



Commencement of Future Trading in Cotton 10000 KG Contract

In terms of the provisions of the Bye Laws, Rules and Regulations of the Exchange, the Clearing Member, Trading Members, Sub Trading Members and the Clients are notified as under:

Cotton 10000 KG Future Contract will be available for trading from Monday, the 1st March, 2010.

The contract specifications and settlement procedures are specified in Annexure 1 and will be binding on all the members of the Exchange and constituents trading through them.

Clearing Member phone 01-4432597/4442665 or through email at info@kch.com.np for any clarification.

For and on behalf of

**Nepal Derivative Exchange Ltd.
Tinkune, Kathmandu
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CONTRACT SPECIFICATION OF COTTON-10000 KG

Contract Details	
Product	COTTON
Description	Cotton Regular or Cotton 10000 KG Contract
Code of contract	COT/ MM/ YY
Contract	
Daily Contract	Buying and selling on intra-day basis will be permitted, but all positions outstanding at end of trading session on a day must result into compulsory cash settlement.
Trading Day	Mondays through Friday
Daily Open Time	6:45:00 AM
Daily Close Time	00:14:59 AM
Specification	
Trading Platform	NDEX Trader Work Station – TWS
Contract Type	Financial Futures
Contract Months	MAR, MAY, JULY, OCT, DEC
First Trading Date	NDEX will update the notification in webpage
Last Trading Date	NDEX will update the notification in webpage
Contract size	10000 KG
Quotation/Price Based On	NPR PER 1 KG
Tick Size (Minimum Price Movement)	NPR 0.005 Per 1 KG
Daily Price Limits	No limit
Price Quote	Ex-NDEX (exclusive of all taxes and levies relating to import duty, customs, VAT, any other additional tax or surcharge on sales tax, local taxes.)
Spread Type	Variable
Minimum Spread	NPR 0.1 Per 1 KG
Minimum Order size (Per Deal)	10000 KG per deal
Maximum Order Size (Per Deal)	50000 KG per deal
Maximum Lot for Settlement (Daily)	500000 KG per day
Maximum Lot Hold (Weekly Holding)	5000000 KG per week
Maximum Lot Hold (Monthly Holding)	3000000 KG per month
Commissions	NPR 1200 PER LOT + VAT
Margin Structure	
Initial Margin	NPR 90000
Maintenance Margin Required	Equal to Initial Margin.

Margin Call	Margin call shall be applicable on an email or short notification through NDEX TWS according to the Circular issued by NDEX.
Liquidation Margin	NPR 0.00
Margin Call Cutoff Time	3:00 PM
Settlement	
Settlement Unit	10000 KG and multiples thereof
Settlement Center(s)	NDEX Designated Clearing Member
Delivery Logic/Settlement Logic	Cash Settlement
Final Settlement/Contract Expiry	Last Trading Date (As per the notification by Exchange)

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