
NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED

Circular to all Members of the Exchange

Circular No. : NCDEX/TRADING-012/2022

Date : March 03, 2022

Subject : Launch of Futures contracts – Refined Castor Oil (First Special Grade – F.S.G.) (CASTOROIL)

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 Refined Castor Oil (First Special Grade – F.S.G.) (Symbol: CASTOROIL) expiring in the months of April 2022, May 2022, June 2022 and July 2022 would be available for trading w.e.f. **March 21, 2022**. Contracts for further expiries shall be launched as per the enclosed contract launch calendar.

Members and participants are requested to note that Refined Castor Oil (First Special Grade – F.S.G.) Futures contract (Symbol: CASTOROIL) will be available for trading as per the contract specifications given in Annexure I.

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.

With reference to circular nos. NCCL/RISK-001/2018 dated September 26, 2018 regarding Risk Management Framework and NCCL/RISK008/2019 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 Refined Castor Oil (First Special Grade – F.S.G.) (Symbol: CASTOROIL). The Open Interest (OI) Threshold Level for Refined Castor Oil (First Special Grade – F.S.G.) (Symbol: CASTOROIL) to attract Concentration Margin shall be as mentioned in the table below:

Commodity	Symbol	Measure	Open Interest Threshold Level
Refined Castor Oil (First Special Grade – F.S.G.)	CASTOROIL	MT	17,900

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 March 21, 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. Mr. Sachin Bhokare on Mobile Phone (+91) 9099037006
2. Customer Service Group on toll free number: 1800 26 62339
3. Customer Service Group by e-mail to: askus@ncdex.com

Annexure I: Contract Specifications of Refined Castor Oil (First Special Grade – F.S.G.) (Symbol: CASTOROIL) Futures contract

Type of Contract	Futures Contract																															
Name of Commodity	Refined Castor Oil (First Special Grade – F.S.G)																															
Ticker symbol	CASTOROIL																															
Trading System	NCDEX Trading System																															
Basis	Ex-Tank Kandla , exclusive of GST																															
Unit of trading	2 MT																															
Delivery unit	Not Applicable																															
Maximum Order Size	200 MT																															
Quotation/base value	Rs. per 10 kg																															
Tick size	50 Paisa																															
Quality specification	Refined Castor Oil (FSG- First Special Grade) with the following specifications: <table border="1" data-bbox="538 971 1330 1795"> <tr> <td>Refractive Index at 20°C</td> <td>1.4700-1.4740</td> </tr> <tr> <td>Moisture & Volatile Matter</td> <td>0.22 % Max</td> </tr> <tr> <td>Insoluble Impurities</td> <td>0.02 % Max</td> </tr> <tr> <td>Free Fatty Acid</td> <td>0.9 % Max</td> </tr> <tr> <td>Acid Value</td> <td>2.00 % Max</td> </tr> <tr> <td>Iodine Value (Wijs method)</td> <td>82-90 %</td> </tr> <tr> <td>Acetyl Value</td> <td>140 Min</td> </tr> <tr> <td>Saponification Value</td> <td>177-187</td> </tr> <tr> <td>Un-saponifiable Matter</td> <td>0.80 % Max</td> </tr> <tr> <td>Hydroxy Value</td> <td>160-168</td> </tr> <tr> <td>Relative Density 15 / 15.5 DC</td> <td>0.954-0.960</td> </tr> <tr> <td>Viscosity Gardner-Holdt</td> <td>U- V</td> </tr> <tr> <td>Colour, Lovibond (5 1/4" cell)</td> <td>19 Yellow, 1.9 Red Max</td> </tr> <tr> <td>Appearance 25 DC</td> <td>Clear and free from suspended matter</td> </tr> <tr> <td>Odour</td> <td>Slight, characteristic</td> </tr> </table>		Refractive Index at 20°C	1.4700-1.4740	Moisture & Volatile Matter	0.22 % Max	Insoluble Impurities	0.02 % Max	Free Fatty Acid	0.9 % Max	Acid Value	2.00 % Max	Iodine Value (Wijs method)	82-90 %	Acetyl Value	140 Min	Saponification Value	177-187	Un-saponifiable Matter	0.80 % Max	Hydroxy Value	160-168	Relative Density 15 / 15.5 DC	0.954-0.960	Viscosity Gardner-Holdt	U- V	Colour, Lovibond (5 1/4" cell)	19 Yellow, 1.9 Red Max	Appearance 25 DC	Clear and free from suspended matter	Odour	Slight, characteristic
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	Ricinoleic Acid content	85% Min
Quantity variation	Not Applicable	
Delivery center	Not Applicable	
Trading hours	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	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.	
Delivery specification	Upon expiry of the contract, the positions would be cash settled and there will be no physical delivery.	
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	
Closing of contract	On the expiry of the contract, all outstanding positions shall be closed out at the Final Settlement Price announced by the Exchange.	
No. of active contracts	As per the launch calendar.	
Daily Price limit (DPL)	Daily price limit is (+/-) 4%. Once the 4% limit is reached, then after a period of 15 minutes the 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.	
Position limits	The position limits will be applicable on Exchange wise basis Member-wise: 35,000 MT or 15% of the market wide open interest in the commodity, whichever is higher. Client-wise: 3,500 MT 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 and NCDEX/TRADING-072/2018	

	<p>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: 8,750 MT or one-fourth of the member's overall position limit in that commodity, whichever is higher.</p> <p>Client-wise: 875 MT</p>																																																				
Special margin	<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 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="538 1246 1321 1752"> <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
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7	Yes	No	No	No	E0																																																

Delivery Logic	Cash settlement
Minimum Initial Margin	10%

Contract Launch Calendar:

Contract Launch Month	Contract Expiry Month
March 21, 2022	April 2022
	May 2022
	June 2022
	July 2022
April 2022	August 2022
May 2022	September 2022
June 2022	October 2022
July 2022	November 2022
August 2022	December 2022
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