NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED
Circular to all trading and clearing members of the Exchange

Circular No : NCDEX/TRADING-118/2013/355
Date : November 25, 2013
Subject : Launch of futures contracts - Crude Palm Oil (CPO)

The Exchange is pleased to announce that, as per the Bye-laws, Rules and Regulations of the Exchange and with the approval of the Forward Markets Commission, futures contracts in Crude Palm Oil (SYMBOL: CPO) expiring in the months of December 2013, January 2014, February 2014 and March 2014 would be available for trading from **November 26, 2013.** Contracts for further expiries will be launched as per the enclosed contract launch calendar

Members and participants are requested to note that Crude palm Oil futures contract will be available for trading with modified contract specifications..

Summary of modifications in contract specifications for Crude palm Oil futures contracts expiring in December 2013 and thereafter is given in Annexure I. Modified contract specifications applicable for Crude Palm Oil futures contracts expiring in December 2013 and thereafter are given in Annexure II.

Members may note that all Crude Palm Oil futures contracts expiring in December 2013 and thereafter would be exclusively settled through COMTRACK® only. It may be noted that all clients and members desirous of delivering and receiving Crude palm Oil on the Exchange platform would have to open commodity account in COMTRACK®.

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.

Registered Office: 1st Floor, Akruti Corporate Park, Near G.E. Garden, LBS Road, Kanjurmarg West, Mumbai 400 078, India.
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For and on behalf of
National Commodity & Derivatives Exchange Limited

Ramesh Iyer
Vice President – Business

For further information / clarifications, please contact

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Annexure I

Summary of modifications in contract specifications – Crude Palm Oil futures contracts

<table>
<tr><th>Contract Specifications</th><th colspan="2">Modified Contract Specifications</th></tr>
<tr><td>1. Ticker Symbol</td><td colspan="2">CPO</td></tr>
<tr><td>2. Tick Size</td><td colspan="2">10 paise</td></tr>
<tr><td>3. Additional Delivery Center</td><td colspan="2">No additional delivery center</td></tr>
<tr><td rowspan="9">4. Quality Specification</td><td>Moisture & Impurities</td><td>0.25 % Max</td></tr>
<tr><td>Refractive Index, 50°C</td><td>1.4491-1.4552</td></tr>
<tr><td>Specific Gravity, 42°C</td><td>0.895-0.897</td></tr>
<tr><td>Saponification Value</td><td>195-205</td></tr>
<tr><td>Iodine Value</td><td>45-56</td></tr>
<tr><td>Unsaponification Value</td><td>1.2 % Max</td></tr>
<tr><td>Melting Point, Capillary Slip Method</td><td>37°C Max</td></tr>
<tr><td>FFA</td><td>5 % Max</td></tr>
<tr><td>Acid Value</td><td>10% Max</td></tr>
<tr><td>5. Position limits</td><td colspan="2">Member level:
Maximum of 1,25,000 MT or 15 % of Market Open position in the Commodity whichever is higher
Client level: 25,000 MT

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.</td></tr>
</table>

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	Near month limit The following limits would be applicable from 1st of every month in which the contract is due to expire. If 1st happens to be a non-trading day, the near month limits would start from the next trading day **Member level** : Maximum of 40,000 MT or 15 % of the total near month Open-position in the Commodity whichever is higher **Client level** : 8,000 MT

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<u>Annexure II</u>

<u>Modified Contract Specification – Crude Palm Oil futures contract</u>

<u>(Applicable for contracts expiring in December 2013 and thereafter)</u>

<table>
<tr><td>Name of commodity</td><td>Crude Palm Oil</td></tr>
<tr><td>Ticker symbol</td><td>CPO</td></tr>
<tr><td>Basis</td><td>Ex-tank Kandla exclusive of Sales Tax / VAT</td></tr>
<tr><td>Unit of trading</td><td>10 MT</td></tr>
<tr><td>Delivery unit</td><td>10 MT</td></tr>
<tr><td>Quotation/base value</td><td>Rs per 10 kg</td></tr>
<tr><td>Tick size</td><td>10 Paise</td></tr>
<tr><td>Quality specification</td><td><table>
<tr><td>Moisture & Impurities</td><td>0.25 % Max</td></tr>
<tr><td>Refractive Index, 50°C</td><td>1.4491-1.4552</td></tr>
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<tr><td>Acid Value</td><td>10% Max</td></tr>
</table></td></tr>
<tr><td>Quantity variation</td><td>+ /- 2%</td></tr>
<tr><td>Delivery center</td><td>Kandla (within a radius of 50 km from the municipal limits)</td></tr>
<tr><td>Hours of Trading</td><td>As per directions of the Forward Markets Commission from time to time, currently –

Monday to Friday :10:00 AM to 5:00 PM
Saturday: 10.00 AM to 2.00 PM
The Exchange may vary the above timing with due notice.</td></tr>
</table>

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
No. of active contracts	As per Launch Calendar
Opening of contracts	Trading in any contract month will open 1st day of the month. If the 1st day happens to be a non-trading day, contracts would open on next trading day.
Due date/ Expiry date	Last trading day of the month If last day happens to be a trading holiday, a Saturday or a Sunday then the due date shall be the immediately preceding trading day of the Exchange
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.
Price band	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 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%
Position limits	**Member level:** Maximum of 1,25,000 MT or 15 % of Market Open position in the Commodity whichever is higher **Client level:** 25,000 MT 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. **Near month limit** **The following limits would be applicable from 1st of every month in which the contract is due to expire. If 1st happens to be a non-trading day, the near month limits would start from the next trading day** **Member level :** Maximum of 40,000 MT or 15 % of the total near month Open-position in the Commodity whichever is higher **Client level :** 8,000 MT
Special margins	In case of additional volatility, a special margin at such other percentage, as deemed fit, will be imposed in respect of outstanding positions, which will remain in force as long as the volatility exists, after which the special margin may be relaxed.
Final Settlement Price	The Final Settlement Price (FSP) shall be arrived at by taking the simple average of the last polled spot prices of the last three trading days viz., E0 (expiry day), E-1 and E-2. In the event of the spot prices for any one of the E-1 and E-2 is not available; the spot price of E-3 would be used for arriving at the average. In case the spot prices are not available for both E-1 and E-2, then the average of E0 and E-3 (two days) would be taken. If all the three days' prices viz., E-1, E-2 and E-3 are not available, then only one day's price viz., E0 will be taken as the FSP.
Maximum Order Size	500 MT
Delivery Logic	Intention Matching
Minimum Initial Margin	5 %

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Contract Launch Calendar

Contract Launch Month	Contract Expiry Month
November 26, 2013	December 2013, January 2014, February 2014 and March 2014
December 2013	April 2014
January 2014	May 2014
February 2014	June 2014
March 2014	July 2014
April 2014	August 2014
May 2014	September 2014
June 2014	October 2014
July 2014	November 2014
August 2014	December 2014

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