

Contract Specifications for Pepper
Applicable for contract expiring in May 2012
(Updated on May 04, 2012)

Type of Contract	Futures Contract
Name of commodity	Pepper
Ticker symbol	PPRMLGKOC
Trading system	NCDEX Trading System
Hours of Trading	As per directions of the Forward Markets Commission from time to time Mondays through Fridays : 10:00 AM to 05:00 PM Saturdays : 10.00 AM to 2.00 PM The Exchange may vary the above timing with due notice.
Basis	Malabar Garbled 1 ex designated warehouse Kochi exclusive of all taxes
Unit of trading	1000 kgs (=1 MT)
Delivery Unit	1000 kgs (=1 MT)
Maximum order size	50 MT
Quotation/Base Value	Rs per Quintal
Tick size	Rs. 5/-
Price Band	Daily price limit will be (+)/ (-) 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 another (+/-)1%. 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%.
Quality specification	Light pepper: 2% Max Other matter: 0.5% Max Moisture: 11% Max from November to April 11.5% Max from May to October
Quantity variation	+/- 2%
No. of active contracts	As per the launch calendar

Delivery center	Kochi (within a radius of 50 km from the municipal limits)
Additional Delivery centers	Calicut, Trissur (within a radius of 50 km from the municipal limits) Location Premium/Discount as notified by the Exchange from time to time
Delivery Logic	Compulsory delivery
Opening of contracts	Trading in any contract month will open on the 10th of the month. If the 10th day happens to be a non-trading day, contracts would open on the next trading day
Tender Period	Tender Date –T Tender Period: The tender period shall start five trading days prior to expiry (including expiry day) of the contract, excluding Saturdays. Pay-in and Pay-out: On a T+2 basis. If the tender date is T, then pay-in and pay-out would happen on T+2 day (excluding Saturday). If such a T+2 day happens to be a Saturday, a Sunday or a holiday at the Exchange, clearing banks or any of the service providers, pay-in and pay-out would be effected on the next working day.
Closing of contract	Clearing and settlement of contracts will commence with the commencement of Tender Period by compulsory delivery of each open position tendered by the seller on T + 2 to the corresponding buyer matched by the process put in place by the Exchange. Upon the expiry of the contract all the outstanding open position shall result in compulsory delivery.
Due date/Expiry date	Expiry date of the contract: 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, which is other than a Saturday. The settlement of contract would be by a staggered system of Pay-in and Pay-out including the Last Pay- in and Pay-

	out which would be the Final Settlement of the contract.
Delivery Specification	<p>Upon expiry of the contracts all the outstanding open positions shall result in compulsory delivery.</p> <p>During the Tender period, if any delivery is tendered by seller, the corresponding buyer having open position and matched as per process put in place by the Exchange, shall be bound to settle by taking delivery on T + 2 day from the delivery centre where the seller has delivered same.</p> <p>The penalty structure for failure to meet delivery obligations will be as per circular no. NCDEX/TRADING-045/2012/161 dated April 30, 2012.</p>
Position limits	<p>Member: 4500 MT for all contracts or 15% of market wide open interest, whichever is higher. Client: 900 MT</p> <p>The above limits will not apply to bona fide hedgers. For bonafide 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 near month limit will be applicable during the last 7 trading days of the expiry of a contract</p> <p>Member: 1500 MT or 15% of market wide open interest in near month whichever is higher Client: 300 MT</p>
Quality Premium/Discount	None
Special Margin	Special margin of 4% of the value of the contract will be levied whenever the rise or fall in price exceeds 20% of the 90 days prior settlement price. The margin will be payable by buyer or seller depending on whether price rises or falls respectively. The margin shall stay in force so long as price exceeds the 20% limit and will be withdrawn as soon as the price is within the 20 % band.
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.
Minimum Initial margin	5%
Delivery logic	Compulsory Delivery

Tolerance Limits for Outbound Deliveries of Pepper

Specification	Basis	Acceptable quality range	Permissible Tolerance
Light pepper	2% Max	-	+/- 0.2%
Other matter	0.5% Max	-	-
Moisture	11% Max with a tolerance of 0.5% from May to October	-	+/- 0.5% (for delivery out during May-January 12%, February to April -11.5%)
Max Loss for all the characteristics			+/-1.00%

Note: Tolerance limit is applicable only for outbound deliveries. Variation in quality parameters within the prescribed tolerance limit as above will be treated as good delivery when members/clients lift the materials from warehouse. These permissible variations shall be based on the parameters found as per the immediate preceding test certificate given by NCDEX approved assayer.

Contract Specifications for Pepper
Applicable for contracts expiring in June 2012 and thereafter
(Updated on May 04, 2012)

Type of Contract	Futures Contract
Name of commodity	Pepper
Ticker symbol	PPRMLGKOC
Trading system	NCDEX Trading System
Hours of Trading	As per directions of the Forward Markets Commission from time to time Mondays through Fridays : 10:00 AM to 05:00 PM Saturdays : 10.00 AM to 2.00 PM The Exchange may vary the above timing with due notice.
Basis	Malabar Garbled 1 ex designated warehouse Kochi exclusive of all taxes
Unit of trading	1000 kgs (=1 MT)
Delivery Unit	1000 kgs (=1 MT)
Maximum order size	50 MT
Quotation/Base Value	Rs per Quintal
Tick size	Rs. 5/-
Price Band	Daily price limit will be (+)/ (-) 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 another (+/-) 1%. 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%.
Quality specification	Light pepper: 2% Max Other matter: 0.5% Max Moisture: 11% Max from November to April 11.5% Max from May to October
Quantity variation	+/- 2%
No. of active contracts	As per the launch calendar

Delivery center	Kochi (within a radius of 50 km from the municipal limits)
Additional Delivery centers	Calicut, Trissur (within a radius of 50 km from the municipal limits) Location Premium/Discount as notified by the Exchange from time to time
Delivery Logic	Compulsory delivery
Opening of contracts	Trading in any contract month will open on the 10th of the month. If the 10th day happens to be a non-trading day, contracts would open on the next trading day
Tender Period	Tender Date -T Tender Period: The tender period shall start on 5 th of every month in which the contract is due to expire. In case 5 th happens to be a Saturday, a Sunday or a holiday at the Exchange, the tender period would start from the next working day. Pay-in and Pay-out: On a T+2 basis. If the tender date is T, then pay-in and pay-out would happen on T+2 day (excluding Saturday). If such a T+2 day happens to be a Saturday, a Sunday or a holiday at the Exchange, clearing banks or any of the service providers, pay-in and pay-out would be effected on the next working day.
Closing of contract	Clearing and settlement of contracts will commence with the commencement of Tender Period by compulsory delivery of each open position tendered by the seller on T + 2 to the corresponding buyer matched by the process put in place by the Exchange. Upon the expiry of the contract all the outstanding open position shall result in compulsory delivery.
Due date/Expiry date	Expiry date of the contract: 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, which is other than a Saturday. The settlement of contract would be by a staggered system of Pay-in and Pay-out including the Last Pay- in and Pay-out which would be the Final Settlement of the contract.
Delivery Specification	Upon expiry of the contracts all the outstanding open positions shall result in compulsory delivery.

	<p>During the Tender period, if any delivery is tendered by seller, the corresponding buyer having open position and matched as per process put in place by the Exchange, shall be bound to settle by taking delivery on T + 2 day from the delivery centre where the seller has delivered same.</p> <p>The penalty structure for failure to meet delivery obligations will be as per circular no. NCDEX/TRADING-045/2012/161 dated April 30, 2012.</p>
Position limits	<p>Member: 4500 MT for all contracts or 15% of market wide open interest, whichever is higher. Client: 900 MT</p> <p>The above limits will not apply to bona fide hedgers. For bonafide 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 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</p> <p>Member: 1500 MT or 15% of market wide open interest in near month whichever is higher Client: 300 MT</p>
Quality Premium/Discount	None
Special Margin	<p>Special margin of 4% of the value of the contract will be levied whenever the rise or fall in price exceeds 20% of the 90 days prior settlement price. The margin will be payable by buyer or seller depending on whether price rises or falls respectively. The margin shall stay in force so long as price exceeds the 20% limit and will be withdrawn as soon as the price is within the 20 % band.</p>
Final Settlement Price	<p>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.</p>

Minimum Initial margin	5%
Delivery logic	Compulsory Delivery

Tolerance Limits for Outbound Deliveries of Pepper

Specification	Basis	Acceptable quality range	Permissible Tolerance
Light pepper	2% Max	-	+/- 0.2%
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Max Loss for all the characteristics			+/-1.00%

Note: Tolerance limit is applicable only for outbound deliveries. Variation in quality parameters within the prescribed tolerance limit as above will be treated as good delivery when members/clients lift the materials from warehouse. These permissible variations shall be based on the parameters found as per the immediate preceding test certificate given by NCDEX approved assayer.

Contract Launch Calendar

Contract Launch Month	Contract Expiry Month
November 2011	May 2012
December 2011	June 2012
January 2012	July 2012
February 2012	August 2012
March 2012	September 2012
April 2012	October 2012

May 2012	November 2012
June 2012	December 2012

Members and market participants who enter into buy and sell transactions may please note that they need to be aware of all the factors that go into the mechanism of trading and clearing, as well as all provisions of the Exchange's Bye Laws, Rules, Regulations, Product Notes, circulars, directives, notifications of the Exchange as well as of the Regulators, Governments and other authorities.

Members and market participants trading on the Exchange in the commodity contracts shall be deemed to be aware of applicable laws and amendments thereof from time to time, including provisions and rates relating to the sales tax, value added tax APMC Tax, Mandi Tax, octroi, excise duty, stamp duty, etc., applicable on the underlying commodity of any contract offered for trading.

The Exchange shall not be responsible or liable on account of non compliance by any of the members and market participants of any such applicable laws or any amendments thereof including not being aware of rates of taxes, levies, etc., on the underlying commodity of any contract offered for trading.