

**Contract Specifications of Imported Thermal Coal**

<b>Symbol Description</b>	TCOAL TCOALMMYY
<b>Trading Months</b>	All Calendar Months for July 2010 to December 2010
<b>Duration of Contract</b>	4 months (4 near month contracts would be available for trading at any point of time)
<b>Last Trading Day</b>	Last Friday of contract month, or previous day, if this day is an international holiday
	<b>Trading</b>
<b>Trading period</b>	Mondays through Saturdays
<b>Trading session</b>	Mondays through Friday: 10.00 am 11.55 pm Saturday: 10.00 am to 2.00 pm
<b>Trading Unit</b>	100 MT
<b>Quotation/ Base Value</b>	Rs. /MT
<b>Price Quotation</b>	Ex-Chennai Sea Port (Excluding all taxes, levies and freight)
<b>Tick size (minimum price movement)</b>	Rs.1 per MT
<b>Daily price limits</b>	4%
<b>Initial margin</b>	5%
<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 clients: 200,000 MT For a member collectively for all clients: Not more than 15% of the market's open position in a contract at any point of time or 600,000 MT, whichever is higher.
	<b>Delivery</b>
<b>Delivery Logic</b>	Both Option
<b>Delivery Unit</b>	1000 MT (With tolerance of +/- 10%)
<b>Delivery Centre</b>	Ex- Chennai Sea Port, Tamilnadu, India
<b>Delivery Margin</b>	25% on the marked quantity
<b>Quality Specifications</b>	New Castle Thermal (Non Coking) coal with basis calorific value not less than 6000 kcal
<b>Due Date Rate</b>	Due date rate is calculated on the last trading day of the contract and is equal to the average New Castle thermal coal spot prices in the contract month (Ex-Chennai excluding all taxes, levies and freight) as available from Bloomberg and converted at the INR-USD rate prevailing on expiry.

**Imported Thermal Coal Contracts  
Available for Trading in 2010**

<b>Contract month</b>	<b>Launch date</b>	<b>Expiry date</b>
July 2010	27/3/2010	30/7/2010
August 2010	3/5/2010	27/8/2010
September 2010	29/5/2010	24/9/2010
October 2010	26/6/2010	29/10/2010
November 2010	31/7/2010	26/11/2010
December 2010	28/8/2010	31/12/2010

### Delivery and Settlement Procedure of Imported Thermal Coal

<b>Delivery logic</b>	<b>Both Option</b>
<b>Tender day</b>	1 <sup>st</sup> working day after expiry of contract
<b>Tender and delivery period</b>	1 <sup>st</sup> to 2nd working days after expiry of the contract.
<b>Buyer's and Seller's Intention</b>	On the contract expiry day by 6.00 p.m. Seller will submit copies of relevant documents as evidence that he is holding stock at the time of giving his intention.
<b>Mode of communication</b>	Fax / Courier
<b>Matching of Buyer's and Seller's intention</b>	On the basis of intention received from the buyers and sellers, the Exchange will match the total quantity offered by the buyers and sellers and with respect to the matched quantity, the allocation of delivery between the buyers and sellers will be done. The unmatched quantity of open position will be closed out as per DDR and actual delivery will be effected only to the extent of matched quantity.
<b>Dissemination of the information on delivery intention on TWS</b>	On the contract expiry day by 7.00 p.m.
<b>Delivery period margin</b>	25% margin will be imposed during tender and delivery period on both buyers and sellers on matched quantity.
<b>Exemption from delivery period margin</b>	Delivery period margin is exempted if the Seller provides documentary evidence of the delivery at the Exchange's designated delivery center.
<b>Delivery allocation</b> - Date - Rate	On expiry date of the Contract At due date rate (DDR)
<b>Delivery pay-in</b>	E+1 working day by 5.00 p.m. (E stands for expiry)
<b>Delivery pay-out</b>	E+2 working days by 5.00 p.m.
<b>Pay-in of funds</b>	E+2 working days by 11.00 a.m.
<b>Pay-out of funds</b>	E+2 working days after 2.00 p.m.
<b>Penal provisions</b>	<p>After getting (matching) intentions from the buyer and seller to take or give delivery, if any of the party fails to honour his obligations, a penalty of 2.5% of the DDR will be imposed on him.</p> <p>Additionally, a replacement cost of 4% of DDR will be recovered from the defaulting buyer / seller.</p> <p>Apportioning of the penalty:</p> <ul style="list-style-type: none"> <li>➤ 2% (i.e. 80% of penalty amount) will be credited to IPF</li> <li>➤ 0.5% (i.e. 20% of penalty amount) will be credited to the counter party</li> </ul> <p>While out of the replacement cost recovered 90% will be passed on to the counter party and 10% will be retained by the Exchange towards administrative expenses.</p>

<b>Taxes, Duties, Cess and Levies</b>	Ex-Chennai Sea Port, (Excluding all taxes, levies and freight)
<b>Due Date Rate</b>	Due date rate is calculated on the last trading day of the contract and is equal to the average New Castle thermal coal spot prices in the contract month (Ex-Chennai excluding all taxes, levies and freight) as available from Bloomberg and converted at the INR-USD rate prevailing on expiry.
<b>Odd lot Treatment</b>	Delivery will be effected only on delivery lot basis. In case there is any mismatch in the position of seller and buyer then delivery will not be matched and accordingly the position will be closed out at DDR and penalty to such buyer / seller will be levied a minimum penalty @5% of DDR. 90% of the penalty collected shall be passed on to the counter party while 10% will be appropriated by the Exchange.
<b>Adjustment of Transportation Cost Warehouse/ Storage, insurance and transportation Charges</b>	Not applicable  -Borne by the seller upto commodity pay-out date -Borne by the Buyer after commodity pay-out date
<b>Buyer's option for lifting of Delivery</b>	Buyer will not have any option about choosing the place of delivery and will have to accept the delivery as per allocation made by the Exchange.
<b>Delivery Center</b>	Ex- Chennai Sea Port, Tamilnadu, India
<b>Delivery Order</b>	Along with tender notice, Good delivery order will be submitted in specified format giving details of Members / Registered Non-Members who shall perform delivery. Each delivery order issued shall be in multiples of minimum delivery lots and shall be designated for only one delivery center and one location in such center. It should be accompanied with relevant documents. Delivery order once submitted cannot be withdrawn or cancelled or changed unless so agreed by MCX in writing. Members tendering the delivery order shall clearly specify the grade and shall be in conformity with the surveyor's certificate accompanied with the delivery document and cannot be changed subsequently.
<b>Delivery Grades</b>	The members tendering delivery will have the option of delivering such grade of goods as permitted by the Exchange under the contract specifications. The Buyer will not have any option to select a particular grade and the delivery offered by the seller and allocated 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 MCX. Responsibility for contractual liability would be with the original buyer member.
<b>Sampling and Analysis at the time of Delivery</b>	In case the buyer does not agree to the Surveyor's report as to the quality of the commodity, he shall desire for second sampling and intimate the Exchange in writing within 48 hours of the pay-out date.

<p><b>Sampling Procedure</b></p>	<p>The system of drawing of samples tendered for delivery will be as prescribed in the Bureau of Indian Standards procedure.. Three Samples shall be drawn as under:</p> <ul style="list-style-type: none"> <li>• First Sample – for the buyer</li> <li>• Second Sample – for the seller</li> <li>• Third Sample – for final reference, if necessary</li> </ul> <p>If the first sample collected by the Buyer and analyzed by the surveyor appointed by him, conforms to the specifications, then the goods tendered for delivery shall be accepted and no subsequent claims from the Buyer regarding quantum of rebate or any other indemnification shall be admissible nor sellers shall be obliged to pass any sealed samples to the Buyer if requested subsequently. The sampling methods to be adopted for analysis will be decided by the Exchange.</p>
<p><b>Failing of First Sample</b></p>	<p>If the first sample as examined by the buyer's surveyor fails to conform to the quality standards specified, the Buyer shall intimate the seller within 72 hours of collection of sealed sample along with a copy of the analyst's report. The seller shall immediately send the second sealed sample to an approved laboratory, which is also agreed by the buyer. The result of the same shall be binding on both the parties. In the event the Buyer and Seller do not mutually reach agreement with the results of the second sample test, then MCX shall send the third sealed sample to any one of the approved laboratories / surveyor, as decided by the Exchange.</p>
<p><b>Final Surveyor's Report</b></p>	<p>The analyst's report of the approved and agreed independent laboratory shall be forwarded by MCX to the parties immediately on receipt of the same. In such case, the final payment to the seller will be made on the basis of test report received by the Exchange pursuant to the third test. The Exchange will also direct the party, in whose favour the result is declared to collect the cost of tests and detention charges from the other party. In case the commodity stands rejected then it will tantamount to failure on the part of the seller to give delivery, which shall be closed out as per the Due Date Rate treating the same as shortage.</p>
<p><b>Obligations of the Independent Analyst</b></p>	<p>In order to ensure that tests are exactly comparable and that the results are consistent, the independent analyst shall determine the particular analytical test by applying the methods specified in relevant IS. The analyst shall be required to append a certificate to that effect to the analysis report issued by him.</p>
<p><b>Legal Obligation</b></p>	<p>The member will provide appropriate tax forms wherever required as per the law and as customary and neither of the parties will unreasonably refuse to do so.</p>
<p><b>Extension of Delivery Period</b></p>	<p>As per the Exchange decision due to a force majeure or otherwise.</p>

**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, and risk management from time to time. The buyer shall have to lodge their claim against quality of goods / delivery allocated to him / her, 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.)