
NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED

Circular to all Members of the Exchange

Circular No. : NCDEX/TRADING-045/2022

Date : September 10, 2022

Subject : Re-Launch of Futures contracts – Robusta Cherry AB Coffee (COFFEE)

The Exchange is pleased to inform the members of the Exchange that as per its Bye-laws, Rules and Regulations, and with the approval received from Securities and Exchange Board of India, Future contracts in Robusta Cherry AB Coffee (Symbol: COFFEE) expiring in the months of February 2023, March 2023 and April 2023 would be available for trading w.e.f. **September 30, 2022**. Contracts for further expiries shall be launched as per the enclosed contract launch calendar.

The Futures contracts to be launched 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 launched product, its trading and related process put in place by the Exchange.

Members and participants are requested to take note of the following:

1. Summary of modifications in contract specifications for Robusta Cherry AB Coffee (Symbol: COFFEE) Futures contracts expiring in the months of February 2023, March 2023 and April 2023, is given in **Annexure I**.
2. Modified contract specifications applicable for Futures contracts expiring in the months of February 2023, March 2023, April 2023, and thereafter is given in **Annexure II**.

Coffee will be part of special category of commodities and as per circular no. NCDEX/TRADING-018/2022 dated March 29, 2022 on Transaction Charges on Trading in Futures Contracts, the transaction charges for Robusta Cherry AB Coffee Futures contracts (COFFEE) will be as per Special category commodities, presently at the flat rate of Re. 3 per lakh of trade.

With reference to circular nos. NCCL/RISK-001/2018 dated September 26, 2018 regarding Risk Management Framework and NCCL/RISK-008/2019 dated June 12, 2019 regarding Concentration Margin – Revision in Concentration Margin and Threshold Level, members and participants are requested to note that as per the directives of the SEBI and Byelaws, Rules and Regulations of the Exchange, Concentration Margin shall be levied on Robusta Cherry AB Coffee (Symbol: COFFEE). The Open Interest (OI) Threshold Level for Robusta Cherry AB Coffee (Symbol: COFFEE) to attract Concentration Margin shall be as mentioned in the table below:

Commodity	Symbol	Measure	Open Interest Threshold Level
Robusta Cherry AB Coffee	COFFEE	MT	13,100

The applicable OI slabs and corresponding margin percentages at clearing member level and at the client level shall be same as specified in the circular nos. NCCL/RISK-001/2018 dated September 26, 2018 regarding Risk Management Framework and NCCL/RISK-008/2019 dated June 12, 2019 regarding Concentration Margin – Revision in Concentration Margin and Threshold Level. The Concentration Margin and Threshold Limit shall be effective from beginning of trading day September 30, 2022.

The contracts and the transactions therein will be subject to Bye Laws, Rules, and Regulations of the Exchange and circulars issued by the Exchange as well as directives, if any, issued from time to time by the Regulator. 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 tanks of the Clearing Corporation either on their own or on their behalf by any third party is in due compliance with the applicable regulations laid down by authorities like 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 shall not be responsible or liable on account of any non-compliance thereof.

For and on behalf of
National Commodity & Derivatives Exchange Limited

Arun Yadav
 Senior Vice President – Products

Encl: Annexures

For further information / clarifications, please contact

1. Ms. Bhupalini Kodati on Mobile Phone (+91) 9885633926
2. Customer Service Group on toll free number: 1800 26 62339
3. Customer Service Group by e-mail to: askus@ncdex.com

Annexure I: Summary of modifications in contract specifications – Robusta Cherry AB Coffee (COFFEE) Futures contract

Parameter	Earlier Contract specification			Modified contract specification	Rationale																																	
Ticker Symbol	COFFEERC			COFFEE	Simplified ticker symbol																																	
Unit of Trading	2 MT			1 MT	As per the current market practices																																	
Delivery Unit	2 MT deliverable in sound and new jute bags containing net coffee of 60 kg			1 MT	As per the current market practices																																	
Maximum order size	Not applicable			50 MT	As per the current regulations and market practices																																	
Quotation/base value	Rs./Kilogram			Rs/Quintal	As per the current market practices																																	
Tick size	5 paise			Rs. 10	As per the current market practices																																	
Quality Specifications	Robusta Cherry AB Coffee specifications (Earlier) <table border="1"> <thead> <tr> <th>Parameter</th> <th>Basis</th> <th>Max/Min Permissible limits</th> </tr> </thead> <tbody> <tr> <td>Moisture</td> <td>9% to 12%</td> <td>9% min., 13% max.*</td> </tr> <tr> <td>Retention on Screen 15 (screen with round holes of 6 mm) by weight</td> <td>90% and above</td> <td>90% min.</td> </tr> <tr> <td>Passage through screen 14 (screen with round holes of 5.5 mm) by weight</td> <td>1.5% and below</td> <td>1.5% max.</td> </tr> <tr> <td>Extraneous matter by weight</td> <td>0%</td> <td>0.2% max.*</td> </tr> <tr> <td>Black cotyledon (full Black) beans by weight</td> <td>0%</td> <td>0.2% max.*</td> </tr> <tr> <td>Triage (round small beans, spotted beans,</td> <td>0%</td> <td>3% max.</td> </tr> </tbody> </table>	Parameter	Basis	Max/Min Permissible limits	Moisture	9% to 12%	9% min., 13% max.*	Retention on Screen 15 (screen with round holes of 6 mm) by weight	90% and above	90% min.	Passage through screen 14 (screen with round holes of 5.5 mm) by weight	1.5% and below	1.5% max.	Extraneous matter by weight	0%	0.2% max.*	Black cotyledon (full Black) beans by weight	0%	0.2% max.*	Triage (round small beans, spotted beans,	0%	3% max.	Robusta Cherry AB Coffee specifications <table border="1"> <thead> <tr> <th>Parameter</th> <th>Basis</th> </tr> </thead> <tbody> <tr> <td>Moisture</td> <td>12% Max.</td> </tr> <tr> <td>Retention on Screen 15 (screen with round holes of 6 mm) by weight</td> <td>Min 90%</td> </tr> <tr> <td>Passage through screen 14 (screen with round holes of 5.5 mm) by weight</td> <td>1.5% and below</td> </tr> <tr> <td>Extraneous matter by weight</td> <td>0%</td> </tr> <tr> <td>Black cotyledon (full Black) beans by weight</td> <td>0%</td> </tr> <tr> <td>Triage (round small beans, spotted beans,</td> <td>3% by weight Max</td> </tr> </tbody> </table>	Parameter	Basis	Moisture	12% Max.	Retention on Screen 15 (screen with round holes of 6 mm) by weight	Min 90%	Passage through screen 14 (screen with round holes of 5.5 mm) by weight	1.5% and below	Extraneous matter by weight	0%	Black cotyledon (full Black) beans by weight	0%	Triage (round small beans, spotted beans,	3% by weight Max	As per the current market practices
Parameter	Basis	Max/Min Permissible limits																																				
Moisture	9% to 12%	9% min., 13% max.*																																				
Retention on Screen 15 (screen with round holes of 6 mm) by weight	90% and above	90% min.																																				
Passage through screen 14 (screen with round holes of 5.5 mm) by weight	1.5% and below	1.5% max.																																				
Extraneous matter by weight	0%	0.2% max.*																																				
Black cotyledon (full Black) beans by weight	0%	0.2% max.*																																				
Triage (round small beans, spotted beans,	0%	3% max.																																				
Parameter	Basis																																					
Moisture	12% Max.																																					
Retention on Screen 15 (screen with round holes of 6 mm) by weight	Min 90%																																					
Passage through screen 14 (screen with round holes of 5.5 mm) by weight	1.5% and below																																					
Extraneous matter by weight	0%																																					
Black cotyledon (full Black) beans by weight	0%																																					
Triage (round small beans, spotted beans,	3% by weight Max																																					

	(round small beans, spotted beans, Elephant beans, Pales, Dried and Shriveled Beans, broken beans) by weight			Elephant beans, Pales, Dried and Shriveled Beans, broken beans) by weight		
	Pea Berry by weight	0% to 2%	5% max.*	Pea Berry by weight	2% by weight Max	
	Insect damaged beans by weight	0%	2% max.*	Insect damaged beans by weight	1.5%	
	Brown Beans and Partially Black Beans by weight	0%	2.5% max.*	Brown Beans and Partially Black Beans by weight	2.5%	
				Immature Beans	6% Max	
				Bleached Beans	3% Max	
	* See Premium and Discount			Coffee shall be free from any artificial colouring, flavouring, facing extraneous matter or glazing substance and shall be in sound, dry and fresh condition, free from rancid or obnoxious flavor.		
Quantity variation	+/- 5 %			+/- 2%		As per the current market practices
Additional delivery centers	Delivery shall also be acceptable at Hassan (Karnataka), Chikmangalur (Karnataka) and Kalpetta (Kerala) up to the radius of 50 kms from the municipal limits of the respective centers at par unless otherwise notified by the Exchange before the launch of the respective contract month			-		As per the current market practice
Hours of Trading	Mondays through Fridays: 10:00 a.m. to 11:30 p.m. 10:00 a.m. to 11:55 p.m. (during US day light saving period) Saturdays: 10:00 a.m. to 2:00 p.m. The Exchange may vary the above timing with due notice			As notified by the Exchange from time to time, currently: Mondays through Fridays: 9.00 A.M. to 5.00 P.M. The Exchange may vary above timing with due notice.		As per the current Exchange timings.
Opening of contract	Trading for December 2008 and March 2009 contract will open after			Trading in any contract month will open on the 1st day of the month. If the 1st day		As per the current

	<p>approval of the Commission and thereafter, trading for contracts will open on the 10th day of month of the latest expiring contract. If the 10th day happens to be a non-trading day the contracts would open on the next trading day</p>	<p>happens to be a non-trading day, contracts would open on the next trading day</p>	Exchange practice.
Tender Period	<p>Tender Date -T</p> <p>Tender Period:</p> <p>Tender period would be during trading hours of 10 trading days, excluding Saturday, before the expiry of the contract including the day of expiry of the contract.</p> <p>Pay-in and Pay-out for settlement through physical delivery: on a T+7 basis. If the Tender Date is T then, pay-in and pay-out would happen on T + 7 day. If such a T + 7 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.</p> <p>Pay-in and Pay-out for cash-settlement on expiry of the contract: on a E+1 basis. If the Expiry Date is E then, Pay-in and Pay-out would happen on E+1 day. If such a E+1 day happens to be a Saturday, a Sunday or a holiday at the Exchange, clearing Banks, Pay-in and Pay-out would be effected on the next working day.</p> <p>Pay-in and pay-out schedule will be declared by the Exchange from time to time</p>	<p>Tender Date -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>	As per the current market and Exchange practice.
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 +7 to the corresponding buyer matched by the process put in place by the Exchange.</p>	<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>	As per the current Exchange practice.

	On the expiry of the contract, all the outstanding positions shall be settled by physical delivery		
Due date / Expiry of the contract:	<p>20th day of the delivery month</p> <p>If 20th day happens to be a Saturday, Sunday or Holiday, then the due date shall be the immediately preceding trading day of the Exchange</p> <p>The Settlement of the contract would be by a staggered system where settlement through physical delivery tendered on T day would happen on the T+7th day and final settlement of the contract would happen on E+7 day. Corresponding to each delivery The supplemental settlement shall also happen on T+7 days and the settlement for taxes shall happen on T+9 days.</p>	<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>	As per the current Exchange practice.
Delivery Specifications	<p>Upon expiry of the contract all outstanding positions will result in delivery. The penalty structure for failure to meet delivery obligations will be as per Commission's letter no.13/2/2006-MKT-III dated September 28, 2007. The Exchange will have right to change the penalty structure.</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 + 7 day from the delivery centre where the seller has delivered same.</p>	<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.</p>	As per the current Exchange practice.
Final settlement Price	Not mentioned	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:	As per the current Exchange practice.

		Sce nario	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	
Daily price limit	Daily price fluctuation limit is (+/-) 2%. 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 (+/-) 2% 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%	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%. 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.	As per the current market practice						
Position Limits	Member level limit: 2250 MT or 15% of market wide open position whichever is higher Client: overall 750 MT Following limit will apply in the near month: Member level limit: 450 MT Client level 150 MT	Member-wise: 16,000 MT or 15% of market wide open interest in the commodity whichever is higher Client-wise: Maximum of 1,600 MT Bona fide hedger/EFE clients may seek exemption as per approved Hedge Policy of the Exchange notified vide Circular No. NCDEX/TRADING-026/2021 dated August 30, 2021 and Circular No: NCDEX/TRADING-072/2018 dated November 28, 2018. 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	As per the recent regulation						

		Member-wise: 4,000 MT or one-fourth of the member's overall position limit in that commodity, whichever is higher Client-wise: 400 MT																												
Premium/Discounts	<p>a) Moisture content of 12.01% to 13% shall be discounted as under:</p> <table border="1"> <thead> <tr> <th>Moisture content</th> <th>Discount on weight of coffee</th> </tr> </thead> <tbody> <tr> <td>12.01% to 12.50%</td> <td>0.5%</td> </tr> <tr> <td>12.51% to 13%</td> <td>1%</td> </tr> </tbody> </table> <p>b) Extraneous Matter content upto 0.2% by weight shall be discounted as under</p> <table border="1"> <thead> <tr> <th>Extraneous matter</th> <th>Discount on weight of coffee</th> </tr> </thead> <tbody> <tr> <td>0.01% to 0.1%</td> <td>0.1%</td> </tr> <tr> <td>0.11% to 0.2%</td> <td>0.2%</td> </tr> </tbody> </table> <p>c) Pea Berry content of 2.01% to 5% by weight shall be discounted at Rs. 2 per kg as under</p> <table border="1"> <thead> <tr> <th>Actual content of Pea Berry</th> <th>Discounted content of Pea Berry</th> <th>Reduction in the value of coffee</th> </tr> </thead> <tbody> <tr> <td>2.01% to 3%</td> <td>1%</td> <td>Rs. 2 multiplied by the discounted content of Pea Berry by weight in Kilograms</td> </tr> <tr> <td>3.01% to 4%</td> <td>2%</td> <td></td> </tr> <tr> <td>4.01% to 5%</td> <td>3%</td> <td></td> </tr> </tbody> </table> <p>d) Brown Beans and Partially Black Beans content up to 2.5% by weight shall be discounted at Rs. 4 per kg as under:</p> <table border="1"> <thead> <tr> <th>Actual content of Brown Beans/Partially</th> <th>Discounted content of Brown/P</th> <th>Reduction in the value of coffee</th> </tr> </thead> </table>	Moisture content	Discount on weight of coffee	12.01% to 12.50%	0.5%	12.51% to 13%	1%	Extraneous matter	Discount on weight of coffee	0.01% to 0.1%	0.1%	0.11% to 0.2%	0.2%	Actual content of Pea Berry	Discounted content of Pea Berry	Reduction in the value of coffee	2.01% to 3%	1%	Rs. 2 multiplied by the discounted content of Pea Berry by weight in Kilograms	3.01% to 4%	2%		4.01% to 5%	3%		Actual content of Brown Beans/Partially	Discounted content of Brown/P	Reduction in the value of coffee	<p>Not Applicable</p>	As per the current market practices
Moisture content	Discount on weight of coffee																													
12.01% to 12.50%	0.5%																													
12.51% to 13%	1%																													
Extraneous matter	Discount on weight of coffee																													
0.01% to 0.1%	0.1%																													
0.11% to 0.2%	0.2%																													
Actual content of Pea Berry	Discounted content of Pea Berry	Reduction in the value of coffee																												
2.01% to 3%	1%	Rs. 2 multiplied by the discounted content of Pea Berry by weight in Kilograms																												
3.01% to 4%	2%																													
4.01% to 5%	3%																													
Actual content of Brown Beans/Partially	Discounted content of Brown/P	Reduction in the value of coffee																												

Black Beans	Partially Black Beans	
0.01% to 1%	1%	Rs. 4 multiplied by the discounted content of Brown Beans/Partially Black Beans by weight in Kilograms
1.01% to 2%	2%	
2.01% to 2.5%	2.5%	

e) Black Cotyledons (full black) Beans content up to 0.2% by weight shall at a discounted at Rs. 5 per kg as under:

Actual content of Full Black Beans	Discounted content of Full Black Beans	Reduction in the value of coffee
0.01% to 0.1%	0.1%	Rs. 5 multiplied by the discounted content of Full Black Beans by weight in Kilograms
0.11% to 0.2%	0.2%	

f) Coffee with insect damaged beans will be discounted at Rs 2 Per Kg of coffee delivered. Further discount of Rs. 4 per kg of insect damaged beans shall be applied as under:

Actual content of Insect Damaged Beans	Discounted content of Insect Damaged Beans	Reduction in the value of coffee
0.01% to 1%	1%	Rs. 4 multiplied by the discounted content of Insect
1.01% to 2%	2%	

			Damaged Beans by weight in Kilograms		
Allotment of Deliveries	Procedure should be in FIFO		Not Applicable	As per the current market practices	
Minimum Initial Margin	Not mentioned		10%	As per the current regulations	
Special Margin	Not mentioned		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	As per the current regulations	

Annexure II: Modified Contract Specifications of Robusta Cherry AB Coffee (COFFEE) Futures contract

(Applicable for contracts expiring in February 2023 & thereafter)

Type of Contract	Futures Contract	
Name of Commodity	Robusta Cherry AB Coffee	
Ticker symbol	COFFEE	
Trading System	NCDEX Trading System	
Basis	Ex warehouse Kushalnagar (Karnataka) exclusive of all taxes	
Unit of trading	1 MT	
Delivery unit	1 MT	
Maximum Order Size	50 MT	
Quotation/base value	Rs. / Quintal	
Tick size	Rs. 10	
Quality specification	Robusta Cherry AB Coffee specifications:	
	Parameter	Basis
	Moisture	12% Max.
	Retention on Screen 15 (screen with round holes of 6 mm) by weight	Min 90%
	Passage through screen 14 (screen with round holes of 5.5 mm) by weight	1.5% and below
	Extraneous matter by weight	0%
	Black cotyledon (full Black) beans by weight	0%
	Triage (round small beans, spotted beans, Elephant beans, Pales, Dried and Shriveled Beans, broken beans) by weight	3% by weight Max

	<table border="1"> <tr> <td>Pea Berry by weight</td><td>2% by weight Max</td></tr> <tr> <td>Insect damaged beans by weight</td><td>1.5%</td></tr> <tr> <td>Brown Beans and Partially Black Beans by weight</td><td>2.5%</td></tr> <tr> <td>Immature Beans</td><td>6% Max</td></tr> <tr> <td>Bleached Beans</td><td>3% Max</td></tr> </table>	Pea Berry by weight	2% by weight Max	Insect damaged beans by weight	1.5%	Brown Beans and Partially Black Beans by weight	2.5%	Immature Beans	6% Max	Bleached Beans	3% Max
Pea Berry by weight	2% by weight Max										
Insect damaged beans by weight	1.5%										
Brown Beans and Partially Black Beans by weight	2.5%										
Immature Beans	6% Max										
Bleached Beans	3% Max										
	Coffee shall be free from any artificial colouring, flavouring, facing extraneous matter or glazing substance and shall be in sound, dry and fresh condition, free from rancid or obnoxious flavor.										
Quantity variation	+/- 2 %										
Delivery center	Kushalnagar (Karnataka) (up to the radius of 50 Kms from the municipal limits)										
Hours of Trading	As notified by the Exchange from time to time, currently: Mondays through Fridays: 9.00 A.M. to 5.00 P.M. The Exchange may vary above timing with due notice.										
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. During the Tender period, if any delivery is tendered by seller,										

	<p>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.</p>
Opening of contracts	Trading in any contract month will open on the 1st day of the month. If the 1st day happens to be a non-trading day, contracts would open on the next trading day
Tender Period	<p>Tender Date –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: On a T+2 basis.</p> <p>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>
No. of active contracts	As per Contract launch calendar
Daily Price Limit (DPL)	Daily price limit is (+/-) 4%. Once the 4% limit is reached, then after a period of 15 minutes this limit shall be increased

	<p>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: 16,000 MT or 15% of market wide open interest in the commodity whichever is higher</p> <p>Client-wise: Maximum of 1,600 MT</p> <p>Bona fide hedger/EFE clients may seek exemption as per approved Hedge Policy of the Exchange notified vide Circular No. NCDEX/TRADING-026/2021 dated August 30, 2021 and Circular No: NCDEX/TRADING-072/2018 dated November 28, 2018.</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: 4,000 MT or one-fourth of the member's overall position limit in that commodity, whichever is higher</p> <p>Client-wise: 400 MT</p>
Special margins	<p>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.</p>
Final Settlement price	<p>FSP shall be arrived at by taking the simple average of the</p>

	<p>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"> <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> <tr> <td>5</td><td>Yes</td><td>Yes</td><td>No</td><td>No</td><td>E0, E-1</td></tr> <tr> <td>6</td><td>Yes</td><td>No</td><td>Yes</td><td>No</td><td>E0, E-2</td></tr> <tr> <td>7</td><td>Yes</td><td>No</td><td>No</td><td>No</td><td>E0</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	5	Yes	Yes	No	No	E0, E-1	6	Yes	No	Yes	No	E0, E-2	7	Yes	No	No	No	E0
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%																																																								
Delivery Logic	Compulsory Delivery																																																								

Contract Launch Calendar:

Contract Launch Month	Contract Expiry Month
September-2022	February-2023
	March-2023
	April-2023
December – 2022	May-2023
January -2023	June-2023
February-2023	July-2023
March-2023	August-2023
April-2023	September-2023
May-2023	October - 2023
June-2023	No Launch
July-2023	No Launch
August-2023	No Launch