

**NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED**

Circular to all trading and clearing members of the Exchange

Circular No : NCDEX/TRADING-052/2009/129

Date : May 04, 2009

Subject : Modification in contract specifications – Castor Seed

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Trading and Clearing Members are requested to note that the Exchange, with the approval of the Forward Markets Commission has made modifications in the Castor seed contracts which will be applicable for all contracts expiring in **September 2009 and thereafter**.

Currently, contracts expiring in May 2009, June 2009, July 2009 and August 2009 are available and would continue to be traded as per existing contract specifications. Existing Contract Specifications applicable till August 2009 expiry is enclosed as Annexure I. Modified Contract Specifications applicable for September 2009 expiry and onwards is enclosed as Annexure II and summary of modifications for contracts expiring from September 2009 onwards are given in Annexure III.

The members and their constituents are requested to take note of the changes.

Trading and Clearing members are also informed that on May 11, 2009, the Exchange would be launching contract expiring in September 2009.

The contracts and the transactions therein will be subject to Rules, Bye Laws and Regulations of the Exchange and circulars issued by the Exchange as well as directives, if any, issued from time to time by the Forward Markets Commission

For and on behalf of

**National Commodity & Derivatives Exchange Limited**

**Uma Mohan**  
**Head-Products**

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For further information / clarifications, please contact

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2. E-mail to: askus@ncdex.com

**Annexure I:**

**Existing Contract specifications of Castor seed (Applicable till August 2009 expiry contract)**

<b>Type of Contract</b>	Castor seed Futures Contract Specifications						
<b>Name of Commodity</b>	Castorseed						
<b>Ticker symbol</b>	CASTORDSA						
<b>Trading System</b>	NCDEX Trading System						
<b>Basis</b>	Ex-warehouse Deesa, exclusive of sales tax/VAT						
<b>Unit of trading</b>	10 MT						
<b>Delivery unit</b>	10 MT						
<b>Quotation/base value</b>	Rs. Per 20 kg						
<b>Tick size</b>	Re. 0.10 (10 Paise)						
<b>Quality specification</b>	<p>Castor Seed (Gujarat small seed) with the following specifications:</p> <table border="1" data-bbox="657 968 1382 1115"> <tr> <td>Oil content</td> <td>47% basis</td> </tr> <tr> <td>Foreign matter and damaged seeds</td> <td>3% basis</td> </tr> <tr> <td>Moisture content</td> <td>4.5 % max</td> </tr> </table> <p>Acceptable quality variations at the time of taking physical delivery shall be applicable as per annexure to the contract specifications</p>	Oil content	47% basis	Foreign matter and damaged seeds	3% basis	Moisture content	4.5 % max
Oil content	47% basis						
Foreign matter and damaged seeds	3% basis						
Moisture content	4.5 % max						
<b>Quantity variation</b>	+/- 2 %						
<b>Delivery center</b>	Deesa (upto the radius of 50 km from the municipal limits)						
<b>Additional delivery centres</b>	Bhabhar, Kadi, Palanpur, Patan (upto the radius of 50 km from the municipal limits) with location wise premium/discount as announced by the Exchange from time to time						
<b>Trading hours</b>	<p>As per directions of the Forward Markets Commission from time to time, currently -</p> <p><b>Mondays through Fridays:</b> 10:00 a. m. to 5:00 p.m.</p> <p><b>Saturdays:</b> 10.00 a.m. to 2.00 p.m.</p> <p>The Exchange may change the above timing with due notice</p>						
<b>Due Date/ Expiry Date</b>	20th day of the delivery month						

	If 20th happens to be a holiday, a Saturday or a Sunday then the due date shall be the immediately preceding trading day of the Exchange, which is not a Saturday
<b>Delivery Specification</b>	Upon expiry of the contract all outstanding positions will result in delivery. The penalty structure for failure to meet delivery obligations will be as per circular no. NCDEX/TRADING-086/2008/216 dated September 16, 2008.
<b>Delivery logic</b>	Compulsory delivery
<b>Closing of contract</b>	Upon the expiry of contract all outstanding open positions would result in physical delivery
<b>Opening of Contracts</b>	Trading in any contract month will open 10th day of the month. If the 10th day happens to be a non-trading day, contracts would open on next trading day
<b>No. of active contracts</b>	As per launch calendar
<b>Price limit</b>	<p>Daily price fluctuation limit is (+/-) 3%. If the trade hits the prescribed daily price limit there will be a cooling off period for 15 minutes. Trade will be allowed during this cooling off period within the price band. Thereafter, the price band would be raised by (+/-) 1% and trade will be resumed</p> <p>If the price hits the revised price band (4%) again during the day, trade will only be allowed within the revised price band. No trade / order shall be permitted during the day beyond the revised limit of (+/-) 4%</p>
<b>Position limits</b>	<p><b>Member level:</b> 24,000 MT or 15 % of Market Open Interest whichever is higher  <b>Client level:</b> 8,000 MT</p> <p>The above limits will not apply to bona fide hedgers. For bonafide hedgers, the Exchange will, on a case to case basis decide the hedge limits</p> <p><b>For near month contracts</b>  The following limits would be applicable from 28 days prior to expiry date of contract  <b>Member:</b> Maximum of 6,000 MT or 15 % of the market-wide near month open position, whichever is higher  <b>Client:</b> Maximum of 2,000 MT</p>

<b>Premium/Discount</b>	<p>Quality variations shall be accepted with discount as under:</p> <p><b>Oil Content:</b></p> <ul style="list-style-type: none"> <li>• From 45% to 47% accepted at discount of 2:1 or part thereof,</li> <li>• Below 45% rejected</li> </ul> <p><b>Foreign matter and damaged seeds:</b></p> <ul style="list-style-type: none"> <li>• From 3% to 6% accepted at discount of 1:1 or part thereof,</li> <li>• Above 6% rejected</li> </ul>
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**Example for Oil content discount:**

Oil content in Castor Seed below 47% but within 45 % will attract discount. For every 1% decrease in oil content or part thereof, there will be a discount of 2 % or part thereof in price.

**Tolerance limit for outbound deliveries of Castor seed**

<b>Commodity Specifications</b>	<b>Deposit</b>	<b>Deliverable Range</b>	<b>Remat (Out bound Delivery)</b>
Oil content	47% basis	From 45% to 47% accepted at discount of 2:1 or part thereof, Below 45% rejected	+/- 0.25%
Foreign matter and damaged seeds	3% basis	From 3% to 6% accepted at discount of 1:1 or part thereof, Above 6% rejected	+/- 0.25%
Moisture content	4.5% max		
Maximum Tolerance (for all characteristics)			+/- 0.50%

**Contract Launch Calendar**

<b>Contract Launch Month</b>	<b>Contract Expiry Month</b>
September 2008	January 2009
October 2008	February 2009
November 2008	March 2009
December 2008	April 2009
January 2009	May 2009
February 2009	June 2009
March 2009	July 2009
April 2009	August 2009
May 2009	September 2009
June 2009	October 2009
July 2009	November 2009
August 2009	December 2009

**ANNEXURE II**

**Modified Contract specifications of Castor seed** (Applicable for contract expiring in September 2009 and thereafter)

<b>Type of Contract</b>	Futures Contract Specifications						
<b>Name of Commodity</b>	Castor seed						
<b>Ticker symbol</b>	<b>CASTORSEED</b>						
<b>Trading System</b>	NCDEX Trading System						
<b>Basis</b>	Ex-warehouse Deesa, exclusive of sales tax/VAT						
<b>Unit of trading</b>	10 MT						
<b>Delivery unit</b>	10 MT						
<b>Quotation/base value</b>	<b>Rs. Per Quintal (100 kg)</b>						
<b>Tick size</b>	<b>Re. 0.50 (50 Paise)</b>						
<b>Quality specification</b>	<p>Castor Seed (Gujarat small seed) with the following specifications:</p> <table border="1"> <tr> <td>Oil content</td> <td>47% basis</td> </tr> <tr> <td>Foreign matter and damaged seeds</td> <td>3% basis</td> </tr> <tr> <td>Moisture content</td> <td>4.5 % max</td> </tr> </table> <p>Acceptable quality variations at the time of taking physical delivery shall be applicable as per annexure to the contract specifications</p>	Oil content	47% basis	Foreign matter and damaged seeds	3% basis	Moisture content	4.5 % max
Oil content	47% basis						
Foreign matter and damaged seeds	3% basis						
Moisture content	4.5 % max						
<b>Quantity variation</b>	+/- 2 %						
<b>Delivery center</b>	Deesa (upto the radius of 50 km from the municipal limits)						
<b>Additional delivery centres</b>	Bhabhar, Kadi, Palanpur, Patan (upto the radius of 50 km from the municipal limits) with location wise premium/discount as announced by the Exchange from time to time						
<b>Trading hours</b>	<p>As per directions of the Forward Markets Commission from time to time, currently -</p> <p><b>Mondays through Fridays:</b> 10:00 a. m. to 5:00 p.m.</p> <p><b>Saturdays:</b> 10.00 a.m. to 2.00 p.m.</p> <p>The Exchange may change the above timing with due</p>						

	notice
<b>Due Date/ Expiry Date</b>	<p>20th day of the delivery month</p> <p>If 20th happens to be a holiday, a Saturday or a Sunday then the due date shall be the immediately preceding trading day of the Exchange, which is not a Saturday</p>
<b>Delivery Specification</b>	<p>Upon expiry of the contract all outstanding positions will result in delivery.</p> <p>The penalty structure for failure to meet delivery obligations will be as per circular no. NCDEX/TRADING-086/2008/216 dated September 16, 2008.</p>
<b>Delivery logic</b>	Compulsory delivery
<b>Closing of contract</b>	Upon the expiry of contract all outstanding open positions would result in physical delivery
<b>Opening of Contracts</b>	Trading in any contract month will open 10th day of the month. If the 10th day happens to be a non-trading day, contracts would open on next trading day
<b>No. of active contracts</b>	As per launch calendar
<b>Price limit</b>	<p>Daily price fluctuation limit is (+/-) 3%. If the trade hits the prescribed daily price limit there will be a cooling off period for 15 minutes. Trade will be allowed during this cooling off period within the price band. Thereafter, the price band would be raised by (+/-) 1% and trade will be resumed</p> <p>If the price hits the revised price band (4%) again during the day, trade will only be allowed within the revised price band. No trade / order shall be permitted during the day beyond the revised limit of (+/-) 4%</p>
<b>Position limits</b>	<p><b>Member level: 15,000 MT</b> or 15 % of Market Open Interest whichever is higher</p> <p><b>Client level :5,000 MT</b></p> <p>The above limits will not apply to bona fide hedgers. For bonafide hedgers, the Exchange will, on a case to case basis decide the hedge limits</p> <p><b>For near month contracts</b></p> <p>The following limits would be applicable from 28 days prior to expiry date of contract</p> <p><b>Member: Maximum of 3,000 MT</b> or 15 % of the market-wide near month open position, whichever is</p>

	higher <b>Client:</b> Maximum of <b>1,000 MT</b>
<b>Premium/Discount</b>	<p>Quality variations shall be accepted with discount as under:</p> <p><b>Oil Content:</b></p> <ul style="list-style-type: none"> <li>• From 45% to 47% accepted at discount of 2:1 or part thereof,</li> <li>• Below 45% rejected</li> </ul> <p><b>Foreign matter and damaged seeds:</b></p> <ul style="list-style-type: none"> <li>• From 3% to 6% accepted at discount of 1:1 or part thereof,</li> <li>• Above 6% rejected</li> </ul>

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**Tolerance limit for outbound deliveries of Castor seed**

<b>Commodity Specifications</b>	<b>Deposit</b>	<b>Deliverable Range</b>	<b>Remat (Out bound Delivery)</b>
Oil content	47% basis	From 45% to 47% accepted at discount of 2:1 or part thereof, Below 45% rejected	+/- 0.25%
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Moisture content	4.5% max		
Maximum Tolerance (for all characteristics)			+/- 0.50%

**Contract Launch Calendar**

<b>Contract Launch Month</b>	<b>Contract Expiry Month</b>
May 2009	September 2009
June 2009	October 2009
July 2009	November 2009
August 2009	December 2009

**ANNEXURE III**
**Summary of modification in Contract Specifications**

<b>Parameter</b>	<b>Current Specification</b>	<b>Modified Specification</b>
<b>Quotation/Base value</b>	Rs. Per 20 Kg	Rs. Per Quintal (100 kg)
<b>Tick size</b>	0.10 (10 Paise)	0.50 (50 Paise)
<b>Ticker symbol</b>	CASTORDSA	CASTORSEED
<b>Position Limits</b>	<p><b>Member level:</b> 24,000 MT or 15 % of Market Open Interest whichever is higher  <b>Client level:</b> 8,000 MT</p> <p><b>For near month contracts</b></p> <p><b>Member:</b> Maximum of 6,000 MT or 15 % of the market-wide near month open position, whichever is higher  <b>Client:</b> Maximum of 2,000 MT</p>	<p><b>Member level:</b> 15,000 MT or 15 % of Market Open Interest whichever is higher  <b>Client level:</b> 5,000 MT</p> <p><b>For near month contracts</b></p> <p><b>Member:</b> Maximum of 3,000 MT or 15 % of the market-wide near month open position, whichever is higher  <b>Client:</b> Maximum of 1,000 MT</p>