

NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED

Circular to all trading and clearing members of the Exchange

Circular No.: NCDEX/TRADING-053/2009/130

Date : May 04, 2009

Subject : Modification in contract specifications – Rapeseed – Mustard seed

Trading and Clearing Members are requested to note that the Exchange, with the approval of the Forward Markets Commission has made modifications in the Rapeseed – Mustard 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**

For further information / clarifications, please contact

1. Ms. Soumen Mahanty- on Phone 022-66406675
 2. Customer Service Group by E-mail to: askus@ncdex.com
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ANNEXURE I

Existing Contract specifications of Rapeseed – Mustard seed (Applicable till August 2009 expiry contract)

Trading system	NCDEX Trading System
Type of contract	Futures Contract Specifications
Name of commodity	Rapeseed-Mustard seed
Ticker symbol	RMSEEDJPR
Basis	Ex-warehouse Jaipur, exclusive of sales taxes/VAT
Unit of trading	10 MT
Delivery unit	10 MT
Quotation/base value	Rs. per 20 kg
Tick size	Re. 0.05 (5 paisa)
Quality Specification	Moisture content : 5% (basis) Oil Content (at 5% moisture content level): 42% (basis) FFA%: 1.5 (max) Foreign Matter: 0.25% (basis)
Quantity variation	+/- 2%
Delivery centre	Jaipur (up to the radius of 50 km from the municipal limits)
Additional delivery centres	Alwar (Rajasthan), Kota (Rajasthan), Sri Ganganagar (Rajasthan), Hapur (Uttar Pradesh), Hisar (Haryana) and Rewari (Haryana) (At all centers, up to the radius of 50 km from the municipal limits) with location wise premium/discount as announced by the Exchange from time to time
Trading hours	As per directions of the Forward Markets Commission from time to time, currently - Mondays through Fridays: 10:00 a. m. to 05:00 p.m. Saturdays: 10.00 a.m. to 2.00 p.m. The Exchange may vary the above timing with due notice.
Due date/Expiry date	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
Delivery specification	<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>
Delivery Logic	Compulsory Delivery
Closing of contract	Upon the expiry of contract all outstanding open positions would result in physical delivery
Opening of contracts	Trading in any contract month will open on the 10th day of the month. If the 10th day happens to be a non-trading day, contracts would open on the next trading day
No. of active contracts	As per launch calendar
Price limits	<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 again hits the revised price band (4%) 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>
Position limits	<p>Member-wise: 60,000 MT or 15% of Market open interest whichever is higher Client-wise : 20,000 MT</p> <p>The above limits will not apply to bona fide hedgers. For bona fide hedgers, the Exchange will, on a case to case basis, decide the hedge limits. Please refer to Circular No. NCDEX/TRADING-100/2005/219 dated October 20, 2005.</p> <p>For near month contracts : The following limits would be applicable from 28 days prior to expiry date of a contract</p> <p>Member: 18,000 MT or 15% of the market-wide near month open position, which ever is higher Client: 6,000 MT</p>

Premium/Discount	<p>Quality delivery with variation shall be acceptable with premium/discount as under:</p> <p>Moisture:</p> <ul style="list-style-type: none"> • From 5% to 6.5% accepted at 1:1 discount or part there of • Above 6.5% rejected <p>Oil Content:</p> <ul style="list-style-type: none"> • From 42% to 37% accepted at 1:1 discount or part there of • More than 42% accepted at 1:1 premium or part there of • Below 37% rejected <p>Foreign matter:</p> <ul style="list-style-type: none"> • From 0.25% to 2% accepted at 1:1 discount or part there of • Above 2% rejected • Free from non-edible seeds such as Mahuas, Castor, Neem, Taramira and Argemone seeds. Should be free from any foul odor.
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Tolerance limit for outbound deliveries of RAPESEED MUSTARD SEED

Commodity Specifications	Basis	Acceptable quality range as per contract specification	Permissible Tolerance
Moisture content	5% (basis)	From 5% to 6.5% accepted at 1:1 discount or part thereof, Above 6.5 % rejected	
Oil Content (at 5% moisture content level)	42% (basis)	42% delivery at par From 42% to 37% accepted at 1:1 discount or part thereof, More than 42% accepted at 1:1 premium or part thereof, Below 37% rejected	+/-0.25%
FFA	1.5% (max)		

Foreign Matter	0.25% (basis)	From 0.25% to 2% accepted at 1:1 discount or part thereof, Above 2 % rejected	+/-0.25%
Max Tolerance (for all characteristics)			+/- 0.25%

Contract Launch Calendar

Contract Launch Month	Contract Expiry Month
July 08	January 09
August 08	No Contract Launch
September 08	February 09
October 08	No Contract Launch
November 08	May 09
December 08	June 2009
January 2009	July 2009
February 2009	No launch
March 2009	No launch
April 2009	August 2009
May 2009	September 2009
June 2009	October 2009
July 2009	November 2009
Aug 2009	December 2009

ANNEXURE II

Modified Contract specifications of Rapeseed – Mustard seed (Applicable for contract expiring in September 2009 and thereafter)

Trading system	NCDEX Trading System
Type of contract	Futures Contract Specifications
Name of commodity	Rapeseed-Mustard seed
Ticker symbol	RMSEEDJPR
Basis	Ex-warehouse Jaipur, exclusive of sales taxes/VAT
Unit of trading	10 MT
Delivery unit	10 MT
Quotation/base value	Rs. per 20 kg
Tick size	Re. 0.05 (5 paisa)
Quality Specification	Moisture content : 5% (basis) Oil Content (at 5% moisture content level): 42% (basis) FFA%: 1.5 (max) Foreign Matter: 0.25% (basis)
Quantity variation	+/- 2%
Delivery centre	Jaipur (up to the radius of 50 km from the municipal limits)
Additional delivery centres	Alwar (Rajasthan), Kota (Rajasthan), Sri Ganganagar (Rajasthan), Bikaner (Rajasthan) , Hapur (Uttar Pradesh), Agra (Uttar Pradesh) (At all centers, up to the radius of 50 km from the municipal limits) with location wise premium/discount as announced by the Exchange from time to time
Trading hours	As per directions of the Forward Markets Commission from time to time, currently - Mondays through Fridays: 10:00 a. m. to 05:00 p.m. Saturdays: 10.00 a.m. to 2.00 p.m. The Exchange may vary the above timing with due notice.
Due date/Expiry date	20th day of the delivery month

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Tolerance limit_for outbound deliveries of RAPESEED MUSTARD SEED

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FFA	1.5% (max)		

Foreign Matter	0.25% (basis)	From 0.25% to 2% accepted at 1:1 discount or part thereof, Above 2 % rejected	+/-0.25%
Max Tolerance (for all characteristics)			+/-0.25%

Contract Launch Calendar

Contract Launch Month	Contract Expiry Month
May 2009	September 2009
June 2009	October 2009
July 2009	November 2009
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ANNEXURE III**Summary of modification in Contract Specifications**

The salient features of the modification are as presented in the table below:

State	Existing additional Delivery Centers	Proposed additional delivery centers
Rajasthan	Sri Ganganagar, Kota, Alwar	Sri Ganganagar, Kota, Alwar, Bikaner
Haryana	Rewari, Hissar	None
Uttar Pradesh	Hapur	Hapur, Agra