



## Silver

### Contract Qualifications

<b>Contract Symbol</b>		SILVERDDMMYY (SILVER01MAY11)
<b>Underlying Commodity</b>		SILVER
<b>Contract Size /Trading Unit</b>		30 Kg
<b>Quotation/Base Value</b>		Rs. per 1 Kg
<b>Price Quote</b>		Ex-Ahmedabad. Price Quote is inclusive of all taxes and levies relating to customs and import duty. Sales Tax/VAT, surcharge on VAT/Sales Tax, if any, local taxes and octroi are excluded from price quote.
<b>Tick Size</b>		Re. 1 per 1 Kg
<b>Trading Sessions (IST)</b>	<b>Monday to Friday</b>	10.00 a.m. to 11.30 p.m.  Evening trading session may be extended following the US Daylight Saving Time Schedule as per the directives issued by the FMC in this regard
	<b>Saturday</b>	10.00 a.m. to 2.00 p.m.
<b>Contracts Schedule</b>		
<b>Trading available from</b>		<b>Expiry Month</b>
2 <sup>nd</sup> July, 2011		1 <sup>st</sup> March, 2012
2 <sup>nd</sup> September, 2011		1 <sup>st</sup> May, 2012
2 <sup>nd</sup> December, 2011		1 <sup>st</sup> July, 2012
2 <sup>nd</sup> March, 2012		1 <sup>st</sup> September, 2012
2 <sup>nd</sup> May, 2012		1 <sup>st</sup> December, 2012
<b>Last Trading Day(Expiry Day)</b>		Trading terminates at the close of business hours on the 1 <sup>st</sup> business day of the contract expiry month.  For Example, January contract will expire on 1 <sup>st</sup> January. In case, the 1 <sup>st</sup> day of the contract month falls on a holiday or Saturday then the expiry day will be the succeeding working day.  For Example, if 1 <sup>st</sup> January falls on Saturday then the expiry (Last Trading) day will be 3 <sup>rd</sup> January since 2 <sup>nd</sup> January is Sunday.



<b>Daly Price Limit (DPL)</b>		DPL is (+/-) 4% expandable up to (+/-) 6% without cooling period and (+/-) 9% with 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. In case International Price volatility is more than (+/-) 9%, DPL may be further relaxed in steps of 3% with the approval of FMC.
<b>Risk Parameters</b>	<b>Initial Margin</b>	5%
	<b>Special Margin</b>	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.
	<b>Regulatory Margin</b>	In addition to the above margins, the Regulator/ Exchange may impose additional margins on long and/or short side at such other percentage, as may deem fit and proper where there is one side market movement. Removal of such Margins will be at the discretion of the Regulator/Exchange.
	<b>Maximum Order Size</b>	750 Kg.
	<b>Maximum Allowable Open Position</b>	As per FMC Guidelines, presently it is 60 MT for individual client in all Silver contracts and for a member, it is 300 MT for all his clients in all Silver contracts or 15% of the total market-wide open positions whichever is higher.
<b>Quality Specification</b>		<b>Parameter</b>
		<b>Basis</b>
		Fineness and Grade
		Serially numbered Silver bars supplied by Exchange approved Refineries which includes LBMA approved Refineries also, to be accepted for delivery.
<b>Premium (P)/Discount (D)</b>		No premium and discount is allowed. Quality below 999 purity shall not be accepted for delivery.
<b>Delivery Logic</b>		Compulsory Delivery

### Settlement Schedule and Delivery Process

<b>Delivery Unit</b>	30 Kg.
<b>Tolerance Limit</b>	The tolerance limit will be 10 % (i.e. +/- 3 kg). The weight of Silver



		bar must be between 27 kg to 33 kg.
<b>Tender period</b>		<p>Preceding three business days of contract expiry day excluding Saturday and next working day after the contract expiry day.</p> <p>Explanation: Three businesses (Working) days include expiry day and there will be no tender of goods on Saturday though trading will continue.</p> <p>For Example: If the last trading day falls on Monday then the 1<sup>st</sup> tender day will be preceding Thursday.</p>
<b>Seller's /Buyer's Intentions</b>		On tender days by 6.00 p.m.
<b>Tender notice</b>		By 6.00 p.m. on tender days. Seller has to submit tender notice along with vault receipt to the Exchange.
<b>Dissemination of Information</b>		The Exchange will inform members through TWS regarding tender notice of seller members by 7.00 p.m. on the respective tender days.
<b>Risk Parameters</b>	<b>Tender Period Margin</b>	8% margin will be imposed on incremental basis for all outstanding positions during last three days including contract expiry day.
	<b>Delivery Margin</b>	Delivery margin of 24% in addition to the total margin taken shall be charged on the day the delivery is marked.
<b>Exemption from Tender and Delivery period Margin</b>		Tender and Delivery Period Margin is exempted for sellers on receipt of documentary evidence i.e. Vault Receipt of tendering delivery with the Exchange during tender days.
<b>Main Delivery Centre</b>		Exchange designated vault at Ahmedabad, which will be notified to the members separately.
<b>Additional Delivery Centre</b>		N.A.
<b>Packaging /Form</b>		Bar bearing a serial number and identifying stamp of a refiner approved and listed by the Exchange.
<b>Communication with Exchange</b>		Hand Delivery, Fax, Courier or any other mode as may be notified by the Exchange from time to time.
<b>Delivery</b>	<b>Allocation</b>	During tender days as per Settlement/Closing price and on the expiry day of the contract as per CCR.
	<b>Period</b>	Last three business days excluding Saturday of contract expiry day and next working day after the contract expiry day.
	<b>Pay-In</b>	<p>On any tender days by 6.00 p.m. except Saturdays, Sundays and Trading Holidays.</p> <p>Marking of delivery will be done on the tender days after trading hours based on the intentions, Vault receipts received from the</p>



		sellers, if required. On expiry, all the open positions shall be marked for delivery. Delivery pay-in for the delivery marking on expiry day will be on E + 1 basis by 11.00 a.m. "E" means Expiry day.		
	<b>Pay-Out</b>	T+1 working day	Time	04.00 p.m.
<b>Fund</b>	<b>Pay-In</b>	T+1 working day	Time	03.00 p.m.
	<b>Pay-Out</b>	T+1 working day	Time	04.00 p.m.
<b>Taxes, Duties, Cess and Levies</b>		Inclusive of all taxes and levies relating to customs and import duty. Sales Tax/VAT, surcharge on VAT/Sales Tax, if any, local taxes and octroi are excluded. Seller will raise the invoice in favor of the buyer and the amount of VAT/Sales Tax shall be debited to buyers account and will be credited to sellers account.		
<b>Contract Closing Rate(CCR)</b>		Contract Closing Rate is calculated on last trading day of the contract expiry month. This is calculated by way of taking simple average of spot price of last 3 days of the spot market of Ahmedabad.		
<b>Applicability for Odd Lot</b>		NA		
<b>Physical Delivery Related Charges (Vault and Insurance Charges)</b>		Seller will pay the charges up to pay-out date and Buyer will pay subsequent charges.		
<b>Delivery Location of Underlying</b>		The buyer will accept the delivery from the Vault as allocated by the Exchange.		
<b>Sampling and analysis at the time of delivery</b>		All bars delivered must be the product of an Approved Refinery/Producer as notified by the Exchange.		
<b>Buyer's Objection to take delivery</b>		At the time of taking delivery, if the buyer is not satisfied with the goods regarding quality, he can insist for assaying by any of the approved assayers available at that center. The detailed procedure will be notified separately.		
<b>Penal Provision</b>	<b>Seller's Default</b>	A penalty of 2.5% on Contract Closing Rate 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 CCR 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.		
	<b>Buyer's Default</b>	A penalty of 2.5% on Contract Closing Rate 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 CCR 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.
<b>Delay in Timely Execution of Delivery related Documentation</b>	Penalty for delay in timely execution of delivery related document (invoice details, delivery related form) shall be communicated separately by the Exchange.
<b>Extension of delivery period</b>	Exchange may decide to extend the delivery period in case of any force majeure.
<b>Applicability of Rules</b>	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 Vaults, 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.