

**Contract Specifications of Silver Mini**

<b>Symbol</b>	SILVERM
<b>Description</b>	SILVERM MMY
<b>Contracts available for trading</b>	
March Contract	16 <sup>th</sup> March of the previous year to 5 <sup>th</sup> March of the contract year
May Contract	16 <sup>th</sup> May of the previous year to 5 <sup>th</sup> May of the contract year
July Contract	16 <sup>th</sup> July of the previous year to 5 <sup>th</sup> July of the contract year
September Contract	16 <sup>th</sup> September of the previous year to 5 <sup>th</sup> September 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>	Monday 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>	5 kg
<b>Quotation/Base Value</b>	1 kg
<b>Maximum order size</b>	600 kg
<b>Tick size (minimum price movement)</b>	Re. 1 per kg
<b>Daily price limits</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% with the approval of FMC.</i>
<b>Initial margin</b>	5%
<b>Price quotation</b>	Ex-Ahmedabad (inclusive of all taxes and levies relating to import duty but excluding Sales Tax/ VAT, any other additional tax or surcharge on sales tax, local taxes and octroi )
<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: 50 MT collectively for all contracts in Silver for all Silver contracts combined together For a member collectively for all clients: 150 MT for all Silver 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>	30 kg
<b>Delivery center(s)</b>	Office of Group 4 Securitas at Ahmedabad
<b>Quality Specifications</b>	Grade: 999 and Fineness: 999 (as per IS 2112: 1981) No negative tolerance on the minimum fineness shall be permitted.  If it is below 999 purity, it is rejected. It should be serially numbered silver bars supplied by LBMA approved suppliers or other suppliers as may be approved by MCX to be submitted along with supplier's quality certificate.
<b>Delivery Logic</b>	Both

### Delivery and Settlement Procedure of Silver Mini

<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 with documentary evidence of the delivery at the Exchange's designated delivery center.
<b>Delivery allocation</b>	
- Date	On expiry date of the Contract
- Rate	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. In case the buyer opts for second sampling, he has to inform the Exchange on E+ 2 working days by 6.00p.m and in such case the pay-out of funds will be released only after completion of sampling procedure.
<b>Penal provisions</b>	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.  Additionally, a replacement cost of 4.00 % of DDR will be recovered from the defaulting buyer / seller.  Out of the penalty, 2% will be credited to IPF and 0.5% will be credited to the counter party. While, out of the replacement cost recovered, 90% will be passed on to the counterparty and 10% will be retained by the Exchange towards administrative expenses.

<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 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 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 borne 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 Center</b>	At designated Clearing House of Group 4 Securities, Ahmedabad.
<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 taxes and levies relating to import duty but excluding Sales Tax/ VAT, any other additional tax or surcharge on sales tax, local taxes and octroi.
<b>Vaulting Charges, 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 vault receipt.

<p><b>Validation process</b></p>	<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 silver 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 nos of all the bars is mentioned in the packing list provided;</li> <li>e. whether the original certificates are accompanied with the Silver Bars</li> </ol> <p>Any other validation check, as they may desire</p>
<p><b>Delivery process</b></p>	<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 personnel will put the Silver 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 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 Securitas. Group 4 in front of the selling members clearing agent will deposit the said metal into their vault.</p>
<p><b>Procedure of taking the delivery from the Vault</b></p>	<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>

	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.
<b>Endorsement of Delivery Order</b>	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.
<b>Extension of Delivery Period</b>	As per Exchange decision due to a force majeure or otherwise
<b>Due Date Rate</b>	Settlement rate is fixed by the Exchange on the last working day prior to commencement of contract expiry month. Such settlement rate will be the official closing price fixed by the system on the basis of Silver 30 kg contract of the same expiry.
<b>Odd lot position</b>	In respect of silver, delivery in odd lot is not permissible. However if a member has, a position of 40 Kg, then delivery is possible for 30 Kgs, but the rest quantity has to be settled by way of difference. Hence the intentions for giving or taking delivery can be submitted only in multiples of 30 Kg.
<b>Delivery unit and Tolerance limit</b>	30 Kg. In respect of silver, the tolerance limit will be + / - 3 Kg. The weight of silver bar must be between 27 Kg to 33 Kg.
<b>Quality adjustment</b>  <b>Applicability of Business Rules</b>	<p>The price of silver is based on 999 purity. In case a seller delivers silver of less than 999 purity, it would be rejected</p> <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 an 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>