

Mentha Oil

Contract Qualifications

Contract Symbol		MENTHAOILDDMMYY (MENTHAOIL31AUG10)
Underlying Commodity		MENTHAOIL
Contract Size /Trading Unit		360 Kg (2 Drums)
Quotation/Base Value		Rs. / Kg
Price Quote		Ex- Chandausi, District Moradabad, UP (excluding of all taxes, purchase tax/sales tax/VAT, if applicable and levies but inclusive of Mandi Tax Paid basis.)
Tick Size		10 paisa
Trading Hours (IST)	Monday to Friday	10.00 a.m. to 5.00 p.m.
	Saturday	10.00 a.m. to 2.00 p.m.
Contracts Schedule		
Contract Launch Date		Contract Expiry Month
16 th August, 2010		31 st August, 2010
16 th August, 2010		30 th September, 2010
16 th August, 2010		31 st October, 2010
1 st September, 2010		30 th November, 2010
1 st October, 2010		31 st December, 2010
Last Trading Day(Expiry Day)		Trading terminates at the close of business hours on the last business day of the contract expiry month. For Example, January contract will expire on 31st January. In case, the last day of the contract month falls on a holiday then the expiry day will be the preceding working day. For Example, if 31st January falls on Sunday then the expiry (Last Trading) day will be 30th January.
Daily Price Limit (DPL)		The Daily Price Limit is (+/-) 3% extended by +/- 1% up to (+/-) 4% provided a cooling period of 15 minutes when the trade hits the prescribed DPL. DPL is directly correlated with Reference Price or Previous Day's Closing price. The system shall not permit the trade beyond the revised limit of (+ / -) 4% during the day.
Risk Parameters	Initial Margin	5%
	Special Margin	When there is excess volatility, Exchange will impose special margin of appropriate percentage, as it thought fit and proper on both buy and sale side in respect of all outstanding positions. This margin will remain

	in force for next two working days excluding the day of imposition or till such excess volatility persists, after which the same will be relaxed.
Regulatory Margin	In addition to the above margins, the Regulator/ Exchange may impose additional margins on long and/or short side at such other percentage, as deemed fit where there is one side market movement. Removal of such Margins will be at the discretion of the Regulator/Exchange.
Maximum Order Size	18000kg (100drums)
Maximum Allowable Open Position	For individual client 300 MT and for a member collectively for all clients 1500 MT or 15% of the market-wide open position, whichever is higher.
	For near month contract For individual client 100 MT and for a member collectively for all clients 500 MT or 15% of the market-wide open position, whichever is higher.

Quality Specification - Natural Crude Mentha Oil (Arvensis)	Parameter	Basis
	Appearance	Liquid
	Odour	Strong minty with Herbal
	Color	Light /pale yellow
	Solubility	Soluble (1:4 to 6 volume in 70% alcohol)
	L-Menthol	68% (GLC Test – Packed column)
	Terpene	7.5%
	Menthol Isomers	6% max
	Menthyl Acetate	6.5% max (up to 6% without discount)
	Water and Solid Sediments	0.65% max
	Total Menthol Contents	70% - 79%
	Optical Rotation	-33° to -38°
	Refractive Index	1.42 – 1.48 (at 25° C)
	Fats and Oils	Negative
	Menthofuran	Negative
	pH	Neutral
	Congealing Point	21 to 23 degree C
	Identification	Confirm to BP/USP
	Specific gravity	0.80 to 0.91
	High Boilers	Nil
GC Temperature		
Detector Temperature	240°	

	Injector Temperature	240°	
	Oven Temperature	Starting 80°	
	Temperature rise	4° per minute	
	It should be free from any admixture such as edible oil, petroleum, mineral oil, sediments etc.		
	In order to check adulteration, water test, paper test and alkali test will also be conducted, which should confirm to be negative.		
Premium (P)/Discount (D)	Parameter	Acceptable Range	Premium (P)/Discount (D)
	L-menthol	> 68%	P of 1% on incremental basis
	L-menthol	63%-68%	D of 1% on incremental basis
	Terpene	7.5%-9%	D of 1% on incremental basis
	Menthyl Acetate	6%-6.5%	D of 1% on incremental basis
Delivery Logic	Compulsory Delivery		

Settlement Schedule and Delivery Process

Delivery Unit		720 Kg (4 drums)
Tolerance Limit		4 Kg (1 Kg per drum)
Tender period		From E-4 to E+ 1 working day, “E” means expiry day.
Tender notice		By 6.00 p.m. on tender days. Seller has to submit tender notice along with warehouse receipt and quality certificate to the Exchange.
Risk Parameters	Tender Period Margin	3% margin will be imposed on incremental basis for all outstanding positions during last five days including contract expiry day.
	Delivery Margin	Delivery margin of 25% minus the total margin taken shall be charged on the day delivery is marked.
Exemption from Tender and Delivery period Margin		Tender and Delivery period margin is exempted on receipt of documentary evidence i.e. warehouse receipt and quality certificate.
Main Delivery Centre		Chandausi, ICEX designated Warehouses
Additional Delivery Centre		At Exchange designated Warehouses of Barabanki at a discount of Rs.2/-, also deliverable at Delhi at par.
Location Premium/Discount		Barabanki delivery at a discount of Rs. 2/- per Kg.
Packaging		Delivery would be accepted in brand new galvanized iron container with minimum drum weight of 21 Kg containing 180 Kg of Mentha Oil of above specified quality. The drum cost, as fixed by the Exchange will be payable by the buyer.
Communication with Exchange		Hand Delivery, Fax, Courier or any other mode as may be notified by the Exchange from time to time.
Delivery	Allocation	On the expiry day of the contract after closing of market.
	Period	Three working days after the contract expiry day.

	Pay-In	On any day during tender period by 6.00 p.m.		
	Pay-Out	E+3 working day	Time	11.00 a.m.
Fund	Pay-In	E+2 working day	Time	11.00 a.m.
	Pay-Out	E+3 working day	Time	11.00 a.m.
Taxes, Duties, Cess and Levies		<p>Local taxes/ VAT wherever applicable is to be paid by the seller to the sales tax/VAT authorities on all contracts resulting in delivery. Accordingly the buyer will have to pay the taxes/VAT 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 or pay CST as applicable.</p> <p>The seller tendering delivery should have CST/UP state VAT registration No. In case he doesn't have VAT registration No. in the state of UP for the purpose of tax compliance. In case the seller is not having CST/VAT registration No. and also fails to appoint Commission Agent then he cannot claim reimbursement of VAT amount paid by him.</p>		
Contract Closing Rate(CCR)		<p>All the outstanding positions shall be marked delivery at Contract Closing Rate which shall be calculated by taking average spot price of last three days. Exchange shall poll the spot price from the different entities involved in the value chain of the commodity. CCR shall be calculated with weightage on following Mandi i.e. Sambhal 25%, Barabanki 30% (2% will be added), Chandausi (15%), Rampur (15%), Badayun (7.5%) and Bareilly (7.5%).</p>		
Applicability for Odd Lot		<p>If buyer is in odd lot, it will be treated as buyer default and norms as per "buyer default" detailed at Penal provision shall be applicable.</p> <p>If seller is in odd lot, it will be treated as seller default and norms as per "seller default" detailed at Penal provision shall be applicable.</p> <p>If both buyer and seller are in odd lot, same will be closed out at CCR.</p>		
Physical Delivery Related Charges (Warehouse and Insurance Charges)		<p>Seller will pay the charges up to pay-out date and Buyer will pay subsequent charges.</p>		
Endorsement of Delivery favoring client		<p>On receipt of delivery order, the original buyer member would be responsible for any endorsement in favor of his client.</p>		
Delivery Grade and Location of Underlying		<p>The buyer will not have any option to select a particular grade and the delivery location offered by the seller and allocated by the Exchange shall be binding on him.</p>		
Sampling and analysis at the time of delivery		<p>In case the buyer does not agree to the quality of the commodity, he shall opt for his own sampling under intimation to the Exchange in writing within 48 hours of the pay-out date.</p>		
Sampling procedure		<p>The Bureau of Indian Standards procedure or the procedure as prescribed by the Exchange shall be followed for drawing and analysis of samples. In case, the analysis report of the buyer is as per the seller's</p>		

		analysis report then the buyer has to take out the goods from the warehouse. If there do any difference, the buyer and seller may settle the same on mutual understanding. In case, both the parties do not agree to settle then Exchange will appoint third assayer whose report is final and binding to all.
Penal Provision	Seller's Default	<p>A penalty of 3% on Contract Closing Rate will be imposed on defaulting seller out of which 1.75% will be credited to IPF, 1% will be credited to the counter party and 0.25 will be retained with the Exchange.</p> <p>In addition to the above, seller will also pay the differential amount of the following: Average of highest spot price of any three days of five succeeding days after expiry of the contract and CCR, in case CCR is lower than the average spot price.</p>
	Buyer's Default	The buyer will have to compulsorily take the delivery of goods and make payment. Failing which, the Exchange will auction out such goods in the market at the risk and cost of the buyer. The auction procedure and the penal provision shall be notified separately.
Delay in Timely Execution of Delivery related Documentation		Penalty for delay in timely execution of delivery related document (invoice details, delivery related form) shall be communicated separately by the Exchange.
Extension of delivery period		As per the Exchange decision due to a force majeure or otherwise.
Applicability of Business Rules		The applicable provisions of Bye-laws, Rules and Regulations of the Exchange and decisions taken by Forward Markets Commission, Board of Directors or Executive Committee of the Exchange relating to the matters specified above will also form an integral part of this contract. The Exchange may further prescribe additional measures regarding physical delivery procedures, storage practices at Exchange accredited warehouses, quality certification processes, risk management, etc from time to time which will be notified to the members with intimation to FMC. The interpretation or clarification given by the Exchange on any terms of this contract shall be final and binding on the members and their constituents.