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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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CHAPTER 1 - TRADING PARAMETERS**Authority**

Trading in Hipro Soybean Meal Futures contracts may be conducted under such terms and conditions as specified in the Rules, Byelaws and Regulations of the Exchange 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. The approval for Futures trading in Hipro Soybean Meal futures contract specification is attached as Exhibit I.

Unit of Trading

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

Months Traded In

Trading in Hipro Soybean Meal futures is applicable to all contracts and may be conducted in the months as specified by the Exchange from time to time.

Tick Size

The tick size of the price of Hipro Soybean Meal shall be Re. 10.

Basis Price

The basis price of Hipro Soybean Meal shall be Ex-warehouse Indore, exclusive of GST.

Unit for Price Quotation

The unit of price quotation for Hipro Soybean Meal shall be in Rupees per MT.

Hours of Trading

As notified by the Exchange from time to time, currently:
Mondays through Fridays - 9 A.M. to 05.00 P.M.

The Exchange may vary the above timings with due notice.

Last Day of Trading

Last day of trading shall be 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.

Mark to Market

The outstanding positions in futures contract in Hipro Soybean Meal would be marked to market daily based on the Daily Settlement Price (DSP) as determined by the Clearing Corporation.

Position limits

The position limits will be applicable on Exchange wise basis.

Member-wise: 6,70,000 MT or 15 % of market wide open interest in the commodity, whichever is higher

Client-wise: 67,000 MT

Bona fide hedger/EFE clients may seek exemption as per approved Hedge Policy of the Exchange notified vide Circular No. NCDEX/CLEARING-019/2016/246 dated September 28, 2016 and Circular No: NCDEX/TRADING-072/2018 dated November 28, 2018.

Near month limit

The following limits would be applicable from the 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: 1,67,500 MT or one-fourth of the member's overall position limit in that commodity, whichever is higher

Client-wise: 16,750 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-006/2020 dated February 18, 2020 and NCCL/RISK-037/2020 dated September 02, 2020 on Margin Framework for Commodity Derivatives Segment.

Pre-Expiry Margin

There will be an additional margin imposed for the last 7 trading days, including the expiry day of the Hipro Soybean Meal contract. The additional margin will be increased by 2.50% every day for the last 7 trading days including expiry day of the Hipro Soybean Meal contract.

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.

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 and Threshold Level. The Threshold Limit is 1,37,000 MT.

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 Margins

In case of positions materializing into physical delivery, delivery margins 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 can refer to circular no. NCCL/RISK-001/2018 dated September 26, 2018 on Risk Management Framework.

Delivery Default Penalty

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

Total amount of penalty = 3.0 % 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 3.0 % penalty collected as mentioned above shall be as follows:

- a) 1.75 % of Settlement Price shall be deposited in the Settlement Guarantee Fund
- b) 0.25 % of Settlement Price shall be retained by the Clearing Corporation towards administrative expenses.
- c) 1 % of Settlement Price + replacement cost shall go to the Buyer who was entitled to receive delivery.

Buyer's defaults are not permitted. The amount due from the buyers shall be recovered from the buyer as Pay in shortage together with prescribed charges. Clearing Corporation shall have right to sell the goods on account of such Buyer to recover the dues and if the sale proceeds are insufficient, the Buyer would be liable to pay the balance.

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.

For further details, participants can refer to circular no.: NCCL/CLEARING-020/2020 dated April 07, 2020.

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 Bye-laws and Regulations of the Exchange.

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 Warehousing

Development and Regulatory Authority (WDRA), Orders under Packaging and Labelling 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 Hipro Soybean Meal shall be 10 MT.

Delivery Size

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

Delivery Requests

The procedure for Hipro Soybean Meal delivery is based on the contract specifications as per Exhibit I. 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 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 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 will be as per circular no.: NCCL/CLEARING-020/2020 dated April 07, 2020.

The delivery request for Hipro Soybean Meal will be on staggered basis where 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 same.

The Buyers and the Sellers need to give their location preference through 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 position 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 Hipro Soybean Meal 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 position would be settled by giving / taking physical delivery.

Actual Delivery

Where Hipro Soybean Meal is sold for delivery in a specified month, the seller must have requisite electronic credit of such Hipro Soybean Meal 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 Hipro Soybean Meal before expiry of the validity date as indicated in the quality test report/Assayer's Certificate of the Assayer.

Approved Warehouse

NCCL has approved warehouses for receipt and delivery of Hipro Soybean Meal. Hipro Soybean Meal will only be received at and delivered from the NCCL Approved warehouses. The details of the NCCL Approved warehouses are as per Exhibit 2.

The Hipro Soybean Meal received at the NCCL Approved warehouse will be tested and certified by NCCL empanelled Assayer before acceptance as good delivery in the warehouse. Likewise, Hipro Soybean Meal delivered to buyers will be from the Approved warehouse only.

Quality Standards

The contract quality for delivery of Hipro Soybean Meal futures contracts made under NCDEX Regulations shall be Hipro Soybean Meal conforming to the quality specification indicated in the contract specification as per 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.

Packaging

Hipro Soybean Meal should be delivered in 50 Kg gross weight basis in new or sound PP bag.

Standard Allowances

Sample weight per validation of quality allowed will be 0.5% on account of sample testing.

Weight

The quantity of Hipro Soybean Meal received and/ or delivered at the NCCL Approved warehouse would be determined/ calculated by the designated weighbridge at the premises or in the vicinity of the Approved warehouse and the quantity so determined would be binding on all parties.

Good/ Bad delivery Norms

Hipro Soybean Meal 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.

Hipro Soybean Meal Sampling

The sampling will be done with 5% of Hipro Soybean Meal. Out of every lot of Hipro Soybean Meal, 8 bags will be randomly selected &, out of these bags samples will be drawn from 3 places of each bag and a composite mixture of 2 Kgs will be made. 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

Empanelled Assayer

NCCL has empanelled the Assayers for quality testing and certification of Hipro Soybean Meal received at the Approved warehouse. The quality testing and certification of Hipro Soybean Meal will be undertaken only by an empanelled Assayer. The assayer details are given in the Exhibit 2 alongside the warehouses.

Testing Procedure

Testing for Hipro Soybean Meal will be done physically and chemically.

Assayer Certificate/ Quality Testing Report

Testing and quality certificate/ test report issued by NCCL empanelled Assayer on samples drawn from Hipro Soybean Meal delivered at Approved warehouses in Indore, Latur and at such other locations announced by the Clearing Corporation from time to time shall be acceptable and binding on all parties. Each delivery of Hipro Soybean Meal at the warehouse must be accompanied by a certificate from NCCL empanelled Assayer in the format indicated in Exhibit 4.

Validity period

The validity period for Hipro Soybean Meal for the deposits done is appended in the table.

Month of Deposit /Date of entry & completion of assaying by warehouse in system	Deliverable period from the date of Fresh Deposit (no. of months)	Validity period at the time of fresh deposit (no. of months)	How many times margin requitions allowed
January	1	1	0
February	1	1	0
March	1	1	0
April	1	1	0
May	1	1	0
June	1	1	0
July	1	1	0
August	1	1	0
September	1	1	0
October	1	1	0
November	1	1	0
December	1	1	0

Electronic transfer

Any buyer or seller receiving and or effecting Hipro Soybean Meal would have to open a Repository account with an empanelled Repository Participant (RP) to hold the Hipro Soybean

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Meal in electronic form. On settlement, the buyer's account with the RP would be credited with the quantity of Hipro Soybean Meal received and the corresponding seller's account would be debited. The Buyer wanting to take physical delivery of the Hipro Soybean Meal holding has to make a request in prescribed form to his RP with whom Repository account has been opened. The RP would route the request to the warehouse for issue of the physical commodity i.e. Hipro Soybean Meal to the buyer and debit his account, thus reducing the electronic balance to the extent of Hipro Soybean Meal so withdrawn.

Charges

All charges and costs payable at the Approved warehouse towards delivery of Hipro Soybean Meal 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 with & including storage, handling etc. after the payout shall be borne by the buyer. Warehouse storage charges will be charged to the member/ client by the respective Repository Participant.

The Assayer charges for testing and quality certification should be paid to the Assayer directly at the delivery location either by cash/ cheque/ demand draft.

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 Hipro Soybean Meal 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**

On services rendered by Members:

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

On Deliveries effected on the NCCL Platform:

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 requiring to receive or deliver Hipro Soybean Meal 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 certificate 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. legislations 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 the Hipro Soybean Meal delivered will be provided by the Exchange on the basis of quality specifications:

Such amount will be adjusted to the members' settlement 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 Hipro Soybean Meal.

Location Premium/ Discount will be notified by the Exchange 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 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. 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 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 Hipro Soybean Meal 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 Hipro Soybean Meal.

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The security of data and randomness of the polling process will ensure transparency and correctness of prices. The Exchange has absolute right to modify the process of determination of spot prices at any time without notice.

Dissemination of Spot Prices

Spot prices for Hipro Soybean Meal 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 and Settlement Account with the Clearing bank.

Time (T/ E+1)	Activity
On or before 08:30 Hours	PAYIN - Debit paying member settlement a/c for funds
After 09:30 Hours	PAYOUT – Credit receiving member 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 / Hipro Soybean Meal 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 and Settlement a/c for funds Debit Seller Member’s CM Pool Account for Hipro Soybean Meal
After 14.30 hrs	PAYOUT Credit Seller Member Clearing and Settlement a/c for funds Credit Buyer Member’s CM Pool Account for Hipro Soybean Meal

Tender Date - T

Tender period:

The Delivery request for Hipro Soybean Meal will be on staggered basis where tender period will be the last 5 trading days (including expiry date) of the contract.

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 day. 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

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.

The settlement of contract would be by a staggered delivery system of Pay-in(s) and Pay-out(s) including the last pay-in and pay-out which would be the final settlement of the contract.

Additionally, the supplemental settlement for Hipro Soybean Meal futures contracts for premium / discount adjustments relating to quality of Hipro Soybean Meal 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 and Settlement a/c for funds
After 15.00 hours	PAY OUT – Credit Member Clearing and Settlement a/c for funds

Early Payin of Commodities

Members can make an early pay-in of commodities to get exemption from the applicable pre-expiry and delivery margin and the same would be considered for the purpose of adjustment against their settlement obligations. 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 circular no.: NCCL/CLEARING-020/2020 dated April 07, 2020.

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 the 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 and settlement 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 and Settlement a/c for funds
After 09:30 hours	PAY OUT: Credit Seller Member Clearing and 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 circular number: NCCL/CLEARING-020/2020 dated April 07, 2020 on Consolidated Circular - Clearing & Settlement Procedures.

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 Specifications of Hipro Soybean Meal

(Updated as on February 16, 2021)

Type of Contract	Futures Contract
Name of commodity	Hipro Soybean Meal
Ticker symbol	SBMEALIDR
Trading system	NCDEX Trading System
Basis	Ex-warehouse Indore, exclusive of GST
Unit of trading	10 MT
Delivery unit	10 MT
Maximum Order Size	500 MT
Quotation/base value	Rs. per MT
Tick size	Rs. 10 per MT
Quality specification	Moisture :11% Max Protein: 50% Min Oil: 1.5% Max Fiber: 4% Max Sand/Silica: 1% Max Urease (by EEC method): Min 0.05 mgN/g/Min, Max 0.30 mgN/g/Min Units (By EEC Method) Indian solvent extracted toasted with pure yellow Soybean meal. No Red / Black / Over toasted / Sweepage / Admixture / Contaminated or water damaged Soybean Meal will be accepted. Free from pesticide (especially organochlorine compound group e.g. DDT, dieldrin including aldrin and heptachlor) Free from poisonous seeds and/or foreign seeds, free from castor seeds and/or husk, free from lumps, free from weevils, free from urea and/or other chemical substance.
Quantity variation	+/- 2%
Delivery centre	Indore (within a radius of 50 km from the municipal limits)
Additional Delivery Centre	Latur (within a radius of 50 km from the municipal limits) Location Premium/Discount as notified by the Exchange from time to time.
Trading hours	As notified by the Exchange from time to time, currently: Mondays through Fridays: 9:00 AM to 05:00 PM The Exchange may vary the 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.

	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.
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 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>
Delivery specification	<p>Upon expiry of the contracts all the outstanding open positions shall result in compulsory delivery.</p> <p>During the Tender period, if any delivery is tendered by seller, the corresponding buyer having open position and matched as per process put in place by the Exchange, shall be bound to settle by taking delivery on T + 2 day from the delivery center where the seller has delivered same.</p> <p>The penalty structure for failure to meet delivery obligations will be as per circular no. NCCL/CLEARING-020/2020 dated April 07, 2020.</p>
Delivery Logic	Compulsory Delivery
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>
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 next trading day
No. of active contracts	As per launch calendar
Daily Price limit (DPL)	<p>Daily price limit is (+/-) 3%. Once the 3% limit is reached, then after a period of 15 minutes the limit shall be increased further by 1%. The trading shall be permitted during the 15 minutes period within the 3% limit. After the DPL is enhanced, trades shall be permitted throughout the day within the enhanced total DPL of 4%.</p> <p>The DPL on the launch (first) day of new contract shall be as per the circular no. NCDEX/RISK-034/2016/209 dated September 08, 2016.</p>

Position limits	<p>The position limits will be applicable on Exchange wise basis</p> <p>Member-wise: 6,70,000 MT or 15% of market wide open interest in the commodity, whichever is higher. Client-wise: 67,000 MT.</p> <p>Bona fide hedger/EFE clients may seek exemption as per approved Hedge Policy of the Exchange notified vide Circular No. NCDEX/CLEARING-019/2016/246 dated September 28, 2016 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: 1,67,500 MT or one-fourth of the member's overall position limit in that commodity, whichever is higher. Client-wise: 16,750 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><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
Scenario	Polled spot price availability on				FSP shall be simple average of last polled spot prices on:																																																		
	E0	E-1	E-2	E-3																																																			
1	Yes	Yes	Yes	Yes/No	E0, E-1, E-2																																																		
2	Yes	Yes	No	Yes	E0, E-1, E-3																																																		
3	Yes	No	Yes	Yes	E0, E-2, E-3																																																		
4	Yes	No	No	Yes	E0, E-3																																																		
5	Yes	Yes	No	No	E0, E-1																																																		
6	Yes	No	Yes	No	E0, E-2																																																		
7	Yes	No	No	No	E0																																																		
Minimum Initial Margin	10%																																																						

Tolerance limit of Commodity:

Commodity Specifications	Basis	Acceptable quality range as per contract specification	Permissible Tolerance
Moisture	11% Max	-	0.25%
Protein	50% Min	-	0.50%
Oil	1.5% Max	-	-
Fiber	4% Max	-	-
Sand & Silica	1% Max	-	-
Max Tolerance (for all characteristics)			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 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
February 17, 2021	March 2021
	April 2021
	May 2021
	June 2021
	July 2021
	August 2021
	September 2021
March 2021	October 2021
April 2021	November 2021
May 2021	December 2021
June 2021	January 2022
July 2021	February 2022
August 2021	March 2022

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 Corporation's Bye Laws, Rules, 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 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 Warehousing Development and Regulatory Authority (WDRA), Orders under Packaging and Labelling 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.

Exhibit 2 - Warehouse & Assayer Address Details

For the updated list of Warehouse & Assayers kindly refer to the NCDEX Website http://www.ncdex.com/ClearingServices/Clearing_Services_others.aspx
 Approved Warehouses for delivery

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 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

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.

Exhibit 4 - Specimen of Hipro Soybean Meal Testing Report

CERTIFICATE OF QUALITY			
Date : _____		Report no.: _____	
NCDEX Member/Client Name : _____			
Commodity : _____			
Lorry No. : _____			
Warehouse Name and address : _____			
Lot No. : _____			
The results of analysis performed by our laboratory of the samples collected by WH _____ is stated below :			
Test Items	Test method	Specification	Test results
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			