
NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED

Circular to all Members of the Exchange

Circular No. : NCDEX/TRADING-054/2023

Date : December 05, 2023

Subject : Modifications in Contract Specifications of Castor Seed Futures Contracts (Symbol: CASTOR)

Members are requested to note that the Exchange, as per SEBI circular no. SEBI/HO/CDMRD/DOP/CIR/P/2019/135 dated November 14, 2019 regarding Modifications in the contract specifications of commodity derivatives contracts and SEBI/HO/CDMRD_DOP/P/CIR/2021/592 dated July 08, 2021 regarding Review of Advance Intimation timelines for modifications in the contract specifications of commodity derivatives contracts, has modified the Quality Specifications of Castor Seed (Symbol: CASTOR) Futures Contracts expiring in the month of April 2024 and thereafter with effect from December 18, 2023.

Currently, Futures contracts in Castor Seed (Symbol: CASTOR) expiring in the months of December 2023, January 2024, February 2024, March 2024 and April 2024 are available for trading. The changes will be applicable for Castor Seed Futures Contracts expiring in the month of April 2024 and thereafter from the beginning of day December 18, 2023.

It may be noted that all the existing stocks under the grade 'CASTOR' will move to 1.5% grade discount post March 2024 expiry.

The running futures contracts and contracts to be launched further shall be additionally governed by the Product Note as is notified on the Exchange Website under the Tab — "Products". Members and Participants are requested to kindly go through the same and get acquainted with the product launched and its trading and related process put in place by the Exchange.

Members are requested to take note of the following:

1. Summary of modifications in Quality Specification for Castor Seed (Symbol: CASTOR) Futures for contracts expiring in the month of April 2024 and thereafter with effect from December 18, 2023 is given in **Annexure I**.
2. Existing Contract Specification for Castor Seed (Symbol: CASTOR) Futures Contracts expiring in the month of December 2023, January 2024, February 2024, March 2024, and April 2024 till December 15, 2023 is given in **Annexure II**.
3. Modified Contract Specification for Castor Seed (Symbol: CASTOR) Futures Contracts expiring in the month of April 2024 and thereafter with effect from December 18, 2023 is given in **Annexure III**.

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 SEBI.

It is clarified that it is the sole obligation and responsibility of the Members and market participants to ensure that apart from the approved quality standards stipulated by the Exchange, the commodity deposited / traded / delivered through the approved warehouses of the Clearing Corporation either on their own or on behalf of them by any third party acting on behalf of the Market Participants/Constituents is in due compliance with the applicable regulations laid down by authorities like Food Safety and Standards Authority of India, AGMARK, Warehousing Development and Regulatory Authority (WDRA), Orders under Packaging and Labelling etc., as also other State/Central laws and authorities issuing such regulations in this behalf from time to time, including but not limited to compliance of provisions and rates relating to GST, APMC Tax, Mandi Tax, LBT, stamp duty, etc. as applicable from time to time on the underlying commodity of any contract offered for deposit / trading / delivery and the Exchange / Clearing Corporation shall not be responsible or liable on account of any noncompliance thereof.

For and on behalf of
National Commodity & Derivatives Exchange Limited

Arun Yadav
Senior Vice President – Products

Encl: Annexure's

For further information / clarifications, please contact

1. Customer Service Group on toll free number: 1800 266 2339
2. Customer Service Group by e-mail to: askus@ncdex.com

Annexure I: Summary of modifications in Quality Specifications of Castor Seed (Symbol: CASTOR) Futures Contracts
1. Specifications of Castor Seed (Symbol: CASTOR) Futures Contracts

Parameter	Existing Contract Specification			Modified Contract Specification			Rationale		
Quality specification	Castor Seed (small seed) with the following specifications:			Castor Seed (small seed) with the following specifications:			On the basis of feedback received from market participants.		
	Oil content	47% Min.		Oil content	47% Min.				
	Fotri (Husk) and damaged Seeds	3.5 % Max.		Fotri (Husk) and damaged Seeds	2% basis. Max 3.5% with 1:1 discount				
	Sand, Silica and Stones	1% Max.		Sand, Silica and Stones	1% Max.				
	Moisture content tolerance	4.5 % Basis, 5.5 % Maximum with moisture adjusted weight (MAW) of 1:1		Moisture content tolerance	5 % Basis, 6 % Maximum with moisture adjusted weight (MAW) of 1:1				
Tolerance limit for outbound deliveries in Castor Seed	Commodity Specifications	Deposit	Re-mat (Out Bound Delivery)	Commodity Specifications	Deposit	Re-mat (Out Bound Delivery)	On the basis of feedback received from market participants.		
		Oil content	47 % Min		47 % Min	+/- 0.25%			
		Fotri (Husk) and damaged Seeds	3.5 % max		2% basis, Max 3.5% with 1:1 discount	+/- 0.25%			
		Moisture content	4.5 % basis, 5.5% maximum with moisture adjusted weight of 1:1		5% basis, 6% maximum with moisture adjusted weight of 1:1				
		Max Tolerance (for all characteristics)			Max Tolerance (for all characteristics)				

Annexure II: Existing Contract Specification for Castor Seed Futures Contracts

(Applicable for contracts expiring in the month of December 2023, January 2024, February 2024, March 2024, and April 2024 till December 15, 2023)

Type of Contract	Futures Contract	
Name of the commodity	Castor Seed	
Ticker symbol	CASTOR	
Trading system	NCDEX Trading System	
Basis	Ex-warehouse Deesa, exclusive of GST	
Unit of trading	5 MT	
Delivery Unit	5 MT	
Maximum Order Size	500 MT	
Quotation/Base Value	Rs. Per Quintal (100 kg)	
Tick size	Rs. 1.00	
Quality specification	Castor Seed (small seed) with the following specifications:	
	Oil content	47% Min.
	Fotri (Husk) and damaged Seeds	3.5 % Max.
	Sand, Silica and Stones	1% Max.
	Moisture content	4.5 % Basis, 5.5 % Maximum with moisture adjusted weight (MAW) of 1:1
Quantity Variation	+/-2%	
Delivery center	Deesa (upto the radius of 60 kms from the municipal limits, within the state of Gujarat)	
Additional Delivery Centers	Bhabhar, Kadi, Patan (upto the radius of 60 kms from the municipal limits, within the state of Gujarat) with location wise premium/discount as announced by the Exchange from time to time.	
Hours of Trading	As notified by the Exchange from time to time, Currently: - Mondays through Fridays: 10:00 a.m. to 5:00 p.m. The Exchange may vary the above timing with due notice.	
Delivery Logic	Compulsory delivery	

Opening of contracts	Trading in any contract month will open on the 1 st day of the month. If 1 st day of the month happens to be a non-trading day, contracts would open on the next trading day.
Tender Period	Tender Period – T Tender Period: The tender period would be the last 5 trading days (including expiry day) of the contracts. 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. If such a T+2 day happens to be a Saturday, a Sunday or a holiday at the Exchange, Clearing Corporation, 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: 20 th day of the delivery month. If 20 th 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. 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 center where the seller has delivered same. The penalty structure for failure to meet delivery obligations will be as per circular no. NCCL/CLEARING-010/2021 dated March 24, 2021 and NCCL/CLEARING-029/2021 dated August 18, 2021.
No. of active contracts	As per launch calendar

Daily Price Limit (DPL)	<p>Daily price limit is (+/-) 4%. Once the 4% limit is reached, then after a period of 15 minutes this limit shall be increased further by 2%. The trading shall be permitted during the 15 minutes period within the 4% limit. After the DPL is enhanced, trades shall be permitted throughout the day within the enhanced total DPL of 6%.</p> <p>The DPL on the launch (first) day of new contract shall be as per the circular no. NCDEX/TRADING-010/2021 dated March 22, 2021.</p>																																		
Position limits	<p>Member-wise: 1,85,000 MT or 15% of market-wide open interest, whichever is higher.</p> <p>Client-wise: 18,500 MT</p> <p>Bona fide hedger clients may seek exemption as per approved Hedge Policy of the Exchange notified vide Circular No: NCDEX/TRADING-026/2021 dated August 30, 2021.</p> <p>For near month contracts:</p> <p>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-wise: 46,250 MT or one-fourth of the member's overall position limit in that commodity, whichever is higher.</p> <p>Client-wise: 4,625 MT.</p>																																		
Special margins	In case of unidirectional price movement/ increased volatility, an additional/ special margin at such other percentage, as deemed fit by the Regulator/ Exchange, may be imposed on the buy and the sell side or on either of the buy or sell sides in respect of all outstanding positions. Reduction/ removal of such additional/ special margins shall be at the discretion of the Regulator/ Exchange.																																		
Final Settlement Price	<p>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 the spot price for any one or both of E-1 and E-2 is not available; the simple average of the last polled spot price of E0, E-1, E-2 and E-3, whichever available, shall be taken as FSP. Thus, the FSP under various scenarios of non-availability of polled spot prices shall be as under:</p> <table border="1" data-bbox="612 1510 1418 1890"> <thead> <tr> <th rowspan="2">Scenario</th> <th colspan="4">Polled spot price availability on</th> <th rowspan="2">FSP shall be simple average of last polled spot prices on:</th> </tr> <tr> <th>E0</th> <th>E-1</th> <th>E-2</th> <th>E-3</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Yes</td> <td>Yes</td> <td>Yes</td> <td>Yes/No</td> <td>E0, E-1, E-2</td> </tr> <tr> <td>2</td> <td>Yes</td> <td>Yes</td> <td>No</td> <td>Yes</td> <td>E0, E-1, E-3</td> </tr> <tr> <td>3</td> <td>Yes</td> <td>No</td> <td>Yes</td> <td>Yes</td> <td>E0, E-2, E-3</td> </tr> <tr> <td>4</td> <td>Yes</td> <td>No</td> <td>No</td> <td>Yes</td> <td>E0, E-3</td> </tr> </tbody> </table>	Scenario	Polled spot price availability on				FSP shall be simple average of last polled spot prices on:	E0	E-1	E-2	E-3	1	Yes	Yes	Yes	Yes/No	E0, E-1, E-2	2	Yes	Yes	No	Yes	E0, E-1, E-3	3	Yes	No	Yes	Yes	E0, E-2, E-3	4	Yes	No	No	Yes	E0, E-3
Scenario	Polled spot price availability on				FSP shall be simple average of last polled spot prices on:																														
	E0	E-1	E-2	E-3																															
1	Yes	Yes	Yes	Yes/No	E0, E-1, E-2																														
2	Yes	Yes	No	Yes	E0, E-1, E-3																														
3	Yes	No	Yes	Yes	E0, E-2, E-3																														
4	Yes	No	No	Yes	E0, E-3																														

	5	Yes	Yes	No	No	E0, E-1
	6	Yes	No	Yes	No	E0, E-2
	7	Yes	No	No	No	E0
Minimum Initial margin	10%					

Tolerance limit for outbound deliveries in Castor Seed

Commodity Specifications	Deposit	Re-mat (Out Bound Delivery)
Oil content	47 % Min	+/- 0.25%
Fotri (Husk) and damaged Seeds	3.5 % max	+/- 0.25%
Moisture content	4.5 % basis, 5.5% maximum with moisture adjusted weight of 1:1	
Max Tolerance (for all characteristics)		+/- 0.50%

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 NCCL empanelled assayer.

Contract Launch Calendar

Contract Launch Month	Contract Expiry Month
August 2023	December 2023
September-2023	January-2024
October-2023	February-2024
November-2023	March-2024
December-2023	April-2024

Annexure III: Modified Contract Specification for Castor Seed Futures Contracts

(Applicable for contracts expiring in the month of April 2024 and thereafter with effect from December 18, 2023)

Type of Contract	Futures Contract	
Name of the commodity	Castor Seed	
Ticker symbol	CASTOR	
Trading system	NCDEX Trading System	
Basis	Ex-warehouse Deesa, exclusive of GST	
Unit of trading	5 MT	
Delivery Unit	5 MT	
Maximum Order Size	500 MT	
Quotation/Base Value	Rs. Per Quintal (100 kg)	
Tick size	Rs. 1.00	
Quality specification	Castor Seed (small seed) with the following specifications:	
	Oil content	47% Min.
	Fotri (Husk) and damaged Seeds	2% basis. Max 3.5% with 1:1 discount
	Sand, Silica and Stones	1% Max.
	Moisture content tolerance	5 % Basis, 6 % Maximum with moisture adjusted weight (MAW) of 1:1
Quantity Variation	+/-2%	
Delivery center	Deesa (upto the radius of 60 kms from the municipal limits, within the state of Gujarat)	
Additional Delivery Centers	Bhabhar, Kadi, Patan (upto the radius of 60 kms from the municipal limits, within the state of Gujarat) with location wise premium/discount as announced by the Exchange from time to time.	
Hours of Trading	As notified by the Exchange from time to time, Currently: - Mondays through Fridays: 10:00 a.m. to 5:00 p.m. The Exchange may vary the above timing with due notice.	
Delivery Logic	Compulsory delivery	
Opening of contracts	Trading in any contract month will open on the 1st day of the month.	

	If 1st day of the month happens to be a non-trading day, contracts would open on the next trading day.
Tender Period	<p>Tender Period – T</p> <p>Tender Period: The tender period would be the last 5 trading days (including expiry day) of the contracts.</p> <p>Pay-in and Pay-out:</p> <p>On a T+2 basis. If the tender date is T, then pay-in and pay-out would happen on T+2 day. If such a T+2 day happens to be a Saturday, a Sunday or a holiday at the Exchange, Clearing Corporation, clearing banks or any of the service providers, pay-in and pay-out would be effected on the next working day.</p>
Closing of Contract	<p>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.</p> <p>Upon the expiry of the contract all the outstanding open position shall result in compulsory delivery.</p>
Due date/Expiry date	<p>Expiry date of the contract:</p> <p>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.</p> <p>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.</p>
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 center where the seller has delivered same.</p> <p>The penalty structure for failure to meet delivery obligations will be as per circular no. NCCL/CLEARING-010/2021 dated March 24, 2021 and NCCL/CLEARING-029/2021 dated August 18, 2021.</p>
No. of active contracts	As per launch calendar
Daily Price Limit (DPL)	<p>Daily price limit is (+/-) 4%. Once the 4% limit is reached, then after a period of 15 minutes this limit shall be increased further by 2%. The trading shall be permitted during the 15 minutes period within the 4% limit. After the DPL is enhanced, trades shall be permitted throughout the day within the enhanced total DPL of 6%.</p> <p>The DPL on the launch (first) day of new contract shall be as per the circular no. NCDEX/TRADING-010/2021 dated March 22, 2021.</p>
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	2	Yes	Yes	No	Yes	E0, E-1, E-3
	3	Yes	No	Yes	Yes	E0, E-2, E-3
	4	Yes	No	No	Yes	E0, E-3
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Minimum Initial margin	10%					

Tolerance limit for outbound deliveries in Castor Seed

Commodity Specifications	Deposit	Re-mat (Out Bound Delivery)
Oil content	47 % Min	+/- 0.25%
Fotri (Husk) and damaged Seeds	2% basis Max 3.5% with 1:1 discount	+/- 0.25%
Moisture content	5% basis, 6% maximum with moisture adjusted weight of 1:1	
Max Tolerance (for all characteristics)		+/- 0.50%

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 NCCL empanelled assayer.

Contract Launch Calendar

Contract Launch Month	Contract Expiry Month
December-2023	April-2024
January-2024	May-2024
February-2024	June-2024
March-2024	July-2024
April-2024	August-2024
May-2024	September-2024
June-2024	October-2024
July-2024	November-2024
August-2024	December-2024