



National Spot Exchange Limited

Circular

Ref. No.: NSEL/TRD/2013/065

July 31, 2013

Dear Members,

Suspension of Trading and Postponement of settlement of all one day forward contracts other than e-series contracts

In terms of the provisions of the Rules, Bye-Laws and Business Rules of the Exchange, the Members of the Exchange are notified as under:

1. Pursuant to directions issued by the Department of Consumer Affairs, Government of India vide letter dated July 12, 2013, the Exchange had given an undertaking to the Government and simultaneously, with a view to ensure orderly performance of the markets, introduced T+10 contracts with Trade for Trade settlements.
2. Despite this, there is a loss of trading interest in the market due to underlying uncertainties, which has led to trade in-equilibrium.
3. Under these circumstances and also in view of the grave emergency that has emerged in the market and in order to safeguard interests of all participants and market in general and pursuant to Bye-laws and Rules, the relevant authority is satisfied that continuation of trade in one day forward contracts, other than e-series contracts, is not in the interests of market and that, it is expedient in the general interests of the trade so to do, has decided as under:
 - i. Trading in all contracts, except e-series contracts, stands suspended until further notice.
 - ii. Notwithstanding anything contained in the Bye-laws or any contract, it has been decided to merge the delivery and settlement of all pending contracts with effect from today and to defer it for a period of 15 days and consequently, the positions outstanding in the contracts will be settled by way of delivery and payment after expiry of 15 days.
 - iii. A revised settlement calendar will be announced for contracts due for settlement after such 15 days period.



4. It is clarified that the trading and settlement as well as physical delivery pertaining to e-series contracts like e-gold, e-silver etc. will continue as usual.
5. It is further clarified that other initiatives of the Exchange such as e-auction, e-procurement, MSP operations on behalf of Government agencies (NAFED and SFAC), etc. shall also continue uninterrupted.

Members are requested to kindly take note of it.

For and on behalf of
National Spot Exchange Ltd.

Santosh Mansingh
Asst. Vice President

.