

Raw Jute

Contract Qualifications

Contract Symbol		RAWJUTEDDDMMYY (RAWJUTE25MAY10)
Underlying Commodity		RAW JUTE
Contract Size /Trading Unit		10 MT
Quotation/Base Value		Rs. / Quintal
Price Quote		Ex- Kolkata inclusive of market cess and brokerage and exclusive of all taxes for TD4 grade – FAQ general quality
Tick Size		50 Paise
Trading Hours (IST)	Monday to Friday	10.00 a.m. to 5.00 p.m.
	Saturday	10.00 a.m. to 2.00 p.m.
Contracts Schedule		
Trading available from		Expiry Month
16 th August 10		25 th September 10
16 th August 10		25 th October 10
16 th August 10		25 th November 10
26 th September 10		25 th December 10
Last Trading Day(Expiry Day)		Trading terminates at the close of business hours on 25 th business day of the contract expiry month. For Example, January contract will expire on 25 th January. In case, 25 th day of the contract month falls on a holiday then the expiry day will be the preceding working day i.e. 24 th January
Circuit Breaker (CB)		Circuit Breaker is (+/-) 3% extended by +/- 1% up to (+/-) 4% provided a cooling period of 15 minutes when the trade hits the prescribed CB. CB is directly correlated with Reference Price or Previous Day's Closing price. The system shall not permit the trade beyond the revised limit of (+ / -) 4% during the day.
Risk Parameters	Initial Margin	5%
	Special Margin	When there is market 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 till 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 deemed fit where there is one side market movement. Removal of such Margins will be at the discretion of the Regulator/Exchange.

	Maximum Order Size	100 MT	
	Maximum Allowable Open Position	For individual client 8,000 MT and for a member collectively for all clients 24,000 MT or 15% of the market-wide open position, whichever is higher.	
		For near month contract	
		For individual client 1,600 MT and for a member collectively for all clients 4,800 MT or 15% of the market-wide open position, whichever is higher.	
Quality Specification (TD4 Grade – FAQ General Quality)	Parameter	Basis	
	Strength	Fairly average	
	Defects	Free from major defects and not more than 20% fibers should contain specks and loose sticks.	
	Root Content, % by Mass, Max	15%	
	Color	Light grey to copper color	
	Fineness	Fiber well separated	
	Density	Medium Bodied	
	Moisture	July – September, Max	22%
October – December, Max		20%	
January – June, Max		18%	
Premium (P)/Discount (D)	Parameter	Acceptable Range	Premium (P)/Discount (D)
	Moisture – (July – Sept)	22% to 24%	D of 1% on incremental basis
	Moisture – (Oct – Dec)	20% to 22%	D of 1% on incremental basis
	Moisture – (Jan – June)	18% to 20%	D of 1% on incremental basis
Delivery Logic	Compulsory Delivery		

Settlement Schedule and Delivery Process

Delivery Unit		10 MT		
Tolerance Limit		(+/-) 2% i.e. 200 Kg. Delivery will be accepted in the range of 9.800 MT to 10.200 MT.		
Tender period		From E-4 to E+1, “E” means expiry day.		
Tender notice		By 6.00 p.m. on tender days. Seller has to submit tender notice along with warehouse receipt and quality certificate to the Exchange.		
Risk Parameters	Tender Period Margin	5% margin will be imposed on incremental basis for all outstanding positions during last five days including contract expiry day		
	Delivery Margin	Delivery margin of 25% minus the total margin taken shall be charged on the day delivery is marked.		
Exemption from Tender and Delivery period Margin		Tender and Delivery period margin is exempted on receipt of documentary evidence i.e. warehouse receipt and quality certificate.		
Main Delivery Centre		Kolkata (within the radius of 50 km from the municipal limits) - Exchange designated warehouse or Seller’s godown		
Additional Delivery Centre		NA		
Location Premium/Discount		NA		
Packaging		Raw Jute delivered shall be packed in form of Bales. The minimum weight of Jute bale should not be less than 149.00 Kg.		
Delivery	Allocation	On the expiry day of the contract after closing of market.		
	Period	Three working days after the contract expiry day.		
	Pay-In	On any day during tender period 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		<p>The seller will pay Sales Tax or VAT, whichever is applicable and the seller will issue invoice in the name of the buyer, reflecting the Sales tax or VAT paid by him. In case of Inter state movement, buyer has to submit requisite forms or pay CST as applicable. Post lifting delivery charges are borne by the buyer.</p> <p>Seller has to submit documentary evidence about payment of market cess to the Exchange along with delivery documents (Warehouse Receipt and Quality Certificate).</p>		
Contract Closing Rate(CCR)		All the outstanding positions shall be marked delivery at Contract Closing Rate which shall be calculated by taking simple average of last three days spot price of contract expiry. Exchange shall poll the spot price from the different entities involved in the value chain of the commodity.		
Applicability for Odd Lot		NA.		
Physical Delivery Related Charges (Warehouse and Insurance Charges)		Seller will pay the charges up to pay-out date and Buyer will pay subsequent charges.		

Endorsement of Delivery favoring client	On receipt of delivery order, the original buyer member would be responsible for any endorsement in favor of his client.
Delivery Grade and Location of Underlying	The buyer will not have any option to select a particular grade and the delivery location offered by the seller and allocated by the Exchange shall be binding on him.
Sampling and analysis at the time of delivery	In case the buyer does not agree to the quality of the commodity, he shall opt for his own sampling under intimation to the Exchange in writing within 48 hours of the pay-out date.
Sampling procedure	The Bureau of Indian Standards procedure or the procedure as prescribed by the Exchange shall be followed for drawing and analysis of samples. In case, the analysis report of the buyer is as per the seller's analysis report then the buyer has to take out the goods from the warehouse. If there do any difference, the buyer and seller may settle the same on mutual understanding. In case, both the parties do not agree to settle then Exchange will appoint third assayer whose report is final and binding to all.
Penal Provision	Seller's Default
	Buyer's Default
Delay in Timely Execution of Delivery related Documentation	A penalty of 3% on Contract Closing Rate will be imposed on defaulting seller out of which 1.75% will be credited to IPF, 1% will be credited to the counter party and 0.25 will be retained with the Exchange. In addition to the above, seller will also pay the differential amount of the following. Average of highest spot price of any three days of five succeeding days after expiry of the contract and CCR, in case CCR is lower than the average spot price.
Extension of delivery period	The buyer will have to compulsorily take the delivery of goods and make payment. Failing which, the Exchange will auction out such goods in the market at the risk and cost of the buyer. The auction procedure and the penal provision shall be notified separately.
Applicability of Business Rules	Penalty for delay in timely execution of delivery related document (invoice details, delivery related form) shall be communicated separately by Exchange. As per the Exchange decision due to a force majeure or otherwise.
	The general provisions of Byelaws, Rules and Regulations of the 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.