



Iron Ore

Contract Qualifications

Contract Symbol		IRONORE62FDDMMYY (e.g. IRONORE62F31JAN12)
Underlying Commodity		IRONORE62FINES
Contract Size /Trading Unit		100 MT
Quotation/Base Value		Rs. per DMT (Dry Metric Ton)
Price Quote		CFR- China Port (North China) Inclusive of all duties, taxes and other levies as applicable in India.
Tick Size		Rs. 0.50 per 1 DMT
Trading Session (IST)	Monday to Friday	10.00 a.m. to 7.30 p.m.
	Saturday	10.00 a.m. to 2.00 p.m.
Note: On the expiry day, trading will be allowed up to 5.30 p.m.		
Contracts Schedule		
Contract Launch Date	Contract Expiry Month	
1 st August, 2011	31 st January, 2012	
1 st September, 2011	29 th February, 2012	
1 st October, 2011	31 st March, 2012	
1 st November, 2011	30 th April, 2012	
1 st December, 2011	31 st May, 2012	
1 st January, 2012	30 th June, 2012	
1 st February, 2012	31 st July, 2012	
1 st March, 2012	31 st August, 2012	
1 st April, 2012	30 th September, 2012	
1 st May, 2012	31 st October, 2012	
1 st June, 2012	30 th November, 2012	
1 st July, 2012	31 st December, 2012	
Last Trading Day(Expiry Day)	<p>Trading terminates at the close of business hours on the last business day of the contract expiry month.</p> <p>For Example, January contract will expire on 31st January.</p> <p>In case, the last day of the contract month falls on a holiday or Saturday or International spot Market remains closed then the expiry day will be the preceding working day.</p> <p>For Example, if 31st January falls on Saturday then the expiry (Last</p>	



		Trading) day will be 30 th January.	
Daily Price Limit (DPL)		The base price limit is (+/-) 4% expandable up to (+/-) 6% without cooling off period in the trade and (+/-) 9% with a cooling off period of 15 minutes when the trade hits the prescribed DPL. DPL is directly correlated with Reference Price or Previous Day's Closing price. In case, International Price volatility is more than (+/-) 9%, the DPL may be further relaxed in steps of 3% with the approval of FMC.	
Risk Parameters	Initial Margin	8%	
	Special Margin	When there is excess market volatility, Exchange will impose special margin of appropriate percentage, as it thought fit and proper on either buy or sell or both in respect of all outstanding positions. This margin will remain in force till volatility persists, after which the same will be relaxed.	
	Regulatory Margin	In addition to the above margins, the Regulator 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.	
	Maximum Order Size	50 lots i.e.5,000 MT	
	Maximum Allowable Open Position	For individual client 75,000 MT for all Iron Ore contracts combined together and for a member collectively for all clients 3, 75,000 MT for all Iron Ore contracts combined together or 15% of the market-wide open position, whichever is higher.	
Quality Specification – Iron Ore Fines		Chemical	
		Parameter	Basis
		Fe	62% min.
		SiO ₂	4.00% max
		Al ₂ O ₃	3.50% max
		S	0.05% max
		P	0.07% max
		Moisture	8.00% max
		Physical (Size) – 0-10 mm	
		Below 10 mm	90% min.
Below 150 micron	40% max.		
Delivery Logic		Both Options	



Settlement Schedule and Delivery Process

Delivery Unit		5,000 MT		
Tolerance Limit		The tolerance limit will be 10 %		
Tender period		One working day after the contract expiry day by 6.00 p.m. Note: If the tender day falls on Saturday then the Tender day will be succeeding working day i.e. Monday.		
Seller's /Buyer's Intentions		On expiry day by 3.00 p.m. Dissemination of the same will be through TWS by 5.00 p.m. Seller must submit the documentary evidence that he is holding the stock at the time of submitting the intention.		
Dissemination of Matching of Intentions		The Exchange will inform members through TWS regarding matching quantity of buyers and sellers by 6.00 p.m. on the expiry day. Exchange will impose penalty as per the provisions of the penalty clause mentioned in this contract, in case the party whose intention is matched defaulted. Unmatched intentions and other open positions shall be closed out at Due Date Rate (DDR).		
Risk Parameters	Delivery Margin	Delivery margin of 25% shall be imposed on expiry day on matched quantity.		
Exemption from Tender and Delivery period Margin		Tender and Delivery Period Margin is exempted on receipt of documentary evidence.		
Main Delivery Centre		Ennore Port/Vizag/Haldia/Paradip		
Taxes, Duties, Cess, Levies and other Expenses		Seller will pay all the charges, levies, cess, taxes, export duties as applicable in India and ocean freight for effecting delivery at above delivery centers.		
Delivery	Allocation	On the expiry of the contract as per DDR.		
	Period	E+3 working days.		
	Pay-In	On any tender days by 6.00 p.m. except Saturdays, Sundays and Trading Holidays.		
	Pay-Out	E+2 working day	Time	03.00 p.m.
Fund	Pay-In	E+2 working day	Time	11.00 a.m.
	Pay-Out	E+3 working day	Time	03.00 p.m.
Due Date Rate (DDR)		Due Date Rate (DDR) shall be calculated by taking simple average of International Spot Price of TSI for contract expiring month and converted at the Rupee – US Dollar reference rate as notified by RBI on the contract expiry date. Note: In case, the RBI reference rate is not available on the contract		



		expiry day then the reference rate of RBI on previous day shall be taken in to consideration.
Applicability for Odd Lot		Delivery will be effected only on delivery lot basis.
Sampling and analysis at the time of delivery		Delivery must be approved from Exchange designated quality certifying agency.
Sampling and delivery procedure		As per the circular on Iron ore sampling and delivery procedure issued by the Exchange.
Penal Provision	Seller's Default	A penalty of 2.5% on Due Date Rate (DDR) will be imposed on defaulting seller out of which 2% will be credited to IPF and 0.5% will be credited to the counter party.
		Additionally, 4% of DDR as a replacement cost will be charged from defaulting seller out of which 90% will be given to the counter party and 10% will be retained by the Exchange as administrative expenses.
	Buyer's Default	A penalty of 2.5% on Due Date Rate (DDR) will be imposed on defaulting buyer out of which 2% will be credited to IPF and 0.5% will be credited to the counter party.
		Additionally, 4% of DDR as a replacement cost will be charged from defaulting buyer out of which 90% will be given to the counter party and 10% will be retained by the Exchange as administrative expenses.
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 Exchange.
Extension of delivery period		Exchange may decide to extend the delivery period in case of a force majeure.
Applicability of Business Rules		The general provisions of Byelaws, Rules and Regulations of Exchange and decisions taken by Forward Markets Commission, Board of Directors and Executive Committee of the Exchange in respect of matters specified above will form an integral part of this contract. The Exchange as the case may be, further prescribes additional measures relating to delivery procedures, warehousing, quality certification, margining, risk management from time to time with prior approval of the FMC.