

NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED

Circular to all trading and clearing members of the Exchange

Circular No : NCDEX/TRADING-124/2009/294

Date : October 21, 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 **April 2010 and thereafter**.

Currently, contracts expiring in November 2009, December 2009 and January 2010 are available and would continue to be traded as per existing contract specifications. Summary of modifications for contracts expiring from **April 2010** onwards is given in Annexure I, existing contract specifications applicable till January 2010 expiry are given in Annexure II and modified contract specifications applicable for **April 2010** expiry and onwards are given in Annexure III.

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

Trading and Clearing members are also informed that on October 22, 2009, the Exchange would be launching contract expiring in April 2010. Location Premium / Discount for the contract is given in Annexure IV.

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

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

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

Parameter	Current specification	Modified specification
Outbound Tolerance Limit for Oil	+/- 0.25%	+/- 0.50%
Maximum Tolerance for All Characteristics	+/- 0.25%	+/- 0.50%

Annexure II

Existing Contract Specifications of Rapeseed-Mustard Seed (Applicable till January 2010 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), 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

	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	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. 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
Position limits	<p>Member-wise: 60,000 MT or 15% of Market open interest whichever is higher</p> <p>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</p>

	near month open position, which ever is higher Client: 6,000 MT
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.

Tolerance limit 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	+/-0.25%

		or part thereof, Above 2 % rejected	
Max Tolerance (for all characteristics)			+/-0.25%

Annexure III

Modified Contract Specifications of Rapeseed-Mustard Seed (Applicable for contracts expiring in April 2010 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) (Premium/discount for all centres will be announced at the time of launching a contract)
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	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. 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%
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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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)			+/-0.50%

Contract Launch Calendar of Rapeseed-Mustard Seed

Contract Launch Month	Contract Expiry Month
October 22, 2009	April 2010
November 2009	May 2010
December 2009	June 2010
January 2010	July 2010
April 2010	August 2010
May 2010	September 2010
June 2010	October 2010
July 2010	November 2010
August 2010	December 2010

Annexure IV**Premium / Discount for contracts expiring in the month of April 2010****Premium / Discount for delivery location difference**

Mustard Seed (Jaipur)	Alwar	-Rs 2/20 kg
	Kota	-Rs 6/20 kg
	Sri Ganganagar	-Rs 6/20 kg
	Hapur	No Premium/Discount
	Agra	No Premium/Discount
	Bikaner	-Rs 7/20 kg