

Multi Commodity Exchange of India Ltd (MCX) is a demutualised exchange with permanent recognition from the Government of India. MCX offers futures trading in 60 commodities including bullion, energy, grains, plastics, metals, oil and oilseeds, fibres, spices, pulses, sugar, plantations and carbon credits as on March 31, 2009. The average daily turnover on the MCX platform was Rs. 14,896.41 crore during fiscal 2008-09.

INTRODUCTION

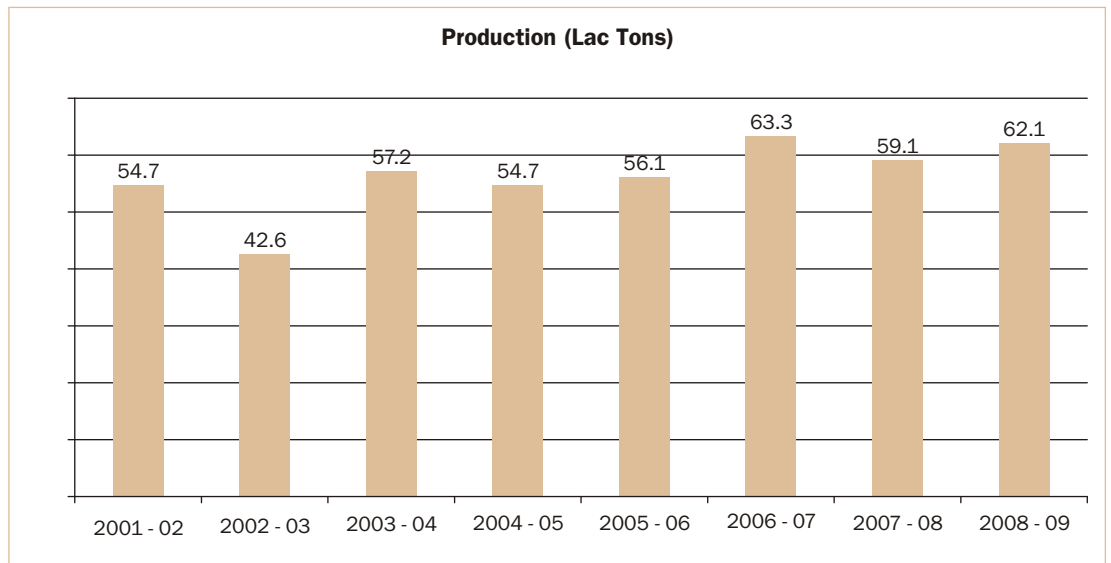
Chana is the largest produced pulses in the world with production share 50% approximately. It belongs to the chickpea family. India is the largest producer and consumer in the world.

Chana is a Rabi crop and is cultivated from November- December to February-March. The peak arrival period begins from March-April at the major trading centers of the country.

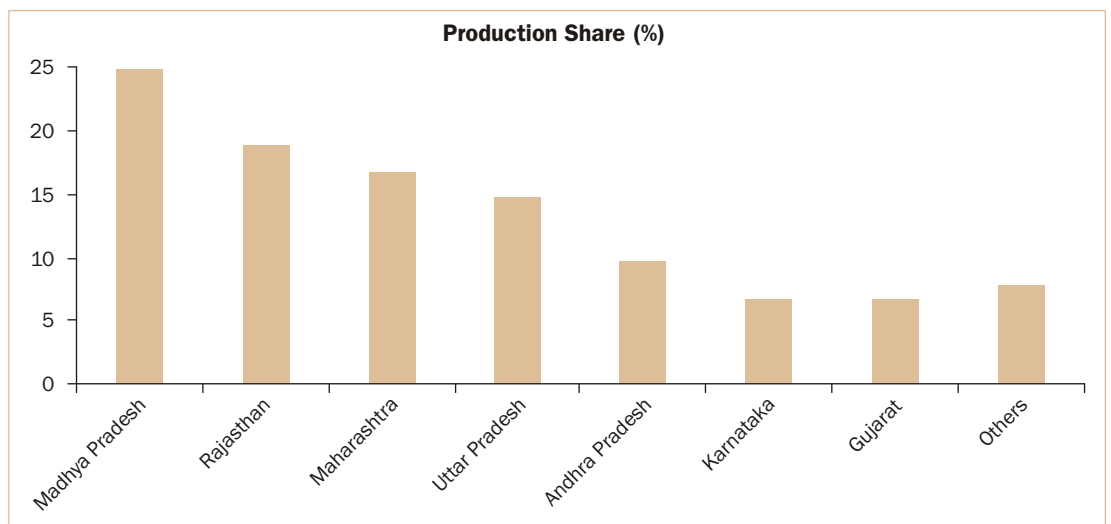
India is the only country in the world to have futures trading in Pulses.

INDIAN SCENARIO

- ▶ India's chana production fluctuates between 5.5 - 7.5 million tons and is normally 40% - 50% of India's total pulse Production.
- ▶ The major producing states are Madhya Pradesh, Rajasthan, Uttar Pradesh, Maharashtra, Andhra Pradesh, Gujarat and Karnataka.



Source: Industry Estimates



Source: Industry Estimates

MCX is No. 1 commodity exchange in India, with a market share of over 87%

(as on March 31, 2009).

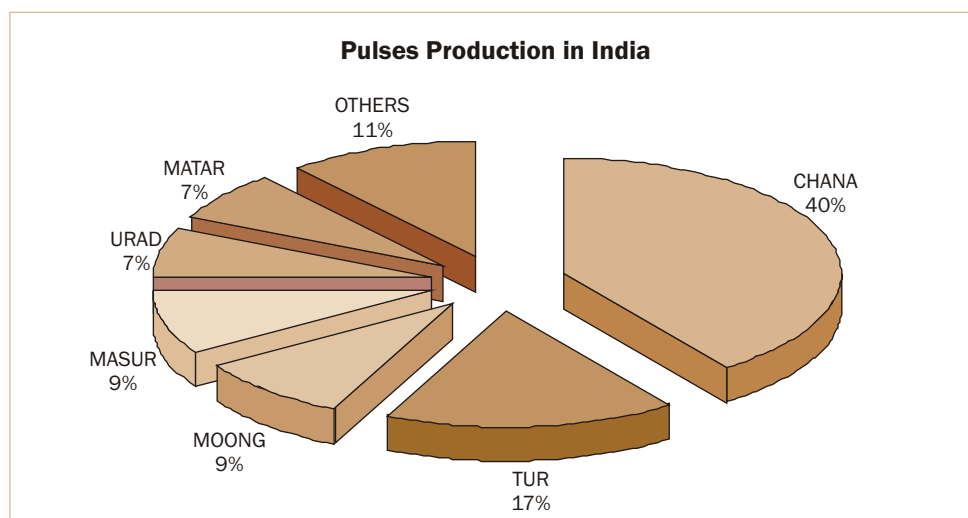


MCX is No. 1 in silver, and No. 2 in gold, and No. 3 in copper, zinc, natural gas, and crude oil, globally

(based on lots traded as on March 31, 2009).



- ▶ Stagnant production has led to declining per capita consumption over the past 20 years. The per capita availability has progressively declined from 60 g in 1950-51 to 32 g at present. The burgeoning demand supply gap has led the Government of India to ease the norms related to importing of pulses.
- ▶ In India, pulses are grown on 22-23 million hectares area with an annual production of 13-15 million tons and per hectare of yield of 600-650 kg.
- ▶ The major pulses grown in India are Chana (Chickpea) 40%; Tur/Arhar (Pigeon pea) 17%; Moong (Green Gram) 9%; Masur (Lentil) 9%; Urad (Black Matpe) 7%; Matar (Pea) 7% and other minor pulses 11%.
- ▶ Indian chana markets are highly fragmented, with very long value chain. The major players in the value chain are commission agents, brokers, stockist, wholesale traders, dal mills, wholesalers (dal) and retail outlets. The information flow between these participants is restricted and very slow.



Source: Industry Estimates

MAJOR TRADING CENTERS

- ▶ Madhya Pradesh: Indore, Bhopal, Vidisha
- ▶ Maharashtra: Jalgaon, Latur, Mumbai, Akola
- ▶ Rajasthan: Jaipur, Bikaner, Kota, Jodhpur, Sriganganagar, Hanumangarh
- ▶ Others: Delhi, Kanpur, Hapur, Jalandhar, Ludhiana

GLOBAL SCENARIO

- ▶ India is the world's largest pulse producer, consumer and importer accounting for 27% of the global pulse production.
- ▶ India accounts for 2/3rd of the world's chickpea production. India imports around 1.5 -2 lakh tons of chickpeas annually. The major countries from where India imports all chickpea varieties are Australia, Pakistan, Tanzania, Iran and Myanmar.

MARKET INFLUENCING FACTORS

- ▶ Weather plays a significant role in influencing trader's sentiment and crop production estimate. The sentiments of traders have a profound impact in determining the future price.
- ▶ Limited quantities available from global sources for import.
- ▶ The price of the other major pulses like Tur, Urad, Yellow peas, etc. indirectly affect the prices of chana.
- ▶ Prices & Yield of competing cash crops grown at the same time influence the supply.

MCX reaches out to over 680 cities and towns in India through 8027 trading terminals

(as on March 31, 2009).



CONTRACT SPECIFICATIONS OF CHANA

Symbol	CHANADEL
Description	CHANADELMMYY
Contracts available for trading	
April 2009	After approval of the FMC to 20th April of the contract year
May 2009	After approval of the FMC to 20th May of the contract year
June 2009	After approval of the FMC year to 20th June of the contract year
July 2009	21st January to 20th July of the contract year
August 2009	21st February to 20th August of the contract year
September 2009	21st March to 20th September of the contract year
October 2009	21st April to 20th October of the contract year
November 2009	21st May to 20th November of the contract year
December 2009	21st June to 20th December of the contract year
Trading	
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
Quotation/Base Value	100 Kg
Tick size (minimum price movement)	Re. 1
Daily price limits	3% initial daily price limit and additional daily price limits after 15 minutes cooling of period will be 1%. Therefore maximum daily price limit will be 4%.
Price Quote	Desi Chana ex-warehouse Delhi inclusive of all taxes and Levies.
Initial margin	5%
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 position, which will remain in force for next 2 days, after which the special margin will be relaxed.
Maximum Allowable Open Position	For individual clients: 10,000 MT For a member collectively for all clients: 40,000 MT or 15% of the market-wide open position, whichever is higher. Near Month Limits For individual clients: 2000 MT For a member collectively for all clients: 8000 MT or 15% of the market-wide open position, whichever is higher
Delivery	
Delivery unit	10 MT (with tolerance limit of 500 kg) which means that if the seller delivers any quantity between 9.50 MT to 10.50 MT, it will be construed as adequate discharge of his delivery obligation of 10 MT, though he will get the value only for actual quantity delivered by him.
Delivery center	Desi Chana to be delivered at Delhi (up to the radius of 50 kms from the municipal limits)
Additional Delivery Centers	Desi Chana can also be delivered at Bikaner (Rajasthan) and Ganj Basoda (Madhya Pradesh) (up to the radius of 50 Kms from municipal limit)
Delivery period margin	25% margin will be imposed on the date of expiry on buyer and seller on marked quantity.

MCX has strategic alliances with several leading commodity exchanges of the world.



www.mcxindia.com

Quality specifications	
Desi Chana The material should be free of Mathara and Khesari and live infestation.	
Foreign matter (Other than Varietal admixture)	
Basis	1%
Acceptable (upto)	Up to 2% maximum on 1:1 discount which shall be applied to such content above 1% rounded off to the higher 0.5%
Rejectable	Above 2%
Green (Cotyledon colour), Immature, Shrunken, Shriveled Seeds.	
Basis	3%
Acceptable	Up to 4% maximum on 2:1 discount which shall be applied to such content above 3% rounded off to the higher 0.5%.
Rejectable	Above 4%
Brokens, Splits	
Basis	2%
Acceptable	Up to 3% on 2:1 discount which shall be applied to such content above 2% rounded off to the higher 0.5%.
Rejectable	Above 3%
Damaged and Weeviled	
Basis	3% basis (Weeviled 2% max)
Acceptable	up to 5% maximum (with Weeviled not more than 2%) at a discount of 2:1
Rejectable	Above 5%
Moisture	
Basis	10%
Acceptable	up to 12% on 1:1 rebate which shall be applied to such content above 10% rounded off to the higher 0.5%
Rejectable	Above 12%
Varietal admixture	3% Maximum Delivery LogicCompulsory

Note: Please refer to the exchange circulars for the latest contract specifications and delivery and settlement procedures.

For Customer Support : +91-22-66494040

To get the latest futures price of a commodity, sms "MCX <Commodity Name>" to 58888

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MCX
India's No.1 Commodity Exchange

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