



Silver 5 Kg

Contract Qualifications

Contract Symbol		SILVER5KGDDMMYY (SILVER5KG01MAR11)
Underlying Commodity		SILVER5KG
Contract Size /Trading Unit		5 Kg
Quotation/Base Value		Rs. per 1 Kg
Price Quote		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.
Tick Size		Re. 1 per 1 Kg
Trading Sessions (IST)	Monday to Friday	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.
	Saturday	10.00 a.m. to 2.00 p.m.
Contracts Schedule		
Trading available from		Expiry Month
2 nd July, 2011		1 st March, 2012
2 nd September, 2011		1 st May, 2012
2 nd December, 2011		1 st July, 2012
2 nd March, 2012		1 st September, 2012
2 nd May, 2012		1 st December, 2012
Last Trading Day(Expiry Day)		Trading terminates at the close of business hours on the 1 st business day of the contract expiry month. For Example, January contract will expire on 1 st January. In case, the 1 st 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 st January falls on Saturday then the expiry (Last Trading) day will be 3 rd January since 2 nd January is Sunday.



Daily Price Limit (DPL)		The Daily 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	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 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.
	Maximum Order Size	750 Kg.
	Maximum Allowable Open Position	As per FMC Guidelines, presently it is 60 MT for individual client in all Silver contracts (Presently Silver and Silver 5 Kg) 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.
Quality Specification		Parameter
		Basis
		Fineness and Grade
		Serially numbered Silver bars supplied by Exchange approved Refineries which includes LBMA approved Refineries also, to be accepted for delivery.
Premium (P)/Discount (D)		No premium and discount is allowed. Quality below 999 purity shall not be accepted for delivery.
Delivery Logic		Both Option



Settlement Schedule and Delivery Process

Delivery Unit		5 Kg.		
Tolerance Limit		The tolerance limit will be 10 % (i.e. +/- 500 gms). The weight of Silver bar must be between 4.5 kg to 5.5 kg.		
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 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 Information		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 Contract Closing Rate (CCR).		
Risk Parameters	Delivery Margin	Delivery margin of 24% minus the total margin taken shall be charged on the day the delivery is marked.		
Exemption from Tender and Delivery period Margin		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.		
Main Delivery Centre		Exchange designated vault at Ahmedabad		
Additional Delivery Centre		NA		
Packaging /Form		Bar bearing a serial number and identifying stamp of a refiner approved and listed by the Exchange.		
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 of the contract as per CCR.		
	Period	Three business days after the contract expiry day.		
	Pay-In	On any tender days 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	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.
Contract Closing Rate(CCR)	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.
Applicability for Odd Lot	NA
Physical Delivery Related Charges (Vault and Insurance Charges)	Seller will pay the charges up to pay-out date and Buyer will pay subsequent charges.
Delivery Location of Underlying	The buyer will accept the delivery from the Vault as allocated by the Exchange.
Sampling and analysis at the time of delivery	All bars delivered must be the product of an Approved Refinery/Producer as notified by the Exchange.
Buyer's Objection to take delivery	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.
Penal Provision	Seller's Default
	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.
	Buyer's Default
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.	
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	Exchange may decide to extend the delivery period in case of any



	force majeure.
Applicability of Rules	<p>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.</p>