



PetroleumBazaar.com India Pvt Ltd

Contract Specifications of Crude Oil

Symbol	CRUDEOIL
Description	CRUDEOILMMYY
Contracts Available for trading	
January contract	16 th September to 15th December of the contract year
February contract	16 th October of the previous year to 15 th January of the contract year
March Contract	16 th November of the previous year to 15th February of the contract year
April contract	16 th December of the earlier year to 15th March of the contract year
May Contract	16 th January to 15th April of the contract year
June contract	16 th February to 15th May of the contract year
July Contract	16th March to 15th June of the contract Year
August contract	16th April to 15th July of the contract year
September Contract	16th May to 15th August of the contract year
October contract	16th June to 15th September of the contract year
November Contract	16th July to 15th October of the contract year
December contract	16th August to 15th November of the contract year
Trading	
Trading period	Mondays through Saturdays
Trading session	Monday to Friday: 10.00 a.m. to 11.55 p.m. Saturday: 10.00 a.m. to 2.00 p.m.
Trading unit	100 barrels
Quotation/Base Value	Rs. per barrel
Maximum order size	10,000 barrels
Tick size (minimum price movement)	Re. 1
Price Quote	Ex – Mumbai excluding all taxes, levies and other expenses
Daily price limits	4 %

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Initial margin	5%
Special Margin	In case of additional volatility, a special margin 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: 5,50,000 barrels For a member collectively for all clients: 20,00,000 Barrels or 20% of the total market position, whichever is higher

Delivery	
Delivery Unit	50,000 barrels with +/- 2% tolerance limit
Delivery margin	25%
Delivery center	Port installation at Mumbai / JNPT port
Quality Specification	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

Delivery and Settlement Procedure of Crude Oil Contracts

Delivery logic	Both Option
Tender day	1 st working day after expiry of contract by 6.00 p.m.
Tender and delivery period	1 st to 3 rd 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	Fax / Courier
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	25% margin will be imposed during tender and delivery period on both buyers and sellers on matched quantity.
Exemption from delivery period margin	Delivery period margin is exempted if the Seller provides with documentary evidence of the delivery at the Exchange's designated delivery center.

Delivery allocation - Date - Rate	On expiry date of the Contract At due date rate (DDR)
Delivery pay-in	On tender days
Delivery pay-out	E+3 working day by 11.00 a.m.
Pay-in of funds	E+2 working day by 11.00 a.m.
Pay-out of funds	E+3 working day by 11.00 a.m. In case the buyer opts for second sampling, he has to inform the Exchange on E+2 working day by 6.00p.m and in such case the pay-out of funds will be released only after completion of sampling procedure.
Penal provisions	After getting intentions from the buyer and seller to take or give delivery, if any of the party fails to honour his obligations, a penalty of 1% of the DDR will be imposed on him, out of which 90% will be passed on to the other

party and 10% will be appropriated by the Exchange.	
Taxes, Duties, Cess and Levies	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.
Close out of open positions	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 day of last day of trading by 11.00 a.m.
Due Date Rate (DDR)	Due date rate is calculated on the last trading day of the contract on the basis of the spot market price of crude, ex-Mumbai, excluding all taxes, levies and freight, as available for this variety from various market sources and converted at the Rupee – US Dollar rate prevailing on expiry.
Odd lot treatment	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.
Storage, Insurance and Freight charges	The freight, duty and all other expenses will be on account of the buyer
	Mumbai

Delivery order	<p>Along with tender notice, Crude Oil delivery order will be submitted in specified format giving details of Members / Registered Non-Members who shall perform delivery.</p> <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 Storage / Shipping / import / export documents, invoice and valid Quality Certificate 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>
Delivery grades	The selling members tendering delivery will have the option of delivering such grades as per the contract specifications. The buyer has no option to select a particular grade and the delivery offered by the seller and allocation by the Exchange shall be binding on buyer.
Evidence of stock in possession	At the time of issuing the delivery order, the Member must satisfy MCX that he holds stocks of the quantity and quality specified in the Delivery Order at the declared delivery center by producing bank documents/ LC/ appropriate 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.

Legal obligation	The member will provide appropriate tax forms wherever required as per law and as customary and neither of the parties will unreasonable refuse to do so.
Extension of delivery period	As per the Exchange decision due to a force majeure or otherwise.
Applicability of Business Rules	The general provisions of 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 apply mutatis mutandis. The Exchange may further prescribe additional measures relating to delivery procedures, warehousing, Quality Certification, Margining, risk management from time to time. In case of any interpretational dispute or clarifications the decision of the Exchange shall be final and binding on the members and others.



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