

Contract Specifications of Silver

<b>Symbol</b>	SILVER
<b>Description</b>	SILVERMMYY
<b>Contract Listing</b>	Contracts are available as per the Contract Launch Calendar.
<b>Contract Start Day</b>	16 <sup>th</sup> day of contract launch month. If 16 <sup>th</sup> day is a holiday then the following working day.
<b>Last Trading Day</b>	5 <sup>th</sup> day of contract expiry month. If 5 <sup>th</sup> day is a holiday then preceding working day.
<b>Trading</b>	
<b>Trading Period</b>	Mondays through Friday
<b>Trading Session</b>	Monday to Friday: 10.00 a.m. to 11.30/ 11.55 p.m.
<b>Trading Unit</b>	30 kg
<b>Quotation/Base Value</b>	1 kg
<b>Price Quote</b>	Ex-Ahmedabad (inclusive of all taxes and levies relating to import duty, customs , <i>if applicable</i> but excluding Sales Tax / VAT, any other additional tax or surcharge on sales tax, local taxes and octroi.)
<b>Maximum Order Size</b>	600 kg
<b>Tick Size (Minimum Price Movement)</b>	Re. 1 per kg
<b>Daily Price Limit</b>	The base price limit will be 4%. 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% <i>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% beyond the maximum permitted limit, and inform the commission immediately.</i>
<b>Initial Margin</b>	Minimum 5% or based on SPAN whichever is higher
<b>Additional and/ or Special Margin</b>	In case of additional volatility, an additional margin (on both buy & sell side) and/ or special margin (on either buy or sell side) at such percentage, as deemed fit; will be imposed in respect of all outstanding positions.

<b>Maximum Allowable Open Position</b>	For individual client: 100 MT or 5% of the market wide open position whichever is higher for all Silver contracts combined together  For a member collectively for all clients: 1000 MT or 20% of the market wide open position whichever is higher, for all Silver contracts combined together.
<b>Delivery</b>	
<b>Delivery Unit</b>	30 kg
<b>Delivery Period Margin</b>	25%
<b>Delivery Center(S)</b>	Ahmedabad at designated Clearing House facilities
<b>Quality Specifications</b>	Grade: 999 and Fineness: 999 (as per IS 2112: 1981) <ul style="list-style-type: none"> <li>▪ No negative tolerance on the minimum fineness shall be permitted.</li> <li>▪ If it is below 999 purity it is rejected.</li> </ul> It should be serially numbered silver bars supplied by LBMA approved suppliers or other suppliers as may be approved by MCX.
<b>Due Date Rate</b>	Due Date Rate is calculated on the expiry day of the contract. This is calculated by way of taking simple average of last 3 days spot market prices of Ahmedabad.
<b>Delivery Logic</b>	Compulsory

### Contract Launch Calendar of Silver

<b>Contract Launch Months</b>	<b>Contract Expiry Months</b>
March 2016	March 2017
May 2016	May 2017
July 2016	July 2017
September 2016	September 2017
December 2016	December 2017

**Delivery and Settlement Procedure of Silver**

<b>Last Day of Trading</b>	5 <sup>th</sup> day of the contract expiry month. If 5 <sup>th</sup> day is a holiday then preceding working day.
<b>Tender Period</b>	1 <sup>st</sup> to 6 <sup>th</sup> day of the contract expiry month except Saturdays, Sundays and Trading Holidays.
<b>Delivery Period</b>	1 <sup>st</sup> to 6 <sup>th</sup> day of the contract expiry month except Saturdays, Sundays and Trading Holidays.
<b>Buyer's intention</b>	On 1 <sup>st</sup> , 2 <sup>nd</sup> , 3 <sup>rd</sup> & 4 <sup>th</sup> of the contract expiry month except Saturdays, Sundays and Trading Holidays up to 7.30 p.m.
<b>Tender Notice by Seller</b>	The seller will issue tender notice along with evidence of delivery to the Exchange in a specified format by 7:30 p.m. on the respective tender days.. The seller is also required to submit the certificate issued by the supplier in original by 7:30 p.m. on the respective tender days..
<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 8.30 p.m. on the respective tender days .
<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 Logic</b>	<b>Compulsory Delivery.</b> Any seller having open position on the expiry date fails to deliver on the next day then penalty as per penal provision will be imposed to the defaulting seller.
<b>Delivery Pay-in</b>	<b><u>On Tender Days:</u></b>  On any tender days by 7.30 p.m. except Saturdays, 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.  <b>On Expiry:</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.
<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. If the buyer opts for assaying or if the Exchange goes for the second assaying, then payment is released to the seller after the process of assaying and settlement relating thereto is over.

<b>Delivery Pay-out</b>	T+1 working day after completion of pay-in funds.										
<b>Mode of Communication</b>	<b>MCX eXchange</b>										
<b>Allocation of Delivery</b>	On the respective tender days after the end of the day.										
<b>Penal Provisions</b>	<p><b>I - Seller Default:</b></p> <p>A penalty of 3% of DOR shall be imposed on such defaulting Seller. Out of which 1.75% will be deposited to SGF, 1% of penalty will be credited to the Buyer &amp; balance 0.25% will be retained by the Exchange as administrative expenses.</p> <p>Additionally, the difference between DOR and Spot price on the date of default by the Seller shall be charged to the Seller and credited to the Buyer, if Spot price is higher than DOR.</p> <p><b>II - Buyer Default:</b></p> <p>The buyer will have to compulsorily take the delivery of goods. Default on taking delivery by the buyer is not permitted and therefore, the amount due from the buyer for delivery obligation shall be recovered from the buyer as pay-in of funds on stipulated pay-in day. Failure to discharge the pay-in amount will be treated as pay-in default which may lead to deactivation of the trading terminal/s of the member and will also be liable for such other actions as Exchange deems appropriate.</p> <p>Exchange, as deemed appropriate, shall have the right to sell/dispose the goods through auction (or through other appropriate mechanism as and when required) on account of such defaulting buyer to recover the dues.</p> <p><b>Penalties &amp; charges to be debited to defaulting Buyer:</b></p> <table border="1"> <thead> <tr> <th><b>S. No</b></th> <th><b>Where Auction is fully conducted</b></th> <th><b>Where Auction is partly conducted</b></th> <th><b>Where no Auction is conducted</b></th> </tr> </thead> <tbody> <tr> <td><b>1</b></td> <td>A penalty of 3.00% of DOR, out of which 1.75% will be credited to SGF, 1.00% will be credited to Seller and 0.25% will be retained by the Exchange as administrative expenses. <b>AND</b></td> <td>A penalty of 3.00% of DOR, out of which 1.75% will be credited to SGF, 1.00% will be credited to Seller and 0.25% will be retained by the Exchange as administrative expenses. <b>AND</b></td> <td>A penalty of 3.00% of DOR, out of which 1.75% will be credited to SGF, 1.00% will be credited to Seller and 0.25% will be retained by the Exchange as administrative expenses. <b>AND</b></td> </tr> </tbody> </table>			<b>S. No</b>	<b>Where Auction is fully conducted</b>	<b>Where Auction is partly conducted</b>	<b>Where no Auction is conducted</b>	<b>1</b>	A penalty of 3.00% of DOR, out of which 1.75% will be credited to SGF, 1.00% will be credited to Seller and 0.25% will be retained by the Exchange as administrative expenses. <b>AND</b>	A penalty of 3.00% of DOR, out of which 1.75% will be credited to SGF, 1.00% will be credited to Seller and 0.25% will be retained by the Exchange as administrative expenses. <b>AND</b>	A penalty of 3.00% of DOR, out of which 1.75% will be credited to SGF, 1.00% will be credited to Seller and 0.25% will be retained by the Exchange as administrative expenses. <b>AND</b>
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	<p><b>2</b></p> <p>Difference between DOR &amp; Auction price if Auction price is lower than DOR</p> <p>(including proportionate quality and quantity differences)</p> <p>AND</p>	<p>Difference between DOR &amp; Auction price if Auction price is lower than DOR to the tune of auctioned quantity</p> <p>(including proportionate quality and quantity differences)</p> <p>AND</p>	<p>NA</p> <p>AND</p>
	<p><b>3</b></p> <p>NA</p>	<p>For unauctioned quantity, Difference between DOR and Spot price on the date of default by the Buyer shall be credited to the Seller, if spot price is lower than DOR.</p>	<p>For unauctioned quantity, Difference between DOR and Spot price on the date of default by the Buyer shall be credited to the Seller, if spot price is lower than DOR.</p>
<b>Delivery Order Rate</b>	Settlement/closing price on the date of allocation and the due date rate on expiry date.		
<b>Buyer's obligation</b>	The buyer shall not refuse taking delivery and such refusal will entertain penalty as per the penal provisions.		
<b>Close out of outstanding positions</b>	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.		
<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 designated vault 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, designated vault person will carry the goods to the assayers facilities, get it assayed and bring it back to designated vault 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 designated vault 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.
<b>Delivery Centers</b>	Ahmedabad at designated Clearing House facilities.
<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>Duties, Cess and Levies</b>	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.
<b>Vault, Insurance and Transportation charges.</b>	Borne by the seller upto Funds Pay-out date. Borne by the buyer after Funds Pay-out date.
<b>Evidence of Stocks in Possession</b>	At the time of issuing the 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 warehouse receipt.
<b>Validation Process</b>	On receipt of delivery, the designated vault personnel will do the following validations: a. whether the person carrying Silver is the designated clearing agent of the member. b. whether the selling member is the bonafide member of the Exchange. c. whether the quantity being delivered is from Exchange approved refinery d. whether the serial numbers of all the bars is mentioned in the packing list provided. e. whether the original certificates are accompanied with the Silver Bars Any other validation checks, as they may desire.
<b>Delivery Process</b>	In case any of the above validation fails, the designated vault 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 designated vault personnel will put the Silver in the vault. Then the custodian of designated vault will issue appropriate receipt for having received the goods. Designated Vault in front of the selling member's clearing agent will deposit the said metal into their vault.
<b>Quality adjustment</b>	The price of Silver is on the basis of 999 purity. If the quality is less than 999, it is rejected.
<b>Quantity adjustment</b>	The tolerance limit will be +/- 3 kg. The weight of Silver bar must be between 27 kg to 33 kg.
<b>Procedure of taking the</b>	For the purpose of taking delivery of goods fully or partially, the Member shall send to the Exchange an Authority letter on his letter

<b>delivery from the Vault</b>	<p>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>Endorsement of Delivery Order</b>	<p>The buying 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.</p>
<b>Extension of Delivery Period</b>	<p>As per Exchange decision due to a force majeure or otherwise</p>
<b>Due Date Rate</b>	<p>Due Date Rate is calculated on the expiry day of the contract. This is calculated by way of taking simple average of last 3 days spot market prices of Ahmedabad.</p>
<b>Applicability of Business Rules</b>	<p>The general provisions of Byelaws, Rules and Business Rules of the Exchange and decisions taken by Regulator of Commodity Exchanges, 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 Regulator of Commodity Exchanges 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>Members and market participants who enter into buy and sell transactions need to be aware of all the factors that go into the mechanism of trading and clearing, as well as all provisions of the Exchange's Bye Laws, Rules, Business Rules, circulars, directives, notifications of the Exchange as well as of the Regulators, Governments and other authorities.</p> <p>It is the sole obligation and responsibility of the Members and</p>

market participants to ensure that apart from the approved quality standards stipulated by the Exchange, the commodity deposited / traded / delivered through the Approved warehouses/Vaults of Exchange is in due compliance with the applicable regulations laid down by authorities like Food Safety Standard Authority of India, BIS, Orders under Packaging and Labelling etc., as also other State/Central laws and authorities issuing such regulations in this behalf from time to time, including but not limited to compliance of provisions and rates relating to Sales Tax, Value Added Tax, APMC Tax, Mandi Tax, LBT, Octroi, Excise duty, stamp duty, etc. as applicable from time to time on the underlying commodity of any contract offered for deposit / trading / delivery and the Exchange shall not be responsible or liable on account of any non-compliance thereof.

The buyer shall have to lodge their claim against quality and/or quantity of goods/ delivery allocated to them while retaining disputed goods in the warehouse itself (without lifting them out of the warehouse), 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 Exchange is not responsible and shall not be held liable or accountable or responsible for value of the goods/stock of the commodities stored/lying in Exchange designated warehouse/s,vault agency/ Clearing House and which is fully/partially confiscated / seized by any local or statutory or any other authority for any reason whatsoever or for any deterioration in quality of the goods stored due to above reason or which have passed the Final Expiry date and continue to remain in the Exchange accredited warehouse. The decision of the Exchange shall be final and binding to all Members and their constituents in this regard. (The interpretation or clarification given by the Exchange on any terms of this contract shall be final and binding on the members and others.)