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## **CHAPTER 1 - TRADING PARAMETERS**

### **Authority**

Trading of Futures contracts in Bajra – Feed Grade may be conducted under such terms and conditions as specified in the Rules, Bye Laws and Regulations and as per the circulars and notifications issued by the Exchange thereunder or the Securities and Exchange Board of India (SEBI) from time to time. A specimen of Bajra – Feed Grade Futures contract specification is given in Exhibit 1.

### **Unit of Trading**

The unit of trading shall be 10 MT. Bids and offers may be accepted in lots of 10 MT or multiples thereof.

### **Months Traded In**

Trading of Futures contracts in Bajra – Feed Grade may be conducted in the months as specified by the Exchange from time to time.

### **Tick Size**

The tick size of the price of Bajra – Feed Grade shall be Re. 1.00.

### **Basis Price**

The basis price of Bajra – Feed Grade shall be ex-warehouse Jaipur, exclusive of Goods and Service Tax (GST).

### **Unit for Price Quotation**

The unit of price quotation for Bajra – Feed Grade shall be in Rupees per Quintal. The basis for Bajra - Feed Grade is ex-warehouse Jaipur exclusive of GST.

### **Hours of Trading**

The hours of trading for Futures in Bajra – Feed Grade shall be as follows: As notified by the Exchange from time to time, currently

### **Mondays through Fridays - 10.00 AM to 05.00 PM**

Or as determined by the Exchange from time to time with due notice. All timings are as per Indian Standard Timings (IST).

### **Last Day of Trading**

Last day of trading shall be 20<sup>th</sup> day of delivery month, if 20<sup>th</sup> happens to be a holiday, a Saturday or a Sunday, then the due date shall be immediately preceding the trading day of the Exchange, which is other than a Saturday.

### **Mark to Market**

The outstanding positions in Futures contract in Bajra – Feed Grade would be marked to market daily based on the Daily Settlement Price (DSP) as determined by the Clearing Corporation.

### **Position limits**

The following limits will be applicable on Exchange wise basis

**Member-wise: 10,00,000 MT** or 15% of market wide open interest in the commodity, whichever is higher.

**Client-wise: 1,00,000 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.

For near month contracts:

The following limits would be applicable from 1<sup>st</sup> of every month in which the contract is due to expire.

If 1<sup>st</sup> happens to be a non-trading day, the near month limits would start from the next trading day.

**Member-wise: 2,50,000 MT** or one-fourth of the member's overall position limit in that commodity, whichever is higher.

**Client-wise: 25,000 MT**

### **Margin Requirements**

National Commodity Clearing Limited (NCCL) will use a risk based margin model which will generate initial margin requirements which will be adequate to cover at least 99% VaR (Value at Risk) and Margin Period of Risk (MPOR) will be 4 days.

NCCL reserves the right to change, reduce or levy any additional margins including any markup margins.

For further details, participants can refer to circular nos. NCCL/RISK-028/2023 dated June 19, 2023 on Master Circular - Risk Management and NCCL/RISK-045/2023 dated September 05, 2023 on Margin Framework for Commodity Derivatives Segment.

### **Additional/Special Margin**

In case of unidirectional price movement/ increased volatility, an additional/ special margin at such other percentage, as deemed fit by the Regulator/ Exchange/Clearing Corporation 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/Clearing Corporation.

### **Pre-Expiry Margin**

There will be an additional margin imposed for the last 7 trading days, including the expiry day of the Bajra – Feed Grade contract. The additional margin will be increased by 1.50% every day for the last 7 trading days including expiry day of the contract.

### **Concentration Margin**

The Clearing Corporation shall levy Concentration Margin, when the overall market wide Open Interest (OI) of a commodity exceeds the specified Threshold Limit of Open Interest (OI) for that commodity.

For details, participants can refer to NCCL circular no. NCCL/RISK-011/2023 dated February 23, 2023 on Revision in client level Concentration Margin in Barley, Castor, Coriander, Guar Gum, Guar Seed, Jeera and Turmeric contracts. The Threshold Limit is 3,60,900 MT for both Peak period and Lean Period.

The Threshold Limits, slabs and applicable margins are subject to change and participants are requested to refer to relevant Clearing Corporation circulars issued from time to time.

### **Delivery Margin**

In case of positions materializing into physical delivery, delivery margin will be charged for each commodity to mitigate the risks arising thereof. The Delivery Margin shall be higher of 3% + 5 day 99% VaR of spot price volatility or 20% on the long and short positions marked for delivery till the pay-in is completed by the member. For further details, participants may refer to circular no. NCCL/RISK-028/2023 dated June 19, 2023 on Master Circular - Risk Management.

## **Penalty for default**

The penalty structure for failure to meet delivery obligations by the sellers is as follows:

Total amount of penalty = **4.0 %** of Settlement price + replacement cost (difference between settlement price and average of three highest of the last spot prices of 5 succeeding days after the **commodity pay-out date**, if the average price so determined is higher than settlement price, else this component will be zero.)

The norms for apportionment of the **4.0 %** penalty collected as mentioned above shall be as follows:

- a) 1.75 % of Settlement Price shall be deposited in the Settlement Guarantee Fund of the Clearing Corporation
- b) 0.25 % of Settlement Price shall be retained by the Clearing Corporation towards administrative expenses.
- c) 2% of Settlement Price in case of Agri Goods + replacement cost shall go to the Buyer who was entitled to receive delivery.

A seller who has got requisite stocks in the NCCL Approved Warehouses and / or has marked an intention during staggered delivery period is not allowed to default and any such delivery default by seller would be viewed seriously and an additional penalty of 3% over and above the penalty prescribed for delivery default shall be levied. In addition to the penalty, the Clearing Corporation shall take suitable penal / disciplinary action against such members.

Buyers' defaults are not permitted.

In the case of a default by a buyer in both agricultural and non-agricultural commodities i.e. in case a Clearing Member fails to make delivery pay-in of funds, it shall be considered as a member default. NCCL shall review the loss incurred by the non-defaulting Party, i.e. Seller, at its sole discretion, and accordingly, levy penalty on the defaulting buyer. However, such penalty shall be within the overall cap of delivery margins collected by the NCCL, from such defaulting buyer clearing members.

In the case of repeated default by a seller or a buyer, for each instance of repeated default, an additional penalty shall be imposed, which shall be 3% of the value of the delivery default. Repeated Default shall be defined as an event, wherein a default on delivery obligations takes place 3 times or more during a six months period on a rolling basis.

For further details, participants can refer to circular no. NCCL/CLEARING-035/2023 dated May 29, 2023.

## **Dispute Resolution**

Any Dispute, between members of the Exchange or the Clearing Corporation inter-se and/or between members and constituents, arising out of or pertaining to deals/transactions executed on the Exchange platform shall be settled through Online Dispute Resolution (ODR) mechanism or any other such mechanism prescribed by the Regulator. The ODR mechanism shall facilitate conciliation/arbitration through online/digital process and shall be governed as per the Exchange Rules, Bye Laws and Regulations and/or SEBI directives/ guidelines issued from time to time.

## **Compliance of Laws**

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 their behalf by any third party is in due compliance with the applicable regulations laid down by authorities like Food Safety and Standards Authority of India (FSSAI), AGMARK, BIS, Warehousing Development and Regulatory Authority (WDRA) etc. and 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 non-compliance thereof.

## **CHAPTER 2 - DELIVERY PROCEDURES**

### **Unit of Delivery**

The unit of delivery for Bajra – Feed Grade shall be 10 MT.

### **Delivery Size**

Delivery is to be offered and accepted in lots of 10 MT gross or multiples thereof. A quantity variation of +/- 2% is permitted as per contract specification.

### **Delivery Requests**

The procedure for Bajra – Feed Grade delivery is based on the contract specifications as per Exhibit 1. All the open positions shall have to be compulsorily delivered either by giving delivery or taking delivery as the case may be. That is, “upon expiry of the contracts, any seller with open position shall give delivery of the commodity. The corresponding buyer with an open position as matched by the process put in place by the Clearing Corporation shall be bound to settle by taking physical delivery. In the event of default by the seller to give delivery, such defaulting seller will be liable to penalty as may be prescribed by the Clearing Corporation from time to time”.

The penalty structure for failure to meet delivery obligations, is as per circular no. NCCL/CLEARING-035/2023 dated May 29, 2023.

The delivery request for Bajra – Feed Grade contracts will be on staggered basis where the tender period would be the last 5 trading days (including expiry day) of the contracts. 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 Clearing Corporation shall be bound to settle by taking delivery from the delivery center where the seller has delivered the same.

The Buyers and the Sellers need to give their location preference through the Web NCFE system provided by the Clearing Corporation. If the Sellers fail to give the location preference, then the allocation to the extent of his open position will be allocated to the base location.

### **Delivery Allocation**

The Clearing Corporation would then compile delivery requests received from members during the Tender period and shall allocate delivery to buyers having open long positions as per random allocation methodology to ensure that all buyers have an equal opportunity of being selected to receive delivery irrespective of the size or value of the position. However, preference may be given to buyers who have marked an intention of taking delivery. The buyer having open position and matched as per process put in place by NCCL, shall be bound to settle by taking delivery from the Approved Warehouse where the seller effects delivery in accordance with the contract specifications.

The buyers / sellers who have to receive / give delivery would be notified on the same day after the close of trading hours. Delivery of Bajra – Feed Grade is to be accepted by buyers at the Approved Warehouse where the seller effects delivery in accordance with the contract specifications. On expiry all outstanding positions would be settled by giving / taking physical delivery.

### **Actual Delivery**

Where Bajra – Feed Grade is sold for delivery in a specified month, the seller must have requisite electronic credit of such holding in his Clearing Member's Pool Account before the scheduled date of pay in. On settlement

the buyer's Clearing Member's Pool Account would be credited with the said delivery quantity on pay out. The Clearing Member is expected to transfer the same to the buyer's Repository account. However, the buyer must take actual physical delivery of Bajra – Feed Grade before expiry of the validity date as indicated in the quality test report/Assayer's Certificate of the Assayer.

### **Quality Standards**

The contract quality for delivery of Bajra – Feed Grade Futures contracts made under NCDEX Regulations shall be Bajra – Feed Grade conforming to the quality specification indicated in the contract in Exhibit 1. No lower grade/quality shall be accepted in satisfaction of Futures contracts for delivery except as and to the extent provided in the contract specifications. Delivery of higher grade would be accepted without premium.

"Caution: The Bajra – Feed Grade delivered under this contract is not for direct human consumption. Goods delivered under this contract will be as per quality specified in contract specifications. For putting the goods to any particular use, those receiving delivery must ascertain the appropriateness of the goods depending on the use for which the commodity is intended."

### **Approved Warehouse**

NCCL has Approved Warehouses for receipt and delivery of Bajra – Feed Grade. Bajra – Feed Grade will be received and delivered only from the NCCL Approved Warehouse. The updated list of Approved Warehouse can be accessed from the link:

<https://www.nccl.co.in/warehousing/warehouse-data>

The Bajra – Feed Grade received at the NCCL Approved Warehouse will be tested and certified by Assayer appointed by the warehouse among the empanelled list, before acceptance as good delivery in the warehouse. Likewise, Bajra – Feed Grade delivered to buyers will be from the Approved Warehouse only.

### **Packaging**

Bajra – Feed Grade should be in standard bags of **50 Kg (Gross weight)**. Bajra – Feed Grade delivered shall be packed in clean, dry, sound, single/once used, new or un-mended B-Twill bags in merchantable condition and or any other accepted industry standard material with the mouth of the bag stitched disallowing oozing / spillage.

### **Standard Allowances**

Standard Allowance will be **0.20%** for dry warehouse storage and will be applicable for all deposits. The quantity credited will be the actual quantity delivered at the tested moisture level, after providing for standard allowances as applicable.

### **Weight**

The quantity of Bajra – Feed Grade received and / or delivered at the NCCL Approved Warehouse would be determined / calculated by the weighbridge / weigh scale at the premises of the Approved Warehouse or such other weighbridge / weigh scale recognized by the Approved Warehouse and the quantity so determined would be binding on all parties. The total weight of the lot deposited will be considered as good delivery if it falls into quantity variation allowed under contract specifications.

## **Good / Bad delivery Norms**

Bajra – Feed Grade delivery into NCCL Approved Warehouse would constitute good delivery or bad delivery based on the good / bad delivery norms as per Exhibit 3. The list contained in Exhibit 3 is only illustrative and not exhaustive. NCCL would from time to time review and update the good / bad delivery norms retaining the trade / industry practices.

## **Sampling**

1. Sampling from 100% of the bags. Samples are to be taken from each bag.
2. 5% of the bags in the assaying lot subject to minimum 5 and maximum 10 bags randomly selected from each assaying lot will be cut open, contents spread on the floor and visually checked for presence of any material foreign to the commodity like stones, any plastic material or any substance which is not directly related to the commodity being sampled. Presence of these materials such as large pieces of pebbles, inferior quality or husk in the middle of bag, mixing of any apparent material which is not the actual commodity itself, if any will lead to rejection of the lot being sampled.

Further a sample from the bags cut open will be taken and checked for foreign matter. The FM content higher out of the two values determined on the basis of the composite sample taken from the running sample as indicated in para 1 above and the sample collected as per the process indicated in para 2 will be entered in the assaying report. This is then divided into 4 parts

These samples will be distributed as under:

- One sample to Depositor
- One sample to Warehouse service provider
- One sample for Analysis by assayer
- One sample for record with assayer

## **Moisture adjusted weight**

Depositors whose goods are having moisture above the basis point will get electronic credit for the quantity bought less the standard deduction and further with reduction in weight by discount for moisture as defined in the contract specifications and product note. The weight after deducting standard deduction and moisture discount (by weight) will be credited to the depositors E-Repository a/c by warehouse service provider.

Following steps will be followed for deduction of standard deduction and Moisture adjusted weight:

Step 1: Gross weight (W1) Inward = Gross quantity (i.e. after deducting the tare weight of the truck) – Standard deduction

Step 2: MAW Deduction: Quantity to be entered in E-Repository (W2) = W1 – Moisture % above basis (but <= max permissible) \*W1/100

W2 will be the quantity that the WSP will mention as Gross quantity at the time of fresh deposit.

It may be clarified here that the lot being deposited should remain a deliverable lot even after deduction of standard allowance both the time fresh deposit and reduction due to moisture being higher than the basis moisture as illustrated below:

Weighbridge net weight at the time of deposit	Standard Allowance	Moisture (basis and maximum as per contract specifications)	Actual moisture at the time of fresh deposit	Weight of lot credited into beneficiary account	Good/Bad delivery
Case-1					
9.9 MT	0.2% (Fresh deposit)	12% and 13%	13%	9.78	Not Deliverable
Case-2					
10 MT	0.2% (Fresh deposit)	12% and 13%	12.5%	9.93	Deliverable
Case-3					
10 MT	0.2% (Fresh deposit)	12% and 13%	13%	9.88	Deliverable
Case 4					
10.35 MT	0.2% (Fresh deposit)	12% and 13%	13%	10.23	Not Deliverable

Warehouse has to deliver entire withdrawn quantity provided the lifting is done by EDD and the outbound moisture level is at basis point or below: Since the buyer will be buying the goods at basis moisture level after application of MAW at the time of deposit, if at the time of delivery out, the moisture level is higher than the basis moisture levels, the WSP has to also deliver the buyer the difference quantity proportionate to the higher moisture content.

Weight at weighbridge during fresh deposit	Basis moisture level	Inbound moisture results	Standard Allowance	MAW	Credit to the beneficiary
100 MT	12%	12.50%	0.20%	0.50%	99.3 MT
		Outbound moisture			Quantity to be delivered by WSP to Buyer
		11% (lower than basis)			99.3 MT
		12% (at the basis)			99.3 MT
		12.50% (higher than basis)			99.3 MT + 0.50% if the discount for moisture is provided on 1:1 basis in the contract specifications

**Ready Reckoner for Moisture Adjusted Weight**

<b>Ready Reckoner for Moisture adjusted weight: Moisture</b>	<b>Ready Reckoner Moisture (Bajra - Feed Grade)</b>	<b>Final MAWD in %</b>
1	Upto 12%	0
2	12-12.01	-0.01
3	12.011-12.02	-0.02
4	12.021-12.03	-0.03
5	12.031-12.04	-0.04
6	12.041-12.05	-0.05
7	12.051-12.06	-0.06
8	12.061-12.07	-0.07
9	12.071-12.08	-0.08
10	12.081-12.09	-0.09
11	12.091-12.10	-0.1
12	12.101-12.11	-0.11
13	12.111-12.12	-0.12
14	12.121-12.13	-0.13
15	12.131-12.14	-0.14
16	12.141-12.15	-0.15
17	12.151-12.16	-0.16
18	12.161-12.17	-0.17
19	12.171-12.18	-0.18
20	12.181-12.19	-0.19
21	12.191-12.2	-0.2
22	12.201-12.21	-0.21
23	12.211-12.22	-0.22
24	12.221-12.23	-0.23
25	12.231-12.24	-0.24
26	12.241-12.25	-0.25
27	12.251-12.26	-0.26
28	12.261-12.27	-0.27
29	12.271-12.28	-0.28
30	12.281-12.29	-0.29
31	12.29-12.3	-0.3
32	12.301-12.31	-0.31
33	12.311-12.32	-0.32
34	12.321-12.33	-0.33
35	12.331-12.34	-0.34
36	12.341-12.35	-0.35
37	12.351-12.36	-0.36
38	12.361-12.37	-0.37
39	12.371-12.38	-0.38

40	12.381-12.39	-0.39
41	12.391-12.4	-0.4
42	12.401-12.41	-0.41
43	12.401-12.42	-0.42
44	12.421-12.43	-0.43
45	12.431-12.44	-0.44
46	12.441-12.45	-0.45
47	12.451-12.46	-0.46
48	12.461-12.47	-0.47
49	12.471-12.48	-0.48
50	12.481-12.49	-0.49
51	12.491-12.5	-0.5
52	12.501-12.51	-0.51
53	12.512-12.52	-0.52
54	12.521-12.53	-0.53
55	12.531-12.54	-0.54
56	12.541-12.55	-0.55
57	12.551-12.56	-0.56
58	12.561-12.57	-0.57
59	12.571-12.58	-0.58
60	12.581-12.59	-0.59
61	12.591-12.6	-0.6
62	12.601-12.61	-0.61
63	12.611-12.62	-0.62
64	12.621-12.63	-0.63
65	12.631-12.64	-0.64
66	12.641-12.65	-0.65
67	12.651-12.66	-0.66
68	12.661-12.67	-0.67
69	12.671-12.68	-0.68
70	12.681-12.69	-0.69
71	12.691-12.7	-0.7
72	12.701-12.71	-0.71
73	12.711-12.72	-0.72
74	12.721-12.73	-0.73
75	12.731-12.74	-0.74
76	12.741-12.75	-0.75
77	12.751-12.76	-0.76
78	12.761-12.77	-0.77
79	12.771-12.78	-0.78
80	12.781-12.79	-0.79
81	12.791-12.8	-0.8
82	12.801-12.81	-0.81

83	12.811-12.82	-0.82
84	12.821-12.83	-0.83
85	12.831-12.84	-0.84
86	12.841-12.85	-0.85
87	12.851-12.86	-0.86
88	12.861-12.87	-0.87
89	12.871-12.88	-0.88
90	12.881-12.89	-0.89
91	12.891-12.9	-0.9
92	12.901-12.91	-0.91
93	12.911-12.92	-0.92
94	12.921-12.93	-0.93
95	12.931-12.94	-0.94
96	12.941-12.95	-0.95
97	12.951-12.96	-0.96
98	12.961-12.97	-0.97
99	12.971-12.98	-0.98
100	12.981-12.99	-0.99
101	12.991-13	-1

#### **Empanelled Assayer**

NCCL has an empanelled list of assayers. Warehouse appoints the Assayer from this list for quality testing and certification of Bajra – Feed Grade received at the Approved Warehouse. The quality testing and certification of Bajra – Feed Grade will be undertaken only by such Assayer. The assayer details are given in the Exhibit 2 alongside the warehouses.

## **Quality Testing Report**

The test report issued by the Assayer on the samples drawn shall be acceptable and binding on all parties. A specimen format of the quality testing report is indicated in Exhibit 4.

### **Testing Procedure**

Testing for Bajra – Feed Grade will be done physically and oven dry method. To test foreign matter, other edible grains, damaged seeds, immature/shriveled grains, physical tests are conducted. For Moisture, the test is done by an oven dry method.

### **Assayer Certificate**

Testing and quality certificate issued by Assayer for Bajra – Feed Grade delivered at Approved Warehouse in Jaipur City and at such other locations announced by the Exchange from time to time shall be acceptable and binding on all parties. Each delivery of Bajra – Feed Grade at the warehouse must be accompanied by a certificate from NCCL approved Assayer in the format as per Exhibit 4.

### **Validity period**

The validity period of the Assayer's Certificate for Bajra – Feed Grade is as given in the table below. Validity/EDD table

<b>Commodity</b>	<b>Months of Deposit /Date of entry by warehouse in system (Jan - Dec)*</b>	<b>Validity period at the time of fresh deposit (no of months)</b>
Bajra – Feed Grade	January	6
	February	6
	March	6
	April	6
	May	5
	June	4
	July	3
	August	2
	September	1
	October	6
	November	6
	December	6

\* 20<sup>th</sup> of previous month to 19<sup>th</sup> of the current month as mentioned in the table above

The stocks of Bajra – Feed Grade deposited in the NCCL Approved Warehouse/s shall necessarily be removed after the Exchange Deliverable Date (EDD) as indicated above and continuation of the storage beyond EDD shall be entirely a private arrangement between the Warehouse and the depositor/beneficiary holder. The Exchange / Clearing Corporation shall not be responsible in any manner whatsoever for those stocks which have not been received by the buyer through an immediate preceding settlement on the Exchange/Clearing Corporation platform and for those stocks which have crossed the EDD.

## **Electronic transfer**

Any buyer or seller receiving and or effecting delivery of Bajra – Feed Grade would have to open a Repository account with an empanelled Repository Participant (RP) to hold the Bajra – Feed Grade in electronic form. On settlement, the buyer's account with the RP would be credited with the quantity of Bajra – Feed Grade received and the corresponding seller's account would be debited. The Buyer wanting to take physical delivery of the Bajra – Feed Grade holding has to make a request in prescribed form to his RP with whom the Repository account has been opened. The RP would route the request to the warehouse for issue of the physical commodity i.e. Bajra – Feed Grade to the buyer and debit his account, thus reducing the electronic balance to the extent of goods so withdrawn.

## **Charges**

All charges and costs payable at the Approved Warehouse towards delivery of Bajra – Feed Grade including sampling, grading, weighing, handling charges, storage etc. from the date of receipt into Approved Warehouse up to date of pay in & settlement shall be paid by the seller.

No refund for warehouse charges paid by the seller for full validity period shall be given to the seller or buyer for delivery earlier than the validity period.

All charges and costs associated & including storage, handling etc. after the payout shall be borne by the buyer. Warehouse storage charges will be charged to the client by the respective Repository Participant. The Assayer charges for testing and quality certification should be charged to the client by the respective Repository Participant.

## **Duties & levies**

All duties, levies etc. up to the point of sale will have to be fully borne by the seller and shall be paid to the concerned authority. All related documentation should be completed before delivery of Bajra – Feed Grade into the NCCL Approved Warehouse.

## **Stamp Duty**

Stamp duty is payable on all contract notes issued as may be applicable in the State from where the contract note is issued or as per the Stamp Act of the State in which such contract note is received by the client, if such client is located in another state.

## **Taxes**

### Goods and Services Tax (GST)

On services rendered by Members

GST shall be payable by the members of the Clearing Corporation on the gross amount charged by them, from their clients on account of dealing in commodities.

GST on the deliveries effected on the NCCL Platform as the case may be, would be applicable on the delivered commodities and a buyer on the NCCL platform shall make payment to his corresponding seller the value of GST payable by buyer on the commodities received by the seller in the settlement. The buyer and the seller shall be responsible for fulfillment of the obligations under the GST act on all contracts. The seller shall issue appropriate invoices to his corresponding buyer as may be required under the GST act. The seller is required to remit the GST amount so collected/received from the buyer wherever applicable to the GST authorities within such time frame as may be prescribed under the GST rules. Members and / or their constituents required to receive or deliver Bajra – Feed Grade should register themselves with the relevant GST authorities of the place where the delivery is proposed to be received / given. In the event of any GST exemptions, such exemption certificates as may be required under the GST law would have to be issued/provided to his seller before the settlement of the obligation.

All Members and / or their constituents are required to adhere to the requirements under the GST act and the Rules made thereunder including the notifications issued by the Central or State Government and must have valid GST registration in place for transacting in physical deliveries and also comply with the requirements under the GST act.

The taxes payable on the commodity contracts shall be governed by the relevant Govt. legislation and notifications issued by the State or the Central Govt. from time to time and the buyer and seller is responsible to comply with the tax laws as applicable to the commodity.

#### **Premium / Discount**

Premium & Discount on Bajra- Feed Grade delivered will be provided by NCCL on the basis of quality specifications.

Such amount will be adjusted to the members account through the supplementary settlement. The decision of the Clearing Corporation in determination of premium/discount is final and binding on all market participants.

Currently, no premium or discount on the basis of quality specifications will be applicable for Bajra – Feed Grade.

Location Premium Discount will be notified by the Exchange from time to time.

#### **Commodity Transaction Tax (CTT)**

Commodity Transaction Tax, if and as applicable, will be collected as per the prescribed process. Accordingly, members are advised to update themselves with the change in rate of applicable CTT from time to time.

## CHAPTER 3 - CLEARING AND SETTLEMENT

### Daily Settlement

All open positions of a Futures contract would be settled daily based on the Daily Settlement Price (DSP).

### Daily Settlement Prices

The Daily Settlement Price (DSP) will be disseminated by the Clearing Corporation at the end of every trading day. The DSP will be reckoned for marking to market all open positions.

### Final Settlement Prices

The Final Settlement price will be determined by the Clearing Corporation on maturity of the contract. All open positions on the expiry day of the contract would result in compulsory delivery.

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:

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

The Settlement Price for any delivery allocation during staggered period (i.e. up to one day prior to expiry) would be the last available spot price displayed by the Exchange for the respective contract.

In case of non-availability of polled spot price on expiry (E0) due to sudden closure of physical market under any emergency situations noticed at the basis center, the Framework for Determination of Final Settlement Price (FSP) as laid down by NCDEX vide its circular No. NCDEX/TRADING-012/2019 dated April 05, 2019 shall be applicable.

### Spot Prices

NCDEX will announce / disseminate spot prices for Bajra – Feed Grade relating to the designated delivery center and specified grade/ quality parameters determined through the process of polling a set of market participants representing different segments of the value chain such as traders, importers/ exporters, processors etc.

The polled prices shall be input to a normalizing algorithm (like 'bootstrapping' technique) to arrive at a representative, unbiased and clean 'benchmark' spot price for Bajra – Feed Grade. The security of data and randomness of the polling process will ensure transparency and correctness of prices. The Exchange has the absolute right to modify the process of determination of spot prices at any time without notice.

## **Dissemination of Spot Prices**

Spot prices for Bajra – Feed Grade will be disseminated on a daily basis.

## **Pay in and Pay out for Daily Settlement**

The table below illustrates timings for pay in and pay out in case of daily settlement. The buyer clients would have to deposit requisite funds with their respective Clearing member before “pay in”.

All fund debits and credits for the Member would be done in the Member’s Clearing & Settlement Account with the Clearing bank.

Time (T/E+1)	Activity
On or before 8.30 hrs	PAYIN - Debit paying member Clearing and settlement a/c for funds
After 09.30 hrs	PAYOUT – Credit receiving member Clearing and settlement a/c for funds

## **Pay in and Pay out for final physical settlement**

The table below illustrates timings for pay in and pay out in case of positions marked for physical settlement. The buyers / sellers would have to deposit requisite funds/Bajra – Feed grade with their respective Clearing member before “pay in”.

Pay in and Pay out for Final Settlement in case of physical deliveries	
Time (T/E+2)	Activity
On or before 12.00 hrs	PAYIN - Debit Buyer Member Clearing & Settlement a/c for funds - Debit Seller Member’s CM Pool Account for Bajra – Feed Grade
After 15.00 hrs	PAYOUT - Credit Seller Member Clearing & Settlement a/c for funds - Credit Buyer Member’s CM Pool Account for Bajra – Feed Grade

## **Tender Date –T**

### **Tender period:**

The delivery request for Bajra – Feed Grade contracts will be on a staggered basis where the tender period would be the last 5 trading days (including expiry day) of the contracts.

Pay-in and Pay-out: on a T/E+2 basis. If the tender date is T/E then, pay-in and pay-out would happen on T/E + 2 days. If such a T/E + 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.

## **Expiry Date**

20<sup>th</sup> day of the delivery month. If 20<sup>th</sup> happens to be a holiday, a Saturday or a Sunday then the due date shall be the immediately preceding trading day of the Exchange.

The settlement of the contract would be by a staggered delivery system of Pay-in and Pay-out including last Pay-in and pay-out which would be the Final Settlement of the contract.

Additionally, the supplemental settlement for Bajra – Feed Grade Futures contracts for premium / discount adjustments relating to quality of Bajra – Feed Grade delivered, actual quantity delivered and close out for shortages, will also be conducted on the same day. Clearing Members are required to maintain adequate fund balances in their respective accounts.

Pay in and Pay out for supplemental settlement	
Time (T/E+2)	Activity
On or before 15.00 hours	PAY IN - Debit Member Clearing & Settlement a/c for funds
After 15.00 hours	PAY OUT – Credit Member Clearing & Settlement a/c for funds

### **Early Pay-in of Commodities**

Members can make an early pay-in of commodities to get exemption from the applicable initial margin, extreme loss margin, additional margin, pre-expiry and delivery margin and the same would be considered for the purpose of adjustment against their settlement obligations. However, Concentration Margin shall be charged on early pay-in of commodities.

The member shall mark EPI using the NCFE web application. The user guide for the same is available for download under: -

NCFE Menu: Downloads-> Download files-> Under User Manual folder-> EPI user guide For further details, refer to circular no NCCL/CLEARING-035/2023 dated May 29, 2023.

### **Supplementary Settlement for GST**

NCCL will conduct a separate supplementary settlement, as illustrated below, three days after normal pay out for completion of GST transactions on deliveries effected by a buyer and seller on NCCL platform.

In order to facilitate issue of GST invoice to right parties, the buyer Clearing Members are required to give the buyer client details to the Clearing Corporation latest by 15.00 Hrs on T/E+3 day failing which the buying member is considered as the end buyer and accordingly invoice is issued in his/their name.

The Seller Clearing Members are required to give the seller client details to the Clearing Corporation latest by 15.00 hrs on T/E + 4 day.

The amounts due to the above differences will be debited / credited to Member's clearing bank account similar to normal settlement.

Pay in and Pay out for GST	
Time (T/E + 5)	Activity
On or before 09.30 hours	PAY IN: Debit Buyer Member Clearing & Settlement a/c for funds.
After 09.30 hours	PAY OUT: Credit Seller Member Clearing & Settlement a/c for funds

For further details on the procedure for Supplementary Settlement for GST and the procedure for exchange of physical delivery information please refer to circular number NCCL/CLEARING-035/2023 dated May 29, 2023.

### **Completion of Settlement**

The settlement obligations shall be deemed to be completed as per the provisions of the Rules, Bye Laws, and Regulations of the Clearing Corporation and the circulars issued by the Clearing Corporation thereunder from time to time.

**Exhibit 1: Contract Specification for Bajra – Feed Grade (Symbol: BAJRA) Futures Contract**

(Applicable for contracts expiring in the month of February 2024 &amp; thereafter)

Type of Contract	Futures Contract								
Name of Commodity	Bajra – Feed Grade								
Ticker symbol	BAJRA								
Trading System	NCDEX Trading System								
Basis	Ex-Warehouse Jaipur, exclusive of GST								
Unit of trading	10 MT								
Delivery unit	10 MT								
Maximum Order Size	500 MT								
Quotation/base value	Rs. per Quintal								
Tick size	Re. 1								
Quality specification	<p>Bajra – Feed Grade with the following specifications:</p> <table border="1"><tr><td><b>Moisture</b></td><td><b>12% basis, accepted upto 13% with moisture adjusted weight (MAW) of 1:1</b></td></tr><tr><td><b>Foreign Matter</b></td><td><b>2% Max</b></td></tr><tr><td><b>Damaged, Immature/Shrive led grains</b></td><td><b>5% Max, out of which ergot affected grains shall not exceed 0.5% by weight and Weeviled grains not more than 1% by weight.</b></td></tr><tr><td><b>Other edible grains</b></td><td><b>2 % Max</b></td></tr></table>	<b>Moisture</b>	<b>12% basis, accepted upto 13% with moisture adjusted weight (MAW) of 1:1</b>	<b>Foreign Matter</b>	<b>2% Max</b>	<b>Damaged, Immature/Shrive led grains</b>	<b>5% Max, out of which ergot affected grains shall not exceed 0.5% by weight and Weeviled grains not more than 1% by weight.</b>	<b>Other edible grains</b>	<b>2 % Max</b>
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<b>Other edible grains</b>	<b>2 % Max</b>								
Quantity variation	<b>+/- 2%</b>								
Delivery center	<b>Jaipur</b> (up to the radius of 50 Kms from the municipal limits)								
Additional delivery centers	<b>Alwar and Dausa</b> (up to the radius of 50 Kms from the municipal limits)								
Trading hours	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 above timing with due notice. Or as determined by the Exchange from time to time. All timings are as per Indian Standard Timings (IST).								

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 the 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 centre where the seller has delivered the same.</p> <p>The penalty structure for failure to meet delivery obligations will be as per circular no. NCCL/CLEARING-035/2023 dated May 29, 2023.</p>
Opening of contracts	Trading in any contract month will open on the 1st day of the month. If 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:</p> <p>On a T+2 basis. If the tender date is T, then pay-in and pay-out would happen on T+2 days. 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 positions shall result in compulsory delivery.</p>
No. of active contracts	As per the 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 a new contract shall be as per the circular no. NCDEX/TRADING-010/2021 dated March 22, 2021.</p>

Position limits	<p>The position limits will be applicable on Exchange wise basis</p> <p><b>Member-wise:</b> 10,00,000 MT or 15% of the market wide open interest in the commodity, whichever is higher.</p> <p><b>Client-wise:</b> 1,00,000 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><b>Member-wise:</b> 2,50,000 MT or one-fourth of the member's overall position limit in that commodity, whichever is higher.</p> <p><b>Client-wise:</b> 25,000 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 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</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/N O</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> <p>polled spot prices shall be as under:</p>	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/N O	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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6	Yes	No	Yes	No	E0, E-2																																																
7	Yes	No	No	No	E0																																																
Delivery Logic	Compulsory Delivery																																																				
Minimum Initial Margin	12%																																																				

**Tolerance limit for outbound deliveries in Bajra - Feed Grade**

Specification	Basis	Tolerance Limit
Damaged, Immature/Shriveled grains	5 % max	+/-0.50 %
Other Edible Grains	2 % max	+/- 0.25 %
Upper limit on the total of all tolerances		+/-0.75 %

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 the warehouse. These permissible variations shall be based on the parameters found as per the immediate preceding test certificate given by NCCL empaneled assayer.

**Contract Launch Calendar**

Contract Launch Month	Contract Expiry Month
October 2023	February 2024
November 2023	March 2024
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

**Disclaimer**

Members and market participants who enter into buy and sell transactions may please note that they need to be aware of all the factors that go into the mechanism of trading and clearing, as well as all provisions of the Exchange's and/or Clearing Corporations Rules, Bye Laws and Regulations, Product Notes, circulars, directives, notifications of the Exchange as well as of the Regulators, Governments and other authorities.

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 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 Standard Authority of India, AGMARK, BIS, Warehousing Development and Regulatory Authority (WDRA) 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, storage 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 non-compliance thereof.

**Exhibit 2 - Warehouse & Assayer Address Details**

For information & the updated list of Warehouses & Assayers kindly refer to the NCCL website.

<https://www.nccl.co.in/warehousing/warehouse-data>

**Exhibit 3 - Good / Bad delivery norms for acceptance of Commodity at warehouse**

No.	Particulars	Good / Bad delivery
1.	Quality not meeting Futures contract specification.	Bad delivery
2.	Delivery at a non Approved Warehouse.	Bad delivery
3.	Delivery completed but without sampling & testing / certification / expired validity.	Bad delivery
4.	Delivery without weight certificate.	Bad delivery
5.	Weighed at other than recognized by Approved Warehouse/ weigh bridge / weigh scale	Bad delivery
6.	When sample is not drawn as per sampling norms and not carried out at the time of unloading	Bad delivery
7.	Delivery not as per the packaging specification	Bad delivery
8.	Delivery found contaminated on visual inspection	Bad delivery

**Exhibit 4 - Specimen of Bajra – Feed Grade Testing Report**

<b>CERTIFICATE OF QUALITY</b>			
<b>Date:</b> _____	<b>Report no.:</b> _____		
<b>NCDEX member/Client Name:</b> _____			
<b>Commodity :</b> _____			
<b>Warehouse Name and Address:</b> _____			
<b>Lorry No. :</b> _____			
<b>Lot number:</b> _____			
<b>QUALITY:</b>			
The results of analysis performed by our laboratory of the samples collected by Ware House _____ is stated below :			
<b>Test Items</b>	<b>Test method</b>	<b>Specification</b>	<b>Test results</b>
The material delivered by the above NCDEX Member is in accordance with the specification provided bearing grade _____ and valid up to _____.			
The goods delivered may be accepted / rejected.			
Chief Inspector / Authorized Signatory			