



MCX Circular No. MCX/MCXCCL/595/2024  
MCXCCL Circular No. MCXCCL/C&S/226/2024

September 11, 2024

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### Revised Delivery & Settlement Procedure for STEEL REBAR Contract

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In terms of the provisions of the Rules, Byelaws and Regulations of the Multi Commodity Exchange Clearing Corporation Limited (MCXCCL), Members of the MCXCCL are notified as under:

MCX has modified the 'additional delivery centre' in contract specifications of STEEL REBAR vide circular no. MCX/TRD/590/2024 dated September 06, 2024, Pursuant to the change, the revised Delivery and Settlement procedure for STEEL REBAR contract is provided as **Annexure** to this circular which shall be applicable from **October 2024 and onwards** expiry contracts.

All the Members and their respective constituents are requested to take note of the same.

Arnav Datta  
Head – Warehousing Operations, Collaterals, Delivery, Spot

Encl.: As above

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Kindly contact Customer Support on 022 - 6649 4040 or send an email at customersupport@mcxindia.com for any clarification.

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**Annexure**  
**Delivery and Settlement procedure for STEELREBAR**

<b>Delivery logic</b>	Compulsory Delivery
<b>Staggered Delivery Tender Period</b>	<p>The staggered delivery tender period would be the last 5 trading days (including expiry day) of the contracts.</p> <p>Trading day will be based on availability for trading of the respective commodity on a trading day and excluding special sessions like Muhurat Trading day.</p>
<b>Staggered Tender Period Margin</b>	5% incremental margin for last 5 trading days (including expiry day) of the contract on all outstanding positions in addition to the Initial, Special and/ or any other additional margin, if any.
<b>Mode of Intention Submission</b>	MCXCCL BaNCS
<b>Buyer Delivery Intention</b>	Buyer to give intention of taking delivery on any tender day during tender period, till 5.00 p.m.
<b>Seller Delivery Intention</b>	Seller to give intention of tendering delivery on any tender day during tender period, till 5.00 p.m.
<b>Dissemination of Intention</b>	Intentions received from the sellers and buyers will be broadcasted on TWS by the MCX/ MCXCCL by 5.30 p.m. on the respective tender days.
<b>Delivery Period Margin</b>	<p>Delivery period margins shall be higher of -</p> <p>3% + 5 day 99% VaR of spot price volatility or 25%</p>
<b>Exemption from Staggered Tender Period and Delivery Period Margin</b>	<p>Sellers are exempted from payment of all types of margins if goods are tendered as early pay-in with all the documentary evidence. However, MCXCCL shall continue to collect mark to market margins from Sellers.</p>

<b>Delivery Allocation Rate</b>	<p>Settlement/ closing price on the respective tender days except on expiry date.</p> <p>On expiry date the delivery order rate shall be the Due Date Rate (DDR).</p>
<b>Delivery Marking</b>	On the respective tender days after the end of the day
<b>Delivery Pay-in</b>	<p>The seller will have to do the delivery pay-in through ComRIS Account by earmarking his existing valid commodity balance in the ComRIS Account towards the pay-in obligation.</p> <p><u>On Tender Days:</u></p> <p>On tender days by 5.00 p.m. except Saturday, Sunday and Public holiday. Marking of delivery will be done on the tender days based on the intentions received from the sellers after the trading hours.</p> <p><u>On Expiry:</u></p> <p>On expiry all the open positions shall be marked for delivery. Delivery pay-in will be on E+1 working day (E- Expiry day) by 2.00 p.m. except Saturday, Sunday and Public holiday.</p> <p>The electronic holdings of STEEL REBAR in ComRIS Account shall be eligible for delivery in the STEEL REBAR contracts.</p>
<b>Funds Pay-in</b>	Tender/ Expiry day + 1 working day: 2.00 p.m.
<b>Delivery Pay-out</b>	Tender/ Expiry day + 1 working day: 4.00 p.m.
<b>Funds Pay-out</b>	Tender/ Expiry day + 1 working day: 4.00 p.m.
<b>Penal Provision for default of Delivery &amp; Settlement</b>	<p><b>Seller Default:</b></p> <p>3% of Settlement Price + replacement cost (difference between settlement price and higher of the last spot prices on the commodity pay-out date and the following day, if the spot price so arrived is higher than Settlement Price, else this component will be zero).</p> <p>In the event of spot prices not being available on any day during the post settlement period for computation of replacement cost on account of delivery default in the expiring contract, then closing price of the next available futures contract of that commodity shall be used for computation of replacement cost in the event of delivery default.</p>

	<p>Norms for apportionment of penalty –</p> <ul style="list-style-type: none"> <li>• At least 1.75% of Settlement Price shall be deposited in the Settlement Guarantee Fund (SGF) of the MCXCCL</li> <li>• Up to 0.25% of Settlement Price may be retained by the MCXCCL towards administrative expenses.</li> <li>• 1% of Settlement Price + replacement cost shall go to buyer who was entitled to receive delivery.</li> </ul> <p>Over and above the prescribed penalty, MCXCCL shall take suitable penal/ disciplinary action against any intentional / wilful delivery default by seller.</p> <p>Buyer default shall not be permitted. However, in case of a clearing member fails to make pay in of funds in the delivery settlement following penalties shall be levied.</p> <p>The Clearing Corporation shall review the loss incurred by the non- defaulting Party, i.e. Seller, at its sole discretion, and accordingly, levy penalty on the defaulting buyer. However, such penalty shall be within the overall cap of delivery margins collected by the CCs, from such defaulting buyer.</p> <p>Repeated default on delivery obligations: In case of repeated default by a seller or buyer across all commodity contracts at end client level (identified based on PAN no.) for an event, wherein a default on delivery obligations takes place 3 times or more during a six months period on a rolling basis, an additional penalty of 3% of the value of delivery default shall be imposed on each of the repeated delivery default on delivery obligation.</p> <p>However, in case of multiple delivery obligations default on the same day, each settlement day shall be considered as an event for repeated default.</p>
<b>Base Delivery Center*</b>	Ex-Warehouse at Raipur district, Chhattisgarh
<b>Additional Delivery Centre (s)*</b>	<p>1. Thane in Maharashtra</p> <p>2. Palwal in Haryana (NCR)</p> <p>3. Chennai in Tamil Nadu</p> <p><b>4. Kolkata in West Bengal</b></p> <p>*As per SEBI circular 'SEBI/HO/CDMRD/DMP/P/CIR/2021/551 dated April 16, 2021' the exchange/ clearing corporation may accredit warehouses of a WSP within 100 kms radius of the delivery centers of respective commodities.</p>

<b>Location Premium/ Discount at Additional Delivery Centre (s)</b>	NIL (at par with base delivery center)
<b>Taxes, Duties, Cess and Levies</b>	At the time of delivery, the buyer has to pay GST at the applicable rates on the Delivery Order Rate / DDR / Final Settlement Price.
<b>Odd lot Treatment</b>	Not Applicable
<b>Warehouse storage, Insurance and transportation charges</b>	-Borne by the seller up to commodity pay-out date -Borne by the buyer after commodity pay-out date
<b>Buyer's option for lifting of Delivery</b>	Buyer will not have any option of choosing the place and grade of delivery and will have to accept the delivery as per allocation made by the MCXCCL.
<b>Delivery of Goods</b>	The goods delivered through the ComRIS account should be valid as per contract specifications for minimum 15 days after the expiry of the contract for which seller tenders the goods.  Delivery once submitted cannot be withdrawn or cancelled or changed, unless so agreed by the MCXCCL. Goods tendered under delivery shall be in conformity with the contract specifications.
<b>Delivery Grades</b>	The members tendering delivery will have the option of delivering such grades of goods as permitted by the MCX 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 MCXCCL shall be binding on it.
<b>Premium/Discount For additional deliverable grade</b>	There is no premium/ discount for the additional deliverable grades i.e. they will be treated at par with base delivery grade.
<b>Legal Obligation</b>	Every member delivering and receiving goods through the ComRIS Account by way of delivery shall provide appropriate tax forms, wherever required as per law and as per customs, and neither of the parties shall unreasonably refuse to do so.

<b>Extension of Delivery Period</b>	<p>The MCXCCL may extend the Delivery Period due to either force majeure or any other reason, as it deems fit in the interest of the market.</p>
<b>Applicability of Regulations</b>	<p>The general provisions of Byelaws, Rules and Regulations of the MCXCCL and decisions taken by SEBI/ the Board of Directors/ Relevant Authority of the MCXCCL in respect of matters specified in this document shall form an integral part of this contract. The MCXCCL or SEBI, as the case may be, may further prescribe additional measures relating to delivery procedures, warehousing, quality assessment, margining and risk management from time to time.</p> <p>Members and market participants who enter into buy and sell transactions on MCX need to be aware of all the factors that go into the mechanism of trading and clearing, as well as all provisions of the MCXCCL's Bye Laws, Rules, Regulations, circulars, directives, notifications of the MCXCCL as well as of the Regulators, Government and other authorities.</p> <p>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 MCX, the commodity deposited / traded / delivered through the Approved warehouses/Vaults of MCXCCL is in due compliance with the applicable regulations laid down by relevant authorities like BIS, Orders under Packaging and Labelling 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 GST, Import/Customs Duty, APMC Tax, Mandi Tax, LBT, Local Taxes, Stamp Duty, etc. as applicable from time to time on the underlying commodity of any contract offered for deposit / trading / delivery and that MCX/MCXCCL shall not be responsible or liable on account of any non-compliance thereof</p> <p>All the Sellers giving delivery of goods and all the buyers taking delivery of goods shall have the necessary GST Registration as required under the Goods &amp; Service Tax (GST) Act and obtain other necessary licenses, if any.</p> <p>In respect of all contracts executed by the Members on MCX, it shall be the responsibility of the respective members to pay all applicable statutory fee, stamp duty, taxes and levies in respect of all deliveries as well as futures contracts directly to the concerned Central/State/Local Government Departments and the MCX/MCXCCL shall not be held liable</p>

	<p>or accountable or responsible on account of any non-compliance thereof.</p> <p>The MCXCCL 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 MCXCCL designated warehouse/s, vault agency 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 MCXCCL accredited warehouse. The decision of the MCXCCL shall be final and binding to all Members and their constituents in this regard. (The interpretation or clarification given by the MCXCCL on any terms of this delivery and settlement procedure shall be final and binding on the members and other market participants)</p>
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