

**Contract Specifications of Gold**

<b>Symbol</b>	GOLD
<b>Description</b>	GOLDMMYY
<b>Contracts available for trading:</b>	
February Contract	16 <sup>th</sup> February of previous year to 5 <sup>th</sup> February of the contract year
April Contract	16 <sup>th</sup> April of the previous year to 5 <sup>th</sup> April of the contract year
June Contract	16 <sup>th</sup> June of the previous year to 5 <sup>th</sup> June of the contract year
August Contract	16 <sup>th</sup> August of the previous year to 5 <sup>th</sup> August of the contract year
October Contract	16 <sup>th</sup> October of the previous year to 5 <sup>th</sup> October of the contract year
December Contract	16 <sup>th</sup> December of the previous year to 5 <sup>th</sup> December of the contract year
<b>Trading</b>	
<b>Trading period</b>	Mondays through Saturdays
<b>Trading session</b>	Mondays to Friday: 10.00 a.m. to 11.30 p.m. Saturday: 10.00 a.m. to 2.00 p.m.
<b>Trading unit</b>	1 kg
<b>Quotation/ Base value</b>	10 grams
<b>Price quote</b>	Ex-Ahmedabad (inclusive of all taxes and levies relating to import duty, customs but excluding sales tax and VAT, any other additional tax or surcharge on sales tax, local taxes and octroi)
<b>Maximum order size</b>	10 kg
<b>Tick size (minimum price movement)</b>	Re. 1 per 10 grams
<b>Daily price limit</b>	The base price limit will be 3%. Whenever the base daily price limit is breached, the relaxation will be allowed upto 6% without any cooling off period in the trade. In case the daily price limit of 6% is also breached, then after a cooling off period of 15 minutes, the daily price limit will be relaxed upto 9%. In case price movement in international markets is more than the maximum daily price limit (currently 9%), the same may be further relaxed in steps of 3% with the approval of FMC.

<b>Initial margin</b>	4%
<b>Special Margin</b>	In case of additional volatility, a special margin at such percentage, as deemed fit, will be imposed on both buy and sale side in respect of all outstanding positions, which will remain in force till volatility persists, after which the special margin will be relaxed.
<b>Maximum allowable open position</b>	For individual client: 2 MT for all Gold contracts combined together For a member collectively for all clients: 6 MT for all Gold contracts combined together or 15% of the market-wide open position, whichever is higher (As per FMC letter no. 6/3/2006/MKT-II (VOL II) dated August 18, 2006)
<b>Delivery</b>	
<b>Delivery unit</b>	1 kg
<b>Delivery period margin</b>	25% of the value of the open position during the delivery period
<b>Delivery center(s)</b>	Ahmedabad and Mumbai at designated Clearing House facilities of Group 4 Securitas at these centers and at additional delivery centers at Chennai, New Delhi and Hyderabad (for procedure please refer circular no. MCX/198/2005).
<b>Quality Specifications</b>	995 purity It should be serially numbered Gold bars supplied by LBMA approved suppliers or other suppliers as may be approved by MCX to be submitted alongwith supplier's quality certificate.
<b>If the seller offers delivery of 999 purity</b>	Seller will get a proportionate premium and sale proceeds will be calculated in the manner of Rate of delivery* 999/ 995 If the quality is less than 995, it is rejected.
<b>Delivery Logic</b>	Compulsory

### Delivery and Settlement Procedure of Gold Contracts

<b>Delivery logic</b>	<b>Compulsory Delivery</b>
<b>Last Day of Trading</b>	5 <sup>th</sup> Day of contract expiry month
<b>Tender period</b>	1 <sup>st</sup> to 6 <sup>th</sup> day of the contract expiry month.
<b>Delivery period</b>	1 <sup>st</sup> to 6 <sup>th</sup> day of the contract expiry month.
<b>Buyer's Intention</b>	On 1 <sup>st</sup> , 2 <sup>nd</sup> , 3 <sup>rd</sup> and 4 <sup>th</sup> of the contract expiry month
<b>Tender notice by seller</b>	The seller will issue tender notice along with evidence of delivery (Vault Receipt, Packing List, Certificate etc) to the Exchange in a specified format by 6:00 p.m. during weekdays and on Saturdays by 12:00 noon.
<b>Dissemination of information on tendered delivery and buyers interest</b>	The Exchange will inform members through TWS regarding tender notice and delivery intentions of the seller's members and the buyers respectively by 7.00 p.m. on the respective tender days and on Saturdays by 1:00 p.m.
<b>Tender Period Margin</b>	5% incremental margin for last 5 days on all outstanding positions. Such margin will be addition to initial, additional and special margin as applicable.
<b>Delivery Period Margin</b>	25% on the marked quantity.
<b>Exemption from Tender and Delivery Period Margin</b>	Tender & Delivery Period margin is exempted if goods tendered on designated tender days of the contract month and seller submits all the documentary evidence.
<b>Delivery Pay-in</b>	<p><b><u>On Tender Days:</u></b> On any tender days by 6.00 p.m. during week days and by 12.00 pm. on Saturdays except Sundays and Trading Holidays. Marking of delivery will be done on the tender days based on the intentions received from the sellers after the trading hours.</p> <p><b><u>On Expiry:</u></b> On expiry all the open positions shall be marked for delivery. Delivery pay-in will be on E + 1 basis by 11.00 a.m. except Saturdays, Sundays and Trading Holidays.</p>
<b>Funds Pay-in</b>	T+1 working day by 11.00 a.m. ("T" stands for tender day)
<b>Funds Pay-out</b>	T+1 working day by 05.00 p.m.
<b>Delivery Pay-out</b>	T+1 working day after completion of Funds Pay-in
<b>Mode of communication</b>	Fax or courier
<b>Penal Provision</b>	<p>A penalty of 2.50% of DOR will be imposed on defaulting buyer / seller out of which 2.00% will be credited to IPF and 0.50% will be credited to the counter party.</p> <p>Additionally, 4.00% of DOR as a replacement cost will be charged from defaulting buyer / seller out of which 90% will be given to the counter party and 10% will be retained by the Exchange as administrative expenses.</p>

<b>Allocation of delivery</b>	On the respective tender days after the end of the day
<b>Delivery order rate (DOR)</b>	Settlement/closing price on the respective tender days except on expiry date. On expiry date the delivery order rate shall be the Due Date Rate (DDR) and not the closing price.
<b>Buyer's obligation</b>	The buyer shall not refuse taking delivery and such refusal will entertain penalty as per the penal provision.
<b>Close out of outstanding positions</b>	All outstanding positions on the expiry of contract, not settled by way of delivery in the afore said manner, will be settled as per the due date rate with penalty as per penal provisions.
<b>Verification by the Buyer at the time of release of delivery</b>	At the time of taking delivery, the buyer can check his delivery in front of Group 4 personnel. If he is satisfied with the quantity, weight and quality of material, then he will issue receipt instantly. If he is not satisfied with the quality, he can insist for assaying by any of the approved assayers available at that center. If the buyer chooses for assaying, Group 4 person will carry the goods to the assayers facilities, get it assayed and bring it back to Group 4 facilities along with assayer's certificate. If the assayer's certificate differs from the certificate submitted by the seller in respect of quality or weight materially, then the buyer and seller have to mutually negotiate the final settlement proceeds within 1 day from receipt of assayer's report, however if they do not agree on any mutually acceptable amount within 1 day, then the Exchange will send the goods to a second assayer and in that case, the report received from such assayer will be final and binding on both buyer and seller. The cost of first assaying as well as cost of transportation from Group 4 to assayer's facilities to and fro will be born by the buyer, while the cost of second assaying, if any, will be equally divided between the buyer and seller. The vault charges during such period of first and second assaying, if any, will be borne by both the buyers and sellers equally. If the buyer does not opt for assaying at the time of lifting delivery, then he will not have any further recourse to challenge the quantity or quality subsequently and it will be assumed that he has received the quantity and quality as per the bill made by the seller.
<b>Delivery Centers</b>	Ahmedabad and Mumbai at designated Clearing House facilities of Group 4 Securitax at these centers and at additional delivery centers at Chennai, New Delhi and Hyderabad (for procedure please refer circular no. MCX/198/2005).
<b>Legal obligation</b>	The members will provide appropriate tax forms wherever required as per law and as customary and neither of the parties will unreasonably refuse to do so.
<b>Taxes, duties, cess and levies</b>	Ex-Ahmedabad.  Inclusive of all taxes / levies relating to import duty, customs but excluding Sales Tax / VAT, any other additional tax or surcharge on sales tax, local taxes and Octroi.
<b>Vault, 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>Evidence of stocks in possession</b>	At the time of issuing delivery order, the Member must satisfy the Exchange that he holds stocks of the quantity and quality specified in the Delivery Order at the declared delivery center by producing vault receipt.
<b>Validation Process</b>	<p>On receipt of delivery, the Group 4 personnel will do the following validations:</p> <ol style="list-style-type: none"> <li>a. Whether the person carrying Gold is the designated clearing agent of the member.</li> <li>b. Whether the selling member is the bonafide member of the Exchange.</li> <li>c. Whether the quantity being delivered is from Exchange approved refinery.</li> <li>d. Whether the serial numbers of all the bars is mentioned in the packing list provided.</li> <li>e. Whether the original certificates are accompanied with the Gold Bars</li> </ol> <p>Any other validation checks, as they may desire.</p>
<b>Delivery Process</b>	<p>In case any of the above validation fails, the Group 4 Securitas will contact the Exchange office and take any further action only as per instructions received from the Exchange in writing. If all validations are through, then the Group 4 Securitas personnel will put the Gold in the vault. Then the custodian of Group 4 will cut a serially numbered Group 4 receipt (in triplicate consisting of White, Pink and Yellow slips), get the signature of the seller's clearing agent and sign the same for authorization, hand over the Yellow Colour slip to seller's clearing agent, send by courier the third copy (Pink Colour slip), while retaining the White for the records of Group 4 Securitas. Group 4 in front of the selling member's clearing agent will deposit the said metal into their vault.</p>
<b>Quality Adjustment</b>	<p>The price of gold is on the basis of 995 purity. In case a seller delivers 999 purity, he would get a premium. In such case, the sale proceeds will be calculated by way of delivery order rate * 999/ 995</p>
<b>Procedure of taking delivery from the Vault</b>	<p>For the purpose of taking delivery of goods fully or partially, the Member shall send to the Exchange an Authority letter on his letter head, authorising a representative on his behalf to take the delivery. The Authority letter sent by the Member shall consist of the following details:</p> <ol style="list-style-type: none"> <li>a. Name of the authorised representative.</li> <li>b. Name of the Commodity along with quantity.</li> <li>c. Name of the Vault along with the location.</li> <li>d. Signature of the authorised representative.</li> <li>e. Proof of Identity viz. PAN card, driving license, Election ID.</li> <li>f. Photo identity proof duly attested by the Member.</li> </ol> <p>The above-mentioned details are required to be sent to the Exchange. Once the Exchange receives the above-mentioned details, the Exchange will send Delivery Order (DO) to the Vault authorities directly.</p>

	<p>Based on the Delivery Order received, the Vault will issue the requested quantity to the authorised representative who has to present himself personally at the Vault along with the requisite photo identity proof in original, the copy of which was sent / communicated to the Exchange by its Member.</p> <p>The Vault officials will, upon final scrutiny/checking of the identity, deliver goods to the representative of the Member. The Vault officials in case of any discrepancy or doubt or any other reason may refuse to issue the goods to the representative under the intimation to the Exchange.</p> <p>The delivery given to the representative shall be final &amp; binding to the Member and their constituents at all times.</p>
<b>Deliverable grade of underlying commodity</b>	The selling members tendering delivery will have the option of delivering such grades as per the contract specifications. The buyer has no option to select a particular grade and the delivery offered by the seller and allocation by the Exchange shall be binding on him.
<b>Endorsement of delivery order</b>	The buyer member can endorse delivery order to a client or any third party with full disclosure given to the Exchange. Responsibility for contractual liability would be with the original assignee.
<b>Extension of delivery period</b>	As per Exchange decision due to a force majeure or otherwise.
<b>Due date rate (DDR)</b>	DDR is calculated on 5 <sup>th</sup> day of the contract month. This is calculated by way of taking simple average of last 5 days of the spot market of Ahmedabad.
<b>Applicability of Business Rules</b>	<p>The general provisions of Byelaws, rules and Business Rules 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 and integral part of this contract. The Exchange or FMC as the case may be further prescribe additional measures relating to delivery procedures, warehousing, quality certification, margining, risk management from time to time.</p> <p>The buyer shall have to lodge their claim against quality of goods / delivery allocated to them, if any, within 48 hours from the date of scheduled pay out of the Exchange and failing which, no claim shall be entertained by the Exchange thereafter. (The interpretation or clarification given by the Exchange on any terms of this contract shall be final and binding on the members and others.)</p>