%
Foreign Matter/Sand/Silica	Basis: 2% Accepted upto 4%; Single rebate (1:1) Rejectable above 4%
Damaged Seeds	Basis: 2%; Accepted upto 4% with rebate @ 1:0.5 Rejectable above 4%
Green seed	Basis 7% Rejectable above 7%
Packing	New or sound unmended B Twill Bags of 91 kg gross weight
Delivery Logic	Compulsory Delivery

Delivery and Settlement Procedure of Soya Bean

Delivery Logic	Compulsory Delivery
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 may submit warehouse receipt (duly endorsed & signed by the depositor & the Member) and valid quality certificate issued by quality certifying agency by tender period. Any outstanding positions will be marked for delivery at the expiry of the contract.
Mode of communication	Fax or Courier
Tender 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.
Delivery Period Margin	25% on marked quantity
Exemption from Delivery Period Margin	Tender and 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 the Expiry date At DDR (Due date rate)
Delivery Pay-in	E+1 working day by 5.00 p.m. (E – Expiry date)
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.
Delivery Pay-out Penal Provision	<p>E+2 working days by 5.00 p.m.</p> <p>I – Seller Default</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>II – Buyer Default</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</p>

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	Penalty @ 3% on DDR	Penalty @ 3% on DDR
2	<p style="text-align: center;">AND</p> Difference between DDR & Auction price if Auction price is lower than DDR (including proportionate quality and quantity differences) <p style="text-align: center;">AND</p>	<p style="text-align: center;">AND</p> Difference between DDR & Auction price if Auction price is lower than DDR to the tune of auctioned quantity (including proportionate quality and quantity differences) <p style="text-align: center;">AND</p>	<p style="text-align: center;">AND</p> NA <p style="text-align: center;">AND</p>
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 buyer pays the Sales Tax or VAT as the case may be. In case of Inter-State movement, buyer has to submit requisite forms or pay CST as applicable. Post lifting delivery all charges are borne by the Buyer.																				
Close out of open positions	All outstanding positions on the expiry of the contract shall be settled by delivery. In case, any member with outstanding open position opts out of the physical delivery on expiry, then the position shall be closed out at Due Date Rate. Penalty as per the penal provisions will be levied to such defaulting members.																				
Due Date Rate	Exchange shall take spot prices from a panel of different entities of spot market and shall compute the daily average price. DDR will be calculated by way of taking the simple average of last 3 day spot market prices so computed.																				
Odd lot Treatment	Not Applicable .																				
Adjustment of Transportation Cost	<table border="1"> <thead> <tr> <th>Centre</th> <th>Premium/ Discount</th> </tr> </thead> <tbody> <tr> <td>Itarsi</td> <td>(-) 10</td> </tr> <tr> <td>Mandsour</td> <td>At Par</td> </tr> <tr> <td>Bhopal</td> <td>At Par</td> </tr> <tr> <td>Sagar</td> <td>(-) 20</td> </tr> <tr> <td>Ujjain</td> <td>At Par</td> </tr> <tr> <td>Akola</td> <td>At Par</td> </tr> <tr> <td>Nagpur</td> <td>At Par</td> </tr> <tr> <td>Amravati</td> <td>At Par</td> </tr> <tr> <td>Kota</td> <td>At Par</td> </tr> </tbody> </table>	Centre	Premium/ Discount	Itarsi	(-) 10	Mandsour	At Par	Bhopal	At Par	Sagar	(-) 20	Ujjain	At Par	Akola	At Par	Nagpur	At Par	Amravati	At Par	Kota	At Par
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Warehouse, fumigation, insurance and transportation Charges	<p>-Borne by the seller upto commodity pay-out date.</p> <p>-Borne by the Buyer after commodity pay-out date.</p>																				
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	Deliveries can be effected from Exchange approved warehouse at Indore (Within 50 km radius from the municipal limits)																				
Additional Delivery Centers	Exchange approved warehouse at Itarsi, Mandsour, Bhopal, Sagar, Ujjain, Akola, Nagpur, Amravati and Kota (Within 50 km radius from the Municipal limits)																				
Delivery Order	Good delivery order will be submitted in specified format giving details of Members / Registered Non-Members who shall perform delivery.																				

	<p>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.</p> <p>It will be accompanied with Warehouse Receipt, Invoice and Good Delivery Quality Certificate valid upto 15 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 MCX 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.</p> <p>The seller shall not issue delivery order at a place where there is restriction against movement of goods. In case, the seller is unable to give permit to the buyer, the same would be treated as No-Delivery and he shall be liable to pay such penalty as may be applicable for failure to tender delivery.</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 MCX. 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	<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 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.
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 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>