MCX METAL & ENERGY

Trade with Trust

Annexure 1

Contract Specifications of Gold Guinea

Symbol	GOLDGuinea
Description	GOLDGuineaMMYY
Contracts available for trading: As per Contract Launch Calendar at Appendix	
Trading	
Trading period	Mondays through Saturdays
Trading session	Monday to Friday: 10.00 a.m. to 11.55 p.m. Saturday: 10.00 a.m. to 2.00 p.m.
Trading unit	8 grams
Quotation/Base Value	8 grams
Price Quote	Ex-Ahmedabad (inclusive of all taxes and levies relating to import duty, customs, but excluding Sales Tax/ VAT, any other additional tax or surcharge on sales tax, local taxes and octroi)
Maximum order size **Tick size (minimum price movement)**	10 kg Re. 1 per 8 grams
Daily price limits	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.*
Initial margin	4%
Special Margin	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.

Maximum Allowable Open Position	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)
	Delivery
Delivery unit **Delivery Period margin**	8 grams and in multiples thereof 25%
Delivery center(s)	G4 Securitas at Ahmedabad and at additional delivery centers at New Delhi, Mumbai, Hyderabad, Bangalore, Chennai and Kolkata.
Quality Specifications	999 purity, It should be serially numbered Gold Guinea supplied by LBMA approved suppliers or other suppliers as may be approved by MCX, to be submitted alongwith supplier's quality certificate
Delivery Logic	Compulsory

Appendix

Contract Launch Calendar of Gold Guinea

Contract Months	**Contract Launch and Expiry dates**
July 2010	On approval of Commission to 31st July of the contract year
August 2010	On approval of Commission to 31st August of the contract year
September 2010	1st June to 30th September of the contract year
October 2010	1st July to 31st October of the contract year
November 2010	1st August to 30th November of the contract year
December 2010	1st September to 31st December of the contract year

Annexure 2

Delivery and Settlement Procedure of Gold Guinea

Last day of trading	Last day of the contract expiry month
Tender Period	5 preceding days before the contract expiry month.
Delivery Period	Two working day after the contract expiry
Tender Period Margin	5% incremental margin for last 5 days on all outstanding positions. Such margin will be addition to initial, additional and special margin as applicable
Pay-in of commodities (delivery by seller member)	On Expiry day +1 basis by 5.00 p.m. except Saturdays, Sundays and Trading Holidays. On expiry all the open positions shall be marked for delivery.
Funds Pay-in	By 11.00 a.m. on Expiry day +2 basis
Delivery Pay-out	E+2 working days by 5.00 p.m.
Pay-out of Funds	E+2 working days after 2.00 p.m.
Packaging	Gold Guinea with tamper proof only.
Delivery logic **Mode of communication**	Compulsory Delivery. Any seller having open position on the expiry date fails to deliver then the penalty as per the penal provision will b e imposed to the defaulting seller. Fax or courier
Delivery Period Margin	25% on marked quantity.
Exemption from margin during delivery period	Margin is exempted on receipt of documentary evidence (viz., Vault receipt and Quality Certificate) of tendering delivery with the Exchange approved delivery centre.
Penal Provision	A penalty of 2.5% of DDR will be imposed on defaulting buyer / 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 buyer / seller out of which 90% will be given to the counter party and 10% will be retained by the Exchange as administrative expenses.
Allocation of delivery	As per the DDR on the expiry day.
Delivery Centers	Group 4 Securitas at Ahmedabad and at additional delivery centers at New Delhi, Mumbai, Hyderabad, Bangalore, Chennai and Kolkata.
Procedure for taking delivery at additional delivery centre s	1. Submission of intention by the buyers to take delivery at the additional delivery centre by 3:00 pm on 5 calendar days prior to the contract expiry month. If it falls on Saturday, Sunday or any other trading holiday it will be one day prior. 2. Exchange will broadcast on the Trader Work Station about the total quantity and delivery centre, where the buyers are interested to take the delivery on the day intention received. 3. Sellers interested to give delivery at such additional delivery centre, may send their intention to the Exchange 5 calendar days prior to the contract expiry

	month. If it falls on Saturday, Sunday or any other trading holiday it will be one day prior. Delivery will be possible only if intention of the buyers and sellers matches for that additional delivery centre. 4. If intention of the buyers and sellers does not match, the delivery will be considered only at the base delivery centre i.e. Ahmedabad. 5. Buyers to be informed about allocation of delivery at additional delivery centre. (On confirmation by the Exchange, neither seller nor buyer to withdraw from their commitment and if so it will be treated as non-fulfillment of their commitment and in such case penal provision as mentioned above shall be applicable. 6. Taxes will be applicable on respective states where the delivery is taking place.
Deliverable grade of underlying commodity	Not Applicable
Buyer's obligation	The buyer shall not refuse taking delivery and such refusal will entertain penalty as per the penal provision.
Close out of outstanding positions **Verification by the Buyer at the time of release of delivery**	All outstanding positions on the expiry of contract, not settled by way of delivery in the aforesaid manner, will be settled as per the due date rate with penalty as per penal provisions. 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 assayer's 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 born 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.

Validation Process	On receipt of delivery, the Group 4 personnel will do the following validations: a. Whether the person carrying Gold Guinea is the designated clearing agent of the member. b. Whether the selling member is a bonafide member of the Exchange. c. Whether the quantity being delivered is from Exchange approved refinery d. Whether the serial numbers of all the Gold Guinea is mentioned in the packing list provided along with gold Guinea certicard. Any other validation checks, as they may desire.
Delivery Process **Quality Adjustment**	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 Guinea in the vault. Then the custodian of Group 4 will issue appropriate receipt for having received the goods. Not Applicable
Procedure of taking delivery from the Vault	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: a. Name of the authorised representative. b. Name of the Commodity along with quantity. c. Name of the Vault along with the location. d. Signature of the authorised representative. e. Proof of Identity viz. PAN card, driving license, Election ID. f. Photo identity proof duly attested by the Member. 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. 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. 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. The delivery given to the representative shall be final & binding to the Member and their constituents at all times.

Taxes, duties, cess and levies	Ex-Ahmedabad. Inclusive of all charges / levies relating to import duty, customs to be borne by Seller. But excluding Sales Tax / VAT, any other additional tax or surcharge on sales tax, local taxes and octroi to be borne by the Buyer.
Endorsement of delivery order	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.
Vault, Insurance and Transportation charges	Borne by the seller till the date of pay-out of delivery and the buyer after the date of pay-out.
Extension of delivery period	As per Exchange decision due to a force majeure or otherwise.
Due date rate (DDR)	Exchange shall announce the DDR based on the Ahmedabad Spot price for Gold (10gms) 995 purity, which shall be converted to 999 purity (Gold Spot price 995 purity * 999/995), polled on the last day of the expiry of this Gold Guinea contract by around 5.00pm. The arrived spot price will be converted for 8 gms Gold Guinea (Gold spot price per 10 gms X 8/10). No trading shall be allowed after the declaration of DDR.
Making charges for taking Delivery	Buyer shall have to pay Rs. 200/- (over and above the DDR) per Gold Guinea as a making charges, which shall be paid to the seller.
Legal obligation	The members will provide appropriate tax forms wherever required as per law and as customary and neither of the parties (seller member and buyer member) will unreasonably refuse to do so.
Applicability of Business Rules	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 an integral part of this contract. The Exchange or FMC as the case may further prescribe additional measures relating to delivery procedures, warehousing, quality certification, margining, risk management from time to time. 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.)