



TRANSACTION FOR VALUE

**Petroleum Exchange of India Pvt. Ltd.**

**Circular to all Members**

Ref. No.: PetEx/TRD/2019/018

December 19, 2019

Dear Members,

**Commencement of Spot Trading under Continuous Market Type in Pre-certified Furnace Oil 180 (Bulk), Ex-Mumbai (T+1) Delivery Contract**

In terms of the provisions of the General Terms and Conditions of PetEx, the Members of PetEx are notified that Pre-certified Furnace Oil 180 (Bulk) Contract Ex-Mumbai will be available for trading on Friday, the 20<sup>th</sup> day of December 2019.

Details of the contracts specifications and settlement procedure are under:

- 1) Contract Specifications – enclosed as Annexure 1,
- 2) Details of Exchange Designated Warehouse and Transaction Charges – enclosed as Annexure 2,
- 3) Settlement schedule – enclosed as Annexure 3,
- 4) Trading Terms and Conditions– enclosed as Annexure 4,
- 5) Delivery Procedure – enclosed as Annexure 5
- 6) Authorization letter to take the delivery – enclosed as Annexure 6,

The terms and conditions of the above referred contracts and the process relating to the settlement thereof will be binding on all the members of PetEx and clients trading through them.

For any clarification, the following officials of PetEx can be contacted:

- 1) Mr. Nilesh at +91 99204 94214 or through email at [nilesh@petexindia.com](mailto:nilesh@petexindia.com)
- 2) Mr. Varun at +91 90043 65926 or through email at [varun@petexindia.com](mailto:varun@petexindia.com)

For and on behalf of  
Petroleum Exchange of India Pvt. Ltd.

S B Prasad  
Director

Encl.: As above

----- Head Office -----

1106, 11<sup>th</sup> Floor, Tower-B, Western Edge II, Off Western Express Highway, Borivali (East), Mumbai – 400 066 Tel. No.: 022 – 2854 8100 / 8200  
[www.petexindia.com](http://www.petexindia.com) email: [PetEx-Trading@petexindia.com](mailto:PetEx-Trading@petexindia.com)



TRANSACTION FOR VALUE

**Petroleum Exchange of India Pvt. Ltd.**

**Contract Specifications of Pre-certified Furnace Oil 180 Ex-Mumbai (T+1) Delivery Contract**

|   |  |                               |                                      |
|---|--|-------------------------------|--------------------------------------|
| <b>Commodity</b>  | <b>Furnace Oil 180 (Bulk)</b>  |                               |                                      |
| Symbol  | <b>FO180MUMC2</b>  |                               |                                      |
| Market Type   | <b>CONTINUOUS</b>  |                               |                                      |
| Market Segment  | <b>PETR</b>  |                               |                                      |
| <b>Contract Specifications</b>                          |  |                               |                                      |
| Daily contract  | Each buying and selling transaction will be settled on <b>Trade to Trade Basis</b> and result into compulsory delivery. <b>Short Selling is strictly Prohibited.</b> |                               |                                      |
| Trading period  | Mondays to Friday, except holidays specified in advance  |                               |                                      |
| Trading session   | Monday to Friday: 10.00 a.m. to 04.00 pm   |                               |                                      |
| <b>Trading Related Information</b>                      |  |                               |                                      |
| Trading unit  | 1 MT   |                               |                                      |
| Quotation/Base Value                                    | Rs. Per MT   |                               |                                      |
| Tick size (minimum price movement)                      | Rs 10 Per MT   |                               |                                      |
| Daily Price Limits                                      | 10 % (+ / -)   |                               |                                      |
| Price Quote   | Ex-Depot, Mumbai excluding GST and any other Additional Tax or Surcharge.  |                               |                                      |
| EMD   | “Earnest Money Deposit” 5 % (At time of high volatility, EMD, as deemed fit by PetEx, may be charged)  |                               |                                      |
| Delivery Period Margin                                  | NIL  |                               |                                      |
| Maximum Order Size                                      | 500 MT   |                               |                                      |
| <b>Delivery Related Information</b>                     |  |                               |                                      |
| Minimum Delivery Unit                                   | 10 MT and thereafter in multiples of 1 MT thereof with a tolerance limit of +/- 5%   |                               |                                      |
| Delivery centre (s)                                     | PetEx designated warehouse at Mumbai.  |                               |                                      |
| Delivery Logic  | Compulsory. The buyer to arrange transport and pick up the product from the Delivery centre.   |                               |                                      |
| <b>Quality specifications Of Furnace Oil 180 (Bulk)</b> |  |                               |                                      |
| <b>Parameters</b>                                       | <b>Test Method</b>   | <b>Standard Specification</b> | <b>Observations / Reported Value</b> |
| Acidity Inorganic                                       | P: 2   | NIL                           | NIL                                  |
| Ash, % wt MAX   | P: 4   | 0.1                           | 0.1                                  |
| Gross Calorific Value Max                               | P: 6 & P: 7  | Typical                       | Typical                              |
| Density @ 15°C  | P: 32  | Typical                       | Typical                              |
| Flash Point: PMCC, DEG C, MIN                           | P: 21  | 66                            | 66                                   |
| Kinematic Viscosity @50°C (CST)                         | P: 25  | 125 min 180 max               | 125 min 180 max                      |
| Sediment % Wt, MAX                                      | P: 30  | 0.25                          | 0.25                                 |
| Total Sulphur, Wt. MAX                                  | P: 33 & P: 35  | 4                             | 4                                    |
| Water Content % Vol, MAX                                | P: 40  | 1                             | 1                                    |
| Pre-Requisites for Bidding                              | All registered members of the PetEx are eligible to Bid specific products subject to meeting licence norms and   |                               |                                      |

|  |      |
|--|------|
|  | EMD. |
|--|------|

## Annexure 2

### Details of Exchange Designated Warehouse:

|                           |   |
|---------------------------|---|
| Address of the Warehouse: | Exchange Designated warehouse at Mumbai |
| Contact Person:           | Mr. Arvind Tripathi                     |
| Contact No.:              | +91 9892819359                          |
| Email:                    | delivery@petexindia.com                 |
| Warehouse Timings:        | 8.00 AM To 6.00 PM                      |

\* 1-day billing cycle exclusive of tax, if any

\*\* Taxes Extra (as applicable)

### Charges:

#### Transaction Charges:

Transaction fee of Rs. 40/- per MT will be charged to the buyer and seller members on a daily basis. This will apply on all transactions.

#### Service Charges:

Service charges of Rs. 0/- per MT will be charged to the buyer and seller members on a daily basis. This will apply on all transactions.

**Annexure-3**

| <b>SETTLEMENT SCHEDULE</b>             |  |               |                |
|--|--|---------------|----------------|
| <b>Particulars</b>                     | <b>Day</b>   | <b>Pay-in</b> | <b>Pay-out</b> |
| Funds Normal                           | T+1  | 1.00 PM       | 5.30 PM        |
| Commodities Normal                     | T-1  | 5.00 PM       | T+1 5.30 PM    |
| Funds / Commodity Pay In               | <p>The buying member must keep sufficient funds in his virtual account maintained at PetEx to meet his Pay-In obligation. The funds shall be debited from the Member's virtual account on the settlement day as per the settlement calendar.</p> <p>Similarly, the selling member should give delivery information to the Exchange before the scheduled pay-in time.</p>                                 |               |                |
| Funds / Commodity Pay Out to the Buyer | <p>Since the contract is of pre-certified stock the seller would deem to have his commodity pay in completed prior to trading.</p> <p>Pay out of commodities will be affected to the buyer as per the schedule time of commodity pay-out.</p>  |               |                |
| Default in case of shortage of Funds   | <p>When the buyer fails to honour funds pay-in on the settlement day within the scheduled time fully or partly or when informed to PetEx about his inability to make pay-in, it will be treated as buyers' default. In this scenario PetEx will forfeit the EMD of the buyer to the extent blocked and the forfeited amount shall be apportioned 3% to the seller's account and 2% to PetEx account.</p> |               |                |

**Trading Terms and Conditions:**

- 1. Trading Time:** The Trading duration is 6 hours from 10 am to 04.00 PM. The trading continues till the product is available within the scheduled time.
- 2. Bids:** During the trading, buyers must bid for both quantity and price. Seller will also quote for the quantity offered to PetEx for sale along with the price.

Any bid placed using the bidder's username and the password shall be deemed to be an unconditional binding of the bidder to whom such username and the password has been allotted, inter-alia, for the purpose of the spot trading / e-Auction the bidder shall be solely and fully responsible for all the activities that occur under such username and password. The user is therefore advised to check the username and the password before the trading / e-Auction and is advised not to reveal it to anyone else so as to prevent misuse of the same.

- 3. Price Quote:** Seller and Buyer can give Price Quote continuously on their buy side or sell side.
- 4. Bid / Ask Matching:** Matched on price and time priority basis.
- 5. Trade Matching Logic:** Once the Price and Quantity is matched the trade is completed. Confirmation is not required from the Buyer or Seller. The Trade can be viewed in Trade book option.
- 6. Modification of Order:** Seller may modify his price from time to time or withdraw the offer before any order is matched with any buyer in the online trading system as per process put in place by PetEx. No modification will be allowed once the trade is completed. Also, seller may lock- in additional quantity in case he wishes to do so during trading hours.

## Annexure 5

### Procedure of Delivery of Furnace Oil 180 (Bulk) at PetEx designated warehouse

|   |  |
|---|--|
| Delivery logic  | <b>Compulsory delivery.</b> Each buying and selling transaction will be settled on <b>Trade to Trade Basis</b> and result into compulsory delivery. Delivery allocation will be done at client level.  |
| Commodity movement to warehouse for certification by Seller | On any working day, the commodity should reach the designated warehouse up to 5.00 pm.   |
| Mode of communication                                       | E mail, fax or courier   |
| Exemption from EMD for Seller                               | EMD will be exempted as seller will submit Warehouse Receipt and Quality Certificate i.e. <b>“CERTIFIED STOCK”</b> one day prior to Trading day. <b>The commodity will be called as “CERTIFIED STOCK” when the Commodity is deposited in PetEx accredited warehouse and Quality Certificate is issued.</b>   |
| Taxes, Duties, Cess and Levies                              | <p>EX- WAREHOUSE – MUMBAI</p> <p>Inclusive of all charges / taxes if applicable till delivered at Terminal / Warehouse, but excluding GST, any other additional Taxes if applicable.</p> <p>Seller will issue invoice and e-way bill in the name of the buyer, reflecting the GST applicable. Post lifting delivery charges are borne by the buyer.</p> <p>All the Buyer’s / Sellers tendering commodity / or taking delivery shall have necessary Registration from the applicable Tax Authorities and obtain other applicable licenses, if any, required by them.</p>                    |
| Legal Obligation  | The Member giving delivery and the Member taking delivery will exchange appropriate tax forms as provided in law and as customary and neither of the parties will unreasonably refuse to do so. In case any of the member or his client fails to provide necessary forms / details, resulting into pecuniary loss to the other party, PetEx will impose a charge on the party in default and after collection thereof, will pass on the same to the member, who or whose client has suffered such loss. In addition to above, PetEx can impose additional penalty on the party in default. |

|  |  |
|--|--|
| Odd lot treatment                      | Deliveries must be in minimum delivery unit of 10 MT and thereafter in multiples of 1 MT only.   |
| Buyer's option for lifting of Delivery | Delivery tendered by the seller will be allocated among the buyers. A Buyer has to accept the delivery as allocated by PetEx.  |
| Free Lifting period                    | There shall be free lifting period of three working days from the date of scheduled funds pay-in day for the buyers. They must lift the commodities within 5 days from the date of Auction or 3 days from the settlement date i.e. S+3 days. In case of non-lifting within free lifting period i.e. within 3 days from the commodity pay-out date, the Exchange reserves right to dispose off the commodities at the risk and cost of defaulting buyer.  |
| Extension of delivery period           | As per the PetEx decision due to a force majeure or otherwise.   |
| Applicability of Business Rules        | <p>The general terms and conditions of PetEx and decisions taken by the Board of Directors and Executive Committee of the PetEx in respect of matters specified above will apply mutatis mutandis.</p> <p>The PetEx may further prescribe additional measures relating to delivery procedures, warehousing, quality certification, Margin and risk management from time to time.</p> <p>In case of any interpretational dispute or clarifications, the decision of the PetEx shall be final and binding on the members and others.</p> |

**Withdrawal of Commodity from PetEx Accredited Warehouse (From Sellers Storage Tanks / Terminals directly accredited by PetEx):**

1. On the settlement day after fulfilment of Buyers Pay-in i.e. Funds payment by the buyer, PetEx will send the buyer details (Full Name of the Buyer, Address of the buyer, Buyers GST Registration Details etc.) to the seller for raising valid GST Invoice and E waybill through the post trade system in the trading software.
2. The buyer shall submit to PetEx either through Fax or Email the Letter of Authority for their representatives (Enclosed as Annexure 6) requesting PetEx to issue the delivery of Commodity to the bearer of the Authority Letter along with their representatives valid Identity Proof. On receipt of the Authority letter, PetEx shall communicate to the seller the details of the buyer's representative to lift delivery from the seller's storage tanks / terminals by Fax / Email.
3. After the buyer send his authorized representative to lift delivery from the seller's storage point, the seller will verify the details of the buyer's representative as confirmed by PetEx.
4. On confirmation of the same, the seller would affect delivery of Furnace Oil 180 (Bulk) to the buyer's vehicle and complete weighment of the same under PetEx supervision.
5. Once loading and weighment of Furnace Oil 180 (Bulk) is done on the buyer's vehicle, the seller would raise valid GST Invoice and E waybill from the information about the buyer confirmed by PetEx.
6. The seller will have to upload one copy of all the below documents in the post trade software
  - A. GST Invoice raised on the Buyer.
  - B. E waybill raised on the buyer.
  - C. Weighment Slip of the Furnace Oil 180 (Bulk) Delivered.
  - D. Quality Specifications of the Furnace Oil 180 (Bulk) Delivered.
7. On receipt of all the documents at PetEx, seller will get electronic credit of their sale proceeds to their bank account directly settled by PetEx.



**Authorization letter  
(On the letter head of the Member)**

Date:

To  
The Delivery Department  
Petroleum Exchange of India Pvt. Ltd.,  
1106, Tower-B, Western Edge II,  
Off Western Express Highway, Borivali (E),  
Mumbai – 400 066  
Email - Delivery@petexindia.com

Dear Sir,

We hereby authorize M/s. \_\_\_\_\_ (Name of Transporter) to take delivery of \_\_\_\_ of Furnace Oil 180 (Bulk) from PetEx accredited Warehouse at Mumbai. We have already made the required payment to PetEx against our purchase position of Furnace Oil 180 Contract. The details of our transporter are as under

| <b>Name of the Authorised Transporter</b> | <b>Vehicle Number / Numbers</b> | <b>Capacity of Vehicle (MT)</b> |
|---|---------------------------------|---------------------------------|
|   |                                 |                                 |

We confirm that deliveries to any of the representatives of the above-mentioned transporter(s) is complete and effective discharge of delivery on the part of PetEx towards our company. The representative of the transporter will produce valid ID Proof and Driving License Copy at the time of lifting delivery from the PetEx designated warehouse.

We are also giving our rubber stamp to the above-mentioned authorized transporter to take delivery from the said Warehouse.

Thanking you.

Yours faithfully

For \_\_\_\_\_

Name, signature, and affix rubber stamp of the Member)

Member ID: \_\_\_\_\_