Circular no.: MCX/TRD/209/2017 June 30, 2017

Commencement of Futures Trading in RBD Palmolein October 2017 contract

In terms of the provisions of the Rules, Bye-Laws and Business Rules of the Exchange, the Members of the Exchange are notified as under:

RBD Palmolein October 2017 contract will be available for futures trading with effect from Monday, July 3 2017.

The contract specification of RBD Palmolein is revised with regards to Price Quote and the Delivery and Settlement procedure of RBD Palmolein is revised with regards to Taxes, Duties, Cess and Levies and Applicability of Business Rules. The revised Contract Specification and Delivery & Settlement procedure are specified in Annexures 1 and 2.

Trading will be allowed only upto 5:00 p.m. on the date of expiry of the contract.

The contracts specifications, trading parameters, delivery and settlement procedure of the contracts as specified in Annexures 1 and 2 attached herewith, shall be binding on all the Members of the Exchange and constituents trading through them.

Members are requested to take note of the same.

Sanjiv Kapur
Asst. Vice President

Encl.: As above

Kindly contact Mr. Sunil Kumar on 022- 6649 4000 or send an email at customersupport@mcxindia.com for further clarification.

Annexure 1

Contract Specifications of RBD Palmolein

Symbol	RBDPMOLEIN
Description	RBDPMOLEINMMMYY
Contract listing	Contracts are available for all 12 calendar months in a year as per the Contract Launch Calendar
Contract start day	1st calendar day of the contract month. If the day is a holiday then the following working day.
Last trading day	Last calendar day of the contract month; if last calendar day is a holiday, then the preceding working day.
Trading period	Mondays through Fridays
Trading sessions	Monday to Friday: 10.00 a.m. to 9.00 p.m. \ 9.30 pm
Trading unit	10 MT
Quotation/Base Value	10 kg
Price Quote	**Ex- Kandla (Exclusive of sales tax / GST)**
Tick size (minimum price movement)	10 paise
Maximum order size	200 MT
Daily price limits	DPL shall have two slabs - Initial and Enhanced Slab. Once the initial slab limit of 3% is reached in any contract, then after a period of 15 minutes, this limit shall be increased further by enhanced slab of 1%, only in that contract. The trading shall be permitted during the 15 minutes period within the initial slab limit. After the DPL is enhanced, trades shall be permitted throughout the day within the enhanced total DPL of 4%.
Initial margin*	Minimum 4% or based on SPAN, whichever is higher
Extreme Loss Margin**	1%
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	For individual clients: 50,000 MT For a member collectively for all clients: 5,00,000 MT or 15% of the market wide open position, whichever is higher. Near Month Limits For individual clients: 12,500 MT For a member collectively for all clients: 1,25,000 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 actually quantity delivered by him.

<table>
<tr><td colspan="2">Delivery center(s)</td><td>Within Kandla Municipal Limits</td></tr>
<tr><td colspan="2">Delivery Period Margin***</td><td>Delivery period margins shall be higher of:
a. 3% + 5 day 99% VaR of spot price volatility
Or
b. 25%</td></tr>
<tr><td colspan="2">Quality specifications</td><td>Both indigenous and imported RBD Palmolein confirming to the following specification will be deliverable.</td></tr>
<tr><td>1.</td><td>Refractive Index at 40 Deg. C</td><td>1.4550 - 1.4610</td></tr>
<tr><td>2.</td><td>Iodine value (wij's method)</td><td>54 – 62</td></tr>
<tr><td>3.</td><td>Saponification value</td><td>195 – 205</td></tr>
<tr><td>4.</td><td>Cloud point</td><td>Not more than 18 Deg</td></tr>
<tr><td>5.</td><td>Unsaponifiable matter</td><td>Not more than 1.2 percent</td></tr>
<tr><td>6.</td><td>Acid value</td><td>Not more than 0.3 percent</td></tr>
<tr><td>7.</td><td>FFA</td><td>Not more than 0.1 percent</td></tr>
<tr><td>8.</td><td>Moisture</td><td>Not more than 0.1 percent</td></tr>
<tr><td>9.</td><td>Flash Point</td><td>Not less than 250 Deg. C (Penske Marten Closed Method)</td></tr>
<tr><td>10.</td><td>Colour (5.25" Lovibond Cell)</td><td>3 R/30 Y. MAX</td></tr>
<tr><td colspan="2">Due Date Rate****</td><td>For contracts where Final Settlement Price (FSP) is determined by polling, unless specifically approved otherwise, the FSP shall be arrived at by taking the simple average of the last polled spot prices of the last three trading days viz.,E0 (expiry day), E-1 and E-2. In the event the spot price for any one or both of E-1 and E-2 is not available; the simple average of the last polled spot price of E0,E-1, E-2 and E-3, whichever available, shall be taken as FSP. Thus, the FSP under various scenarios of non-availability of polled spot prices shall be as under:
<table>
<tr><th rowspan="2">Scenario</th><th colspan="4">Polled spot price availability on</th><th rowspan="2">FSP shall be simple average of last polled spot prices on:</th></tr>
<tr><th>E0</th><th>E-1</th><th>E-2</th><th>E-3</th></tr>
<tr><td>1</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes/No</td><td>E0, E-1, E-2</td></tr>
<tr><td>2</td><td>Yes</td><td>Yes</td><td>No</td><td>Yes</td><td>E0, E-1, E-3</td></tr>
<tr><td>3</td><td>Yes</td><td>No</td><td>Yes</td><td>Yes</td><td>E0, E-2, E-3</td></tr>
<tr><td>4</td><td>Yes</td><td>No</td><td>No</td><td>Yes</td><td>E0, E-3</td></tr>
<tr><td>5</td><td>Yes</td><td>Yes</td><td>No</td><td>No</td><td>E0, E-1</td></tr>
<tr><td>6</td><td>Yes</td><td>No</td><td>Yes</td><td>No</td><td>E0, E-2</td></tr>
<tr><td>7</td><td>Yes</td><td>No</td><td>No</td><td>No</td><td>E0</td></tr>
</table>
In case of non-availability of polled spot price on expiry day (E0) due to sudden closure of physical market under any emergency situations noticed at the basis centre, Exchanges shall decide further course of action for determining FSP in consultation with SEBI.</td></tr>
<tr><td colspan="2">Delivery Logic</td><td>Both Option</td></tr>
</table>

*The Margin Period of Risk (MPOR) shall be 2 days in accordance with SEBI Circular no. SEBI/HO/CDMRD//DRMP/CIR/P/2016/77 dated September 01, 2016 accordingly, the initial margin shall be scaled up by root 2.
**As per SEBI directive CIR/CDMRD/DRMP/01/2015 dated October 1, 2015
***As per SEBI directive SEBI/HO/CDMRD/DRMP/CIR/P/2016/77 dated Sep 01, 2016
**** As per SEBI directive SEBI/HO/CDMRD/DRMP/CIR/P/2016/90 dated September 21, 2016

Contract Launch Calendar

RBD Palmolein Contracts Expiring During the Year 2017

Contract Launch Months	Contract Expiry Months
On receipt of the approval from SEBI	May 2017
On receipt of the approval from SEBI	June 2017
On receipt of the approval from SEBI	July 2017
May	August 2017
June	September 2017
July	October 2017
August	November 2017
September	December 2017

Annexure 2

Delivery and Settlement Procedure of RBD Palmolein

Delivery logic	**Both Option**
Tender day	1st working day after expiry of contract.
Tender and delivery period	1st to 2nd working days after expiry of the contract.
Buyer's and Seller's Intention	On the contract expiry day by 6.00 p.m. Seller will submit copies of relevant documents as evidence that he is holding stock at the time of giving his intention.
Mode of communication	MCX eXchange
Matching of Buyer's and Seller's intention	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.
Dissemination of the information on delivery intention on TWS	On the contract expiry day by 7.00 p.m.
Delivery Period Margin	Delivery period margins shall be higher of: a. 3% + 5 day 99% VaR of spot price volatility Or b. 25%
Delivery Period Margin Exemption	Sellers are exempted from payment of margin, if goods are tendered during tender days of the contract month with all the documentary evidences.
Delivery Allocation **- Date** **- Rate**	On Expiry date of the contract At Due date rate (DDR)
Delivery Pay-in of Commodities	E+1 working day by 5.00 p.m. (E stands for expiry)
Delivery Pay-out of Commodities	E+2 working day by 5.00 p.m.
Pay-in of Funds	E+2 working day by 11.00 a.m.
Pay-out of Funds	E+2 working day after 2.00 p.m.
Penal Provisions	After getting (matching) intentions from the buyer and seller to take or give delivery, if any of the party fails to honor his obligations, a penalty of 2.5% of the DDR will be imposed on him. Additionally, a replacement cost of 4% of DDR will be recovered from the defaulting buyer / seller. 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 counterparty and 10% will be retained by the Exchange towards administrative expenses.
Taxes, Duties, Cess and Levies & Other local charges	**Ex- Kandla, exclusive of Sales tax/ GST. Local taxes/ GST wherever applicable is to be paid by the seller to the sales tax/GST authorities on all contracts resulting in delivery. Accordingly the**

	buyer will have to pay the taxes/GST to the seller at the time of settlement. In case of sales tax exemption, such exemption certificate should be submitted before settlement of the obligation. In case of Inter-State movement, Buyer has to submit requisite forms, else pay taxes as applicable. **Incidence of customs duty payable whether concessional or otherwise will be in seller's account.**
Close out of open positions	All outstanding positions on the expiry of contract shall be closed out at DDR and respective pay-in and pay-out of funds of such close out shall be effected on 1st settlement day after the last trading day at 9.30 a.m. and by 11.00 a.m. respectively.
Odd lot Treatment	Not applicable
Adjustment of Transportation Cost	Not applicable
Warehouse/Storage Tank, Insurance and Transportation charges	-Borne by the seller upto 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	Within Kandla municipal limits
Delivery of Goods	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 Warehouse Receipt/s, invoice and Valid Quality Certificate/s, 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.
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 delivery, the member must prove to the Exchange that he holds stocks of the quantity and quality specified at the declared delivery center. This should be substantiated by way of producing Warehouse/Storage receipt.
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 commodity 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, 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.
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 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.
Final Surveyor's report	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.
Obligations of the independent analyst	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.
Legal Obligation	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.
Extension of Delivery Period	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.
Applicability of Business Rules	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 of Exchange is in due compliance with the applicable regulations laid down by relevant authorities like Food Safety Standard Authority of India, AGMARK, BIS etc., 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/**Local taxes/ GST**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 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.)