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**NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED**

Circular to all trading and clearing members of the Exchange

Circular No. : NCDEX/TRADING-068/2009/174

Date : June 16, 2009

Subject : Modification of contract specifications of Wheat futures contract

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Trading and Clearing Members are hereby informed that the Exchange has modified the following contract parameter for Wheat futures contracts.

<b>Parameter</b>	<b>Existing specification</b>	<b>Modified specification</b>
Delivery Unit	10 MT net basis packed in 50 Kgs sound jute bags	10 MT

This modification will be applicable for **all running contracts** available for trading and to be introduced on the Exchange platform henceforth (i.e. contracts expiring from June 2009 onwards). The modified contract specification and contract launch calendar has been provided in Annexure.

For and on behalf of

**National Commodity & Derivatives Exchange Limited**

**Uma Mohan**  
**Head – Products Development**

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For further information / clarifications, please contact

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**Annexure: Modified contract specification and contract launch calendar for Wheat**

<b>Type of contract</b>	Futures Contract Specifications		
<b>Name of commodity</b>	Wheat		
<b>Ticker symbol</b>	WHTSMQDELI		
<b>Trading system</b>	NCDEX Trading System		
<b>Basis</b>	Ex- Warehouse Delhi inclusive of all taxes		
<b>Unit of trading</b>	10 MT		
<b>Delivery unit</b>	<b>10 MT</b>		
<b>Quotation/ Base value</b>	Rs/Quintal		
<b>Tick size</b>	20 Paise (Re. 0.20)		
<b>Quality specification</b>	1.	Damaged Kernel (Other than infestation damaged)	2% max.
	2.	Infestation damaged Kernel	1% basis
	3.	Foreign Matter (Organic/Inorganic)	2 % max.
	4.	Shrunken / Shriveled / Broken grains	3% max
	5.	Total defects (sum of 1, 2, 3 & 4) consisting of : <ul style="list-style-type: none"> <li>• Damaged Kernel (Other than infestation damaged)</li> <li>• Infestation damaged Kernel</li> <li>• Foreign Matter (Organic/Inorganic)</li> <li>• Shrunken/Shriveled/Broken grains</li> </ul>	6% basis
	6.	Moisture	11% basis.
	7.	Test Weight	76 Kg/hl basis

<b>Quantity variation</b>	+/- 5 %
<b>Delivery center</b>	Delhi
<b>Additional delivery centers</b>	Ahmedabad, Bareilly, Indore, Itarsi, Kanpur, Karnal, Khanna, Kota, Moga, Rajkot, Shahjahanpur and Sirsa (Within 50 km radius from the municipal limits) with all centers at par
<b>Hours of Trading</b>	As per directions of the Forward Markets Commission from time to time, currently-  <b>Mondays through Fridays</b> : 10:00 AM to 05:00 PM <b>Saturdays</b> : 10.00 AM to 2.00 PM The Exchange may vary the above timing with due notice
<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, (other than a Saturday)
<b>Opening of contracts</b>	Trading in far month contract will open on the 10th day of the month in which the near month contract is due to expire. If the 10th day happens to be a non-trading day, contracts would open on the next trading day
<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>Closing of contract</b>	Upon the expiry of contract all the outstanding open position would result in compulsory delivery.

<b>No. of active contracts</b>	As per Launch Calendar
<b>Price band</b>	Daily price fluctuation limit is (+/-) 3%. If the trade hits the prescribed daily price limit there will be 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 another (+/- ) 1% and trade will be resumed. 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%
<b>Position limits</b>	<p><b>Member-wise:</b> 30,000 MT or 15% of market wide open position whichever is higher.</p> <p><b>Client-wise:</b> 6,000 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><b>For near month contracts</b></p> <p>The following limits would be applicable from one month prior to expiry date of a contract</p> <p><b>Member-wise:</b> 10,000 MT or 15% of market wide near month open position, whichever is higher</p> <p><b>Client-wise:</b> 2,000 MT</p>
<b>Special margins</b>	Special margin of 3% of the value of the contract will be levied whenever the rise or fall in price exceeds 20% of the 90-day prior settlement price. The margin will be payable by the buyer or the seller depending

	<p>on whether price rises or falls respectively. The margin shall remain in force so long as the price stays beyond the 20% limit and will be withdrawn as soon as the price is within the 20% band.</p>
<p><b>Discount</b></p>	<p>Quality variance is acceptable in specifications for Infestation damaged, Total Defects, Moisture and Test Weight only with discounts as follows:</p> <p><b>Infestation damaged Kernel :</b></p> <ul style="list-style-type: none"> <li>• Infestation damaged kernel above 1% to 3% - accepted with rebate on 1:0.25 basis</li> <li>• Infestation damaged more than 3% - Rejected</li> </ul> <p><b>Total defects</b></p> <ul style="list-style-type: none"> <li>• Total defects above 6% to 8% - accepted with rebate on 1:1 basis</li> <li>• Total defects above 8% - rejected</li> </ul> <p><b>Moisture</b></p> <ul style="list-style-type: none"> <li>• Moisture above 11% to 13% - accepted with rebate on 1:1 basis</li> <li>• Moisture above 13% - rejected</li> </ul> <p><b>Test weight</b></p> <ul style="list-style-type: none"> <li>• Test weight below 76 kg/hl - acceptable up to 74 kg/hl-accepted with rebate of 150 grams per kg/hl or pro-rata variance in hectoliter weight deducted per quintal weight delivered</li> <li>• Test weight below 74kg/hl - rejected</li> </ul>
<p><b>Delivery Logic</b></p>	<p>Compulsory Delivery</p>

**Contract Launch Calendar**

<b>Date of Launch</b>	<b>Contract expiring in</b>
May 21, 2009	June 2009
May 21, 2009	July 2009
May 21, 2009	August 2009
May 21, 2009	September 2009
May 21, 2009	October 2009
May 21, 2009	November 2009
June 2009	December 2009