
NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED

Circular to all trading and clearing members of the Exchange

Circular No: NCDEX/TRADING-003/2010/009

Date : January 08, 2010

Subject : Modification in Contract Specifications of Expeller Mustard Oil as
Kachhi Ghani Mustard Oil

Trading and Clearing Members are requested to note that the Exchange with the approval of Forward Markets Commission has made modification in the contract specifications of Mustard Oil contract.

The contracts expiring in February 2010, March 2010 and April 2010 with modified contract specifications will be available for trading on January 11, 2010.

Summary of modifications for contracts expiring from February 2010 onwards is given in Annexure I, existing contract specifications is given in Annexure II, modified contract specifications applicable for February 2010 expiry and thereafter is given in Annexure III and launch calendar 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 from time to time by the Forwards Markets Commission.

For and on behalf of

National Commodity & Derivatives Exchange Limited

Vijay Kumar

Chief Business Officer

For further information / clarifications, please contact

1. Mr.Soumen Mahanty on phone: 022 6640 6675
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Annexure I – Summary of Modifications
Summary of modifications in the Expeller Mustard Oil contract specifications

| Parameter | Existing Specifications | Specifications for contracts expiring in February 2010 and thereafter |
|------------------------------|--|---|
| Name of the Commodity | Expeller Mustard Oil | Kachhi Ghani Mustard Oil |
| Ticker Symbol | RMOEXPGNR | KACHIGHANI |
| Quality Specification | <ul style="list-style-type: none"> • Moisture & insoluble impurities, % Max: 0.25 • Color, " cell, Lovibond Y+5R, Max: 35 • Refractive Index at 40C: 1.4646-1.4666 • Saponification Value: 168-177 • Iodine Value (Wijs): 98-110 • Polybromide Test: Negative • Unsaponifiable matter, % by mass, Max: 1.2 • Acid Value, Max: 3.0 • Bellier Turbidity Temperature, C: 23.0-27.5 • Argemone Oil: Nil • Hydrocyanic Acid: Nil | <p>Parameters</p> <p>Kachhi Ghani Mustard Oil shall be clear, free from rancidity, suspended or foreign matter, separated water, added colouring or flavouring substances or mineral oil. It shall conform to the following standards:</p> <ol style="list-style-type: none"> 1. Colour on Lovibond scale in (¼" Cell) as Y + 5R, units – 50 2. Acid Value as % Oleic Acid – 1.5% Maximum 3. Iodine Value (wijs method) - 98 to 110 4. Bellier's Test (Turbidity Temp.) - 23.0 to 27.5 degrees celcius 5. Saponification Value - 169 to 177 6. Unsaponifiable matter - 1.2%max 7. Refractive Index at 40 Degree Cel. - 1.4646 to 1.4662 8. Test for Argemone oil – Negative 9. Test for mineral oil – Negative 10. Percentage of natural oil content (as ATC) weight percentage - 0.25 to 0.60 11. Test for the presence of Hydrocyanic acid - Negative 12. Specific Gravity at 30 Deg. Celcius – 0.907 to 0.910 |
| Basis Centre | Ex-tank Sri Ganganagar (exclusive of sales tax) | Ex-tank Jaipur (exclusive of sales tax) |
| Delivery Centre | Sri Ganganagar | Jaipur |

Annexure II
Existing Expeller Mustard Oil Futures Contract Specifications

| Type of Contract | Futures Contract Specifications |
|-----------------------|---|
| Name of Commodity | Expeller Mustard Oil |
| Ticker symbol | RMOEXPGNR |
| Trading System | NCDEX Trading System |
| Basis | Ex-tank Sri Ganganagar (Exclusive of sales tax) |
| Unit of trading | 10 MT |
| Delivery unit | 10 MT |
| Quotation/base value | Rs. per 10 Kg |
| Tick size | Re. 0.05 (5 paisa) |
| Quality specification | <ul style="list-style-type: none"> • Moisture & insoluble impurities, % Max: 0.25 • Color, " cell, Lovibond Y+5R, Max: 35 • Refractive Index at 40C: 1.4646-1.4666 • Saponification Value: 168-177 • Iodine Value (Wijs): 98-110 • Polybromide Test: Negative • Unsaponifiable matter, % by mass, Max: 1.2 • Acid Value, Max: 3.0 • Bellier Turbidity Temperature, C: 23.0-27.5 • Argemone Oil: Nil • Hydrocynic Acid: Nil |
| Quantity variation | +/- 2% |
| Delivery center | Sri Ganganagar (within a radius of 50 km from the municipal limits) |
| Trading hours | <p>As per directions of the Forward Markets Commission from time to time, currently-</p> <p>Mondays through Fridays Trading Hours - 10:00 am to 5:00 pm</p> <p>Saturdays Trading Hours - 10:00 am to 2:00 pm The Exchange may change the above timing with due notice</p> |
| Due date/Expiry date | <p>20th day of the delivery month</p> <p>If 20th happens to be a holiday, a Saturday or a Sunday</p> |

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| | then the due date shall be the immediately preceding trading day of the Exchange which is not a Saturday |
| Delivery specification | Upon expiry of the contract, the delivery position would be arrived at by the Exchange based on the information to give/take delivery furnished by the sellers and buyers as per the process put in place by the Exchange for effecting physical delivery |
| Delivery logic | Intention matching |
| Closing of contract | On the expiry of the contract, all outstanding positions not resulting in giving/taking of physical delivery of the commodity shall be closed out at the Final Settlement Price announced by the Exchange |
| 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 band | The daily price limit will be 2% and will be raised to 4% after a 15-minute cooling period if the price limit of 2% is reached. If the price limit reaches 4%, trading will continue within the 4% limit. |
| Position limits | <p>Member level : Maximum of 18,000 MT or 15 % of Market Open Position in the commodity, whichever is higher Client level: 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>Near month limit (The following limits would be applicable from 28 days prior to expiry date of a contract)</p> <p>Member Level: Maximum of 6,000 MT or 15 % of total near month Open Position in the commodity, whichever is higher Client Level: 2,000 MT</p> |
| Premium/Discount | No quality allowance |

Annexure III – Modified Contract Specifications (Applicable for contracts expiring in February 2010 and thereafter)

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| Type of Contract | Futures Contract Specifications |
| Name of Commodity | Kachhi Ghani Mustard Oil |
| Ticker symbol | KACHIGHANI |
| Trading System | NCDEX Trading System |
| Basis | Ex-tank Jaipur (Exclusive of sales tax) |
| Unit of trading | 10 MT |
| Delivery unit | 10 MT |
| Quotation/base value | Rs. per 10 Kg |
| Tick size | Re. 0.05 (5 paisa) |
| Quality specification | <p>Parameters Kachhi Ghani Mustard Oil shall be clear, free from rancidity, suspended or foreign matter, separated water, added colouring or flavouring substances or mineral oil. It shall conform to the following standards:</p> <ol style="list-style-type: none"> 1. Colour on Lovibond scale in (¼" Cell) as Y + 5R, units – 50 2. Acid Value as % Oleic Acid –1.5% Maximum 3. Iodine Value (wijs method) - 98 to 110 4. Bellier's Test (Turbidity Temp.) - 23.0 to 27.5 degrees celcius 5. Saponification Value - 169 to 177 6. Unsaponifiable matter - 1.2%max 7. Refractive Index at 40 Degree Cel. - 1.4646 to 1.4662 8. Test for Argemone oil – Negative 9. Test for mineral oil – Negative 10. Percentage of natural oil content (as ATC) weight percentage - 0.25 to 0.60 11. Test for the presence of Hydrocyanic acid - Negative 12. Specific Gravity at 30 Deg. Celcius – 0.907 to 0.910 |
| Quantity variation | +/- 2% |
| Delivery center | Jaipur (within a radius of 50 km from the municipal |

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|-------------------------|---|
| | limits) |
| Trading hours | <p>As per directions of the Forward Markets Commission from time to time, currently -</p> <p>Mondays through Fridays Trading Hours - 10:00 am to 5:00 pm</p> <p>Saturdays Trading Hours - 10:00 am to 2:00 pm</p> <p>The Exchange may change the above timing with due notice</p> |
| Due date/Expiry date | <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> |
| Final Settlement Price | The Final Settlement Price (FSP) would be the simple average of the last spot (polled) prices of Kachhi Ghani Mustard Oil of the last 3 days. |
| Delivery specification | Upon expiry of the contract, the delivery position would be arrived at by the Exchange based on the information to give/take delivery furnished by the sellers and buyers as per the process put in place by the Exchange for effecting physical delivery |
| Delivery logic | Intention matching |
| Closing of contract | On the expiry of the contract, all outstanding positions which are not intended for giving/taking of physical delivery of the commodity shall be closed out at the Final Settlement Price announced by the Exchange |
| 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 band | The daily price limit will be 2% and will be raised to 4% after a 15-minute cooling period if the price limit of 2% is reached. If the price limit reaches 4%, trading will continue within the 4% limit. |
| Position limits | Member level : Maximum of 18,000 MT or 15 % of Market Open Position in the commodity, whichever is |

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| | <p>higher Client level: 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>Near month limit (The following limits would be applicable from 28 days prior to expiry date of a contract)</p> <p>Member Level: Maximum of 6,000 MT or 15 % of total near month Open Position in the commodity, whichever is higher Client Level: 2,000 MT</p> |
| Premium/Discount | No quality allowance |

Annexure IV - Contract Launch Calendar – 2010

| Contract Launch Month | Contract Expiry Month |
|-----------------------|-----------------------|
| January 2010 | February 2010 |
| | March 2010 |
| | April 2010 |
| February 2010 | May 2010 |
| March 2010 | June 2010 |