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REFINED CASTOR OIL (FIRST SPECIAL GRADE – F.S.G) PRODUCT NOTE**CHAPTER 1 - TRADING PARAMETERS****Authority**

Trading in Refined Castor Oil (First Special Grade – F.S.G) futures contracts may be conducted as specified in the Byelaws, Rules and Regulations of the Exchange and as per the directions issued by the Exchange thereunder or the Securities and Exchange Board of India (SEBI) from time to time. A specimen of Refined Castor Oil (First Special Grade – F.S.G) futures contract specification is indicated in Exhibit 1.

Unit of Trading

The unit of trading shall be 2 MT Bids and offers may be accepted in lots of 2 MT or multiples thereof.

Months Traded In

Trading in Refined Castor Oil (First Special Grade – F.S.G) futures may be conducted in the months as specified by the Exchange from time to time.

Tick Size

The tick size of the price of Refined Castor Oil (First Special Grade – F.S.G) shall be Rs. 0.50.

Basis Price

The basis price of Refined Castor Oil (First Special Grade – F.S.G) shall be Ex-Tank Kandla Exclusive of GST.

Unit for Price Quotation

The unit of price quotation for Refined Castor Oil (First Special Grade – F.S.G) shall be in Rupees per 10 Kgs. The basis for Refined Castor Oil (First Special Grade – F.S.G) futures traded as Refined Castor Oil (First Special Grade – F.S.G) is ex-tank Kandla Exclusive of GST.

Hours of Trading

The hours of trading for futures in Refined Castor Oil (First Special Grade – F.S.G) shall be as follows:

As notified by the Exchange from time to time, currently

- Mondays through Fridays - 09.00 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 20th day of delivery month, if 20th happens to be a holiday, a Saturday or a Sunday, then the due date shall be immediately preceding trading day of the Exchange

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REFINED CASTOR OIL (FIRST SPECIAL GRADE – F.S.G) PRODUCT NOTE**Mark to Market**

The outstanding positions in Futures contract in Refined Castor Oil (First Special Grade – F.S.G) 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: 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/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.

Member-wise: 8,750 MT or one-fourth of the member's overall position limit in that commodity, whichever is higher.

Client-wise: 875 MT

Margin Requirements

NCCL will use 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 3 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-001/2018 dated September 26, 2018 on Risk Management Framework, NCCL/RISK-003/2020 dated January 29, 2020 on Review of 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.



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REFINED CASTOR OIL (FIRST SPECIAL GRADE – F.S.G) PRODUCT NOTE

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 nos. NCCL/RISK-008/2019 dated June 12, 2019 on Concentration Margin– Revision in Concentration Margin. The Threshold Limit is 17,900 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

The contract would be settled in cash.

Penalty for default

On expiry all the open positions shall be settled in cash as per the Final Settlement price (FSP).

Arbitration

Disputes between the members of the Exchange inter-se and between members and constituents, arising out of or pertaining to trades done on NCDEX shall be settled through arbitration. The arbitration proceedings and appointment of arbitrators shall be as governed by the Rules, Bye-laws and Regulations of the Exchange.

Compliance of Laws

It is the responsibility of the Buyer and Seller to comply with the applicable laws in regard to the deals carried out on the Exchange platform and the Exchange/Clearing Corporation shall not be responsible or liable on account of any non-compliance thereof.



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REFINED CASTOR OIL (FIRST SPECIAL GRADE – F.S.G) PRODUCT NOTE

CHAPTER 2 - DELIVERY PROCEDURES

Unit of Delivery

The contract would be settled in cash.

Duties & levies

All duties, levies, taxes etc. up to the point of sale will have to be fully borne by the Seller and shall be paid to the concerned authority as applicable.

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.

All Members and / or their constituents are required to adhere to the requirements under the Central Goods and Services Tax Act, 2017 (“**CGST Act**”) and the Rules made thereunder including the notifications issued by the Central or State Government and must comply with such requirements. The buyer and seller shall be responsible to comply with the obligations under the tax laws as applicable to the commodity and services provided herein.



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 as 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 (FSP) will be determined by the Clearing Corporation upon maturity of the contract.

On expiry of the contract, the following types of open positions would be settled in cash:

- Delivery information not provided.
- Unmatched delivery information.

The open positions for which information have been provided for and have been matched by the Clearing Corporation, would result in physical 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

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.

The contents of this product note are subject to Rules, Byelaws and Regulations of NCDEX as in force from time to time and be read therewith.

**Spot Prices**

NCDEX will announce / disseminate spot prices for Refined Castor Oil (First Special Grade – F.S.G) 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 Refined Castor Oil (First Special Grade – F.S.G). 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 Refined Castor Oil (First Special Grade – F.S.G) will be disseminated on a daily basis.

Pay in and Pay out for Daily Settlement / Final Settlement

The table below illustrates timings for pay in and pay out in case of daily settlement as well as cash settlement positions for final 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 and Settlement Account with the Clearing bank.”

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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

Completion of Settlement

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



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REFINED CASTOR OIL (FIRST SPECIAL GRADE – F.S.G) PRODUCT NOTE

Exhibit 1: Contract Specifications of Refined Castor Oil (First Special Grade – F.S.G.) (Symbol: CASTOROIL) Futures contract

(Applicable for all the contracts expiring in April 2022 and thereafter)

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	<p>Refined Castor Oil (FSG- First Special Grade) with the following specifications:</p> <table border="1"> <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 ¼" 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> <tr> <td>Ricinoleic Acid content</td><td>85% Min</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 ¼" cell)	19 Yellow, 1.9 Red Max	Appearance 25 DC	Clear and free from suspended matter	Odour	Slight, characteristic	Ricinoleic Acid content	85% Min
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Quantity variation	Not Applicable																																

The contents of this product note are subject to Rules, Byelaws and Regulations of NCDEX as in force from time to time and be read therewith.



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REFINED CASTOR OIL (FIRST SPECIAL GRADE – F.S.G) PRODUCT NOTE

Type of Contract	Futures Contract
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 Bonafide 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 NCDEX/TRADING-072/2018 dated November 28, 2018. For near month contracts:



Type of Contract	Futures Contract																																																						
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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, may be imposed on the buy and the sell side or on either of the buy or sell sides in respect of all outstanding positions. Reduction/removal of such additional/ special margins shall be at the discretion of the Regulator/Exchange.																																																						
Final Settlement Price	<p>FSP shall be arrived at by taking the simple average of the last polled spot prices of the last three trading days viz., E0 (expiry day), E-1 and E-2. In the event the spot price for any one or both of E-1 and E-2 is not available; the simple average of the last polled spot price of E0, E-1, E-2 and E-3, whichever available, shall be taken as FSP. Thus, the FSP under various scenarios of non-availability of polled spot prices shall be as under:</p> <table><tr><th>Scenario</th><th colspan="4">Polled spot price availability on</th><th>FSP shall be simple average of last polled spot prices on:</th></tr><tr><th></th><th>E0</th><th>E-1</th><th>E-2</th><th>E-3</th><th></th></tr><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></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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5	Yes	Yes	No	No	E0, E-1																																																		
6	Yes	No	Yes	No	E0, E-2																																																		
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
September 2022	January 2023
October 2022	February 2023
November 2022	March 2023
December 2022	April 2023
January 2023	May 2023
February 2023	June 2023
March 2023	July 2023
April 2023	August 2023
May 2023	September 2023
June 2023	October 2023
July 2023	November 2023
August 2023	December 2023

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REFINED CASTOR OIL (FIRST SPECIAL GRADE – F.S.G) PRODUCT NOTE**Disclaimer**

Member(s) and market participant(s) by entering into any such buy and sell transaction(s), shall ensure that such member(s) and/or market participant(s) is aware of all the trading and clearing mechanism, as well as the Exchange and/or Clearing Corporation Rules, Bye Laws, Regulations, Product Notes, Circulars, Directives, Notifications issued in connection thereto. The member(s) and market participants shall be bound by the above Rules, Bye Laws, Regulations and the applicable statutory prescription as laid down from time to time.