



Multi Commodity Exchange of India Ltd.

Contract Specifications of IGold (weekly clearing) – Delhi Contract

Symbol	IGOLD
Description	IGOLDELDDMMYY
Contracts available for trading	
Duration of contracts	2 weeks
Commencement of the contracts	Wednesday every week. If Wednesday is a holiday, then subsequent working day
Maturity of the contracts	Tuesday Every week. If Tuesday is a holiday, then preceding working day
No of contracts available concurrently	2
Trading	
Trading period	Mondays through Saturdays
Trading session	Monday to Friday: 10.00 a.m. to 11.30 p.m. Saturday: 10.00 a.m. to 2.00 p.m.
Trading unit	1 Kg
Quotation/Base Value	10 grams
Price Quote	Ex-Delhi (inclusive of import duty but excluding Sales Tax / VAT)
Tick size (minimum price movement)	Re. 1 per 10 grams
Daily price limits	3%
Initial margin	4 %
Special Margin	In case of additional volatility, a special margin at such percentage, as deemed fit, will be imposed immediately on both buy and sale side in respect of all outstanding position, which will remain in force for next 2 days, after which the special margin will be relaxed.
Maximum Allowable Open Position	For individual client: 2 MT (i.e. including Gold and Gold HNI contracts) For a member collectively for all clients: 6 MT 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	1 Kg
Delivery margin	25%
Delivery center(s)	At designated Clearing House facilities of Group 4 Securities at Delhi
Quality Specifications`	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.
If the seller offers delivery of 999 purity	Seller will get a proportionate premium and sale proceeds will be calculated as under: Rate of delivery* 999/ 995 If the quality is less than 995, it is rejected.

Delivery and Settlement Procedure of IGold and IGold Mini (weekly clearing) Contracts

Delivery Logic	Compulsory Delivery. Any seller having open position on the expiry date fails to deliver on the next day then a penalty as per the penal provision will be imposed to the defaulting seller.
Tender and Delivery period	1 st working day after expiry of the contract.
Delivery Notice by Seller	The Seller will deposit gold bars with Group 4 Securities and also submit Delivery notice to the Exchange in a specified format. The Seller is also required to submit the certificate issued by the supplier in original.
Delivery Period margin	25% margin will be imposed on both Buyer and Seller
Exemption from Tender and Delivery Period Margin	Delivery Period margin is exempted if goods tendered on designated tender days of the contract month and seller submits all the documentary evidence to the Exchange.
Mode of Communication	Fax or Courier.
Delivery Order Rate	The delivery order rate shall be the DDR.
Delivery Pay-in	On E+1 working day by 6:00 pm. E means contract expiry day
Funds Pay-in	E+2 working days by 11.00 am
Funds Pay-out	E+2 working days by 5:00 pm
Delivery Pay-out	E+2 working day by 6:00 pm
Buyer's obligation	The buyer shall not refuse taking delivery and such refusal will entail penalty as per the penal provision.
Close out of open positions	All outstanding positions on the expiry of the contract shall be settled by delivery.
Penal Provisions	A penalty of 2.5% of DOR 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.

	<p>Additionally, 4% 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 towards administrative expenses.</p>
Verification by the Buyer at the time of release of delivery	<p>At the time of taking delivery, the buyer can open the sealed packets in front of Group 4 personnel. If he is satisfied with the quantity, weight and quality of material, then he will issue receipt of the metals instantly. If he is not satisfied with the metal, 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 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.</p>
Delivery Centers	<p>At designated Clearing House of Group 4 Securities, at Ex-Quote Center.</p>
Legal obligation	<p>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.</p>
Duties, Cess and Levies	<p>In case of Mumbai delivery contracts, prices are inclusive of import duty and octroi, but excluding VAT. In case of Ahmedabad, prices are 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. In case of Delhi and Kolkata, prices are inclusive of import duty but excluding VAT. (seller will charge VAT over and above the Delivery Order rate, which is payable by the buyer)</p>
Vault, Insurance and Transportation charges.	<p>Borne by the Seller upto Funds Pay-out date. Borne by the Buyer after Funds Pay-out date.</p>
Validation Process	<p>On receipt of delivery, the Group 4 personnel will do the following validations:</p> <ol style="list-style-type: none"> a. whether the person carrying Gold is the designated clearing agent of the member;

	<ul style="list-style-type: none"> b. whether the selling member is listed in the statement forwarded by the Exchange as a delivering member c. whether the quantity being delivered by the seller is exactly the same quantity as communicated by the Exchange; d. whether the serial no of all the bars is mentioned in the seller's bill; e. whether the original certificates are accompanied with the Gold Bars f. whether the serial nos listed in the certificate tally with the nos written inscribed on the bars g. whether the seller has issued individual bills of relevant quantity in favour of each of the buyer <p>Any other validation checks, as they may desire.</p>
Delivery Process	<p>In case any of the above validation fails, the Group 4 Securities 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 personnel will put the Gold in bag/s and seal the same in front of the customer with unique tamper-proof seal/s. 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 signing the same for authorization, hand over the Pink slip to seller's clearing agent, send by courier the third copy (Yellow Colour slip) while retaining the White for the records of Group 4 Securities. The receipt details in full are then entered into the package supplied by MCX and is uploaded to MCX server for authorization and further processing. Group 4 in front of the selling member's clearing agent deposit the said metal into a bag and seal it with a tamper-proof unique numbered Group 4 seal and give a copy of the same to the customer, send the second one to MCX for its records and third copy of the receipt for its record. The sealed bag will be vaulted in the same condition with Group 4 Securities until further delivery to MCX customer. Even in case if the metal has to be sent to various destinations, it shall be done in same bag only. Each bag shall not contain not more than 20 kg of Gold and where the depository is more than 20 kg, the same will be stored in multiple bags with each having individual seals with unique number. If the metal delivered by a seller has to go to 10 different buyers, 10 individual packets will be made for each buyer and unique numbers will be assigned to each packet.</p>
Quality Adjustment	<p>The price of Gold is on the basis of 995 purity. It should be serially numbered Gold bars supplied by LBMA approved suppliers or other suppliers as may be approved MCX to be submitted alongwith supplier's quality certificate.</p> <p>If seller delivers gold of purity more than 995 then he will get a proportionate premium and sale proceeds will be calculated as</p> <p style="text-align: center;">Rate of delivery * 999 / 995</p> <p>If the quality is less than 995, it is rejected.</p>

Appointment of Clearing Agent of Buyer's and Sellers	For the purpose of effecting delivery of Gold, every member will be entitled to appoint a maximum number of two Clearing Agents, who will be entitled to receive and deliver precious metals on behalf of such member. These Clearing members have to submit requisite form, four photographs, a copy of their ration card / driving license or other document, as may be specified by the Exchange. The Exchange will issue a photo identity card for each Clearing Agent, which will be duly signed and stamped by the Exchange and the member with lamination. At the time of giving or receiving delivery of precious metal, the Clearing Agent will be required to show this Card to Group 4 Securities persons. The Exchange will forward a list of all such Clearing agents to Group 4 Securities in advance.
Intimation about the Clearing Agents	The buyer will be required to inform name of the Clearing agent, who will visit Group 4 Securities office for lifting delivery. This information will be compiled by the Exchange and will be forwarded to Group 4 Securities by 5.00p.m. on E+2 working day.
Endorsement of Delivery Order	The buying 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 assignee.
Extension of Delivery Period	As per Exchange decision due to a force majeure or otherwise
Due Date Rate	Due date rate will be calculated by taking simple average of spot market prices collected from a panel of different entities on the last trading day.
Applicability of Byelaws, Rules and 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 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. (The interpretation or clarification given by the Exchange on any terms of this contract shall be final and binding on the members and others.)