

Table of Contents

CHAPTER 1 - TRADING PARAMETERS	3
Authority	3
Unit of Trading	3
Months Traded In	3
Tick Size	3
Basis Price	3
Unit for Price Quotation	3
Hours of Trading	3
Last Day of Trading	3
Mark to Market	3
Position limits	3
Margin Requirements	4
Additional/Special Margin	4
Pre-Expiry Margin	4
Concentration Margin	4
Delivery Margin	4
Penalty for default	5
Arbitration	5
Compliance of Laws	6
CHAPTER 2 - DELIVERY PROCEDURES	7
Unit of Delivery	7
Delivery Size	7
Delivery Requests	7
Delivery Allocation	7
Actual Delivery	7
Approved Warehouse	8
Description of Commodity	8
Quality Standards	8
Packaging	8
Standard Allowances	8
Weight	9
Good/ Bad delivery Norms	9
Turmeric Sampling	9
Empanelled Assayer	9
Quality Testing Report	10
Testing Procedure	10
Assayer Certificate	10
Admixture (Turmeric Varieties)	10
Validity period	11
Electronic transfer	11
Charges	11
Duties & levies	12
Stamp Duty	12
Taxes	12
Premium/ Discount	12
CHAPTER 3 - CLEARING AND SETTLEMENT	14
Daily Settlement	14
Daily Settlement Prices	14
Final Settlement Prices	14
Spot Prices	14
Dissemination of Spot Prices	14
Pay in and Pay out for Daily Settlement	14
Pay in and Pay out for final physical settlement	15
Tender Date -T	15
Expiry Date	15

Early Pay-in of Commodities	15
Supplementary Settlement for GST	16
Completion of Settlement	16
Exhibit 1 - Contract Specifications of Turmeric	17
Exhibit 2 - Warehouse & Assayer Address Details	22
Exhibit 3 - Good/ Bad delivery norms for acceptance of Commodity at warehouse	23
Exhibit 4 - Specimen of Turmeric Testing Report	24

CHAPTER 1 - TRADING PARAMETERS

Authority

Trading in Turmeric futures contracts may be conducted under such terms and conditions as specified in the Rules, Byelaws & Regulations of the Exchange and as per the circulars and notifications issued by the exchange thereunder or the Securities Exchange Board of India (SEBI) from time to time. A specimen of Turmeric Futures contract specification is given in **Exhibit 1**.

Unit of Trading

The unit of trading for Turmeric shall be 5 Metric Tonnes (MT). Bids and offers may be accepted in lots of 5 MT or in multiples thereof.

Months Traded In

Trading in Turmeric futures is given in the launch calendar attached as Annexure A to the contract specifications. The same may be modified by the Exchange on intimation to the members from time to time.

Tick Size

The tick size of the price of Turmeric shall be Rs. 2/-

Basis Price

The basis price of Turmeric shall be in Rs. per Quintal of Farmer Polished Turmeric Fingers Nizamabad quality ex-warehouse Nizamabad, exclusive of Goods and Services Tax.

Unit for Price Quotation

The unit of Price quotation for Turmeric shall be in Rs per quintal, basis Farmer Polished Turmeric fingers Nizamabad Quality, ex warehouse Nizamabad exclusive of GST.

Hours of Trading

As notified by the Exchange from time to time, currently –

Mondays through Fridays - 9:00 AM to 5:00 PM

The Exchange may vary the above timing with due notice.

Last Day of Trading

20th day of the delivery month. If 20th happens to be 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 Turmeric would be marked to market daily based on the Daily Settlement Price (DSP) as determined by the Clearing Corporation.

Position limits

Member-wise: 56,000 MT or 15% of market wide open interest in the commodity, whichever is higher

Client-wise: 5,600 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 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: 14,000 MT or one-fourth of the member's overall position limit in that commodity, whichever is higher.

Client-wise: 1,400 MT

Margin Requirements

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-001/2018 dated September 26, 2018 on Risk Management Framework and NCCL/RISK-003/2020 dated January 20, 2020 on Review of Margin Framework for Commodity Derivatives Segment and NCCL/RISK-036/2022 dated September 05, 2022 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 Turmeric 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 nos. NCCL/RISK-008/2019 dated June 12, 2019 on Concentration Margin– Revision in Concentration Margin and Threshold Level, NCCL/RISK-030/2019 dated October 17, 2019 on Revision in client level Concentration Margin in Barley, Coriander, Guar Gum, Guar Seed, Jeera and Turmeric contracts and NCCL/RISK-036/2020 dated September 02, 2020 on Revision in Concentration Margin Threshold Level. The Threshold Limit is 19,400 MT for Peak period and 14,500 MT for 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 can refer to circular no. NCCL/RISK-001/2018 dated September 26, 2018 on Risk Management Framework.

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
- b) 0.25 % of Settlement Price shall be retained by the Clearing Corporation towards administrative expenses.
- c) 2 % of Settlement Price + 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 member.

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-018/2021 dated May 24, 2021 and circular no. NCCL/CLEARING-029/2021 dated August 18, 2021.

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 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 and Standards Authority of India (FSSAI), AGMARK, BIS, 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 Goods & Services Tax, 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 minimum unit of delivery for Turmeric shall be 5 MT.

Delivery Size

Delivery is to be offered and accepted in lots of 5 MT or multiples thereof. A quantity variation of +/- 2% is permitted as per contract specification.

Delivery Requests

The procedure for Turmeric 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-018/2021 dated May 24, 2021 and NCCL/CLEARING-029/2021 dated August 18, 2021.

The delivery request for Turmeric contracts will be on staggered basis where the tender period would be the last 5 trading days (including expiry date) of the contract. 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 delivery location.

Delivery Allocation

The Clearing Corporation would compile the delivery requests received from the members during the Tender period of the contract 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 Turmeric is to be accepted by the buyers at the Approved warehouse/s where the seller effects the delivery in accordance with the contract specifications. On expiry all the outstanding positions would be settled by giving / taking physical delivery of commodities.

Actual Delivery

Where Turmeric is sold for delivery in a specified month, the seller must have requisite electronic credit of such Turmeric 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 Turmeric 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 Turmeric. Turmeric will only be received at and delivered from the NCCL Approved warehouse. The details of the NCCL Approved warehouses are as per **Exhibit 2**.

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

Description of Commodity

Turmeric (whole) means the primary or secondary rhizomes commercially called bulbs or fingers of *Curcuma Longa L.* The rhizomes shall be cured by soaking them in boiling water and then drying them to avoid regeneration. The rhizome can be in natural state or machine polished. The product shall have characteristic odour and flavour and shall be free from mustiness or other foreign flavours. The product shall be free from Lead Chromate, added starch and any other extraneous colouring matter.

Quality Standards

The contract grade for delivery of Turmeric futures contracts made under NCDEX Regulations shall be Turmeric conforming to the quality specification indicated in **Exhibit 1**. No lower grade shall be accepted in satisfaction of contracts for futures contract delivery. Delivery of higher grade would be accepted.

Packaging

Turmeric delivered shall be packed in joint B-Twill bags of accepted industry standard material and in merchantable condition with no spilling of contents and with the mouth of the bag stitched disallowing sweating / spilling. Inside marking of Bags with FCI shall be allowed. Poultry /cattle feed bags usage will lead to rejection of such lots. The packaging of Turmeric should be in standard bags of 50/60/70 Kg Net. Weight of the bag ideally should be 1 Kg for 60/70 Kg bags and 600 Gms for 50 Kg bag.

Standard Allowances

Standard allowance deducted per validation of quality on account of sampling, spillage, etc. for the goods deposited will be as given in the table below

	Fresh Deposit	Withdrawal
Standard Allowance	0.3%	Nil

Deposit Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
20 January to 19 February	-	-	0.10%	0.10%	0.10%	0.10%	0.10%	-	-	-	-	-
20 February to 19 March	-	-	-	0.10%	0.10%	0.10%	0.10%	0.10%	-	-	-	-
20 March to 19 April	-	-	-	-	0.10%	0.10%	0.10%	0.10%	0.10%	-	-	-
20 April to 19 May	-	-	-	-	-	0.10%	0.10%	0.10%	0.10%	0.10%	-	-
20 May to 19 June	-	-	-	-	-	-	0.10%	0.10%	0.10%	0.10%	0.10%	-
20 June to 19 July	-	-	-	-	-	-	-	0.10%	0.10%	0.10%	0.10%	0.10%
20 July to 19 August	-	-	-	-	-	-	-	-	0.10%	0.10%	0.10%	0.10%

Deposit Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
20 August to 19 September	-	-	-	-	-	-	-	-	-	0.10%	0.10%	0.10%
20 September to 19 October	-	-	-	-	-	-	-	-	-	-	0.10%	0.10%
20 October to 19 November	-	-	-	-	-	-	-	-	-	-	-	0.10%
20 November to 19 December	-	-	-	-	-	-	-	-	-	-	-	-

The lots deposited must have minimum credit in depositor account after factoring initial standard deduction and monthly standard deductions, so that the lot remain deliverable even after deduction of standard allowances on applicable months.

Weight

The quantity of Turmeric 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 in its vicinity and the quantity so determined would be binding on all parties. The weight of the bag offered for delivery will be 50 or 60 or 70 Kg Net and only one type per lot.

Good/ Bad delivery Norms

Turmeric delivery into NCCL Approved warehouse would constitute either 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.

Turmeric Sampling

Minimum 20% of bags randomly selected from each assaying lot will be cut opened, 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.

The composite mixture will then be divided into 4 parts, Sample size of each would be 1.5kg.

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 Assayer for quality testing and certification of Turmeric received at the approved warehouse. The quality testing and certification of Turmeric will be undertaken only by empanelled assayer as appointed by the warehouse service provider. The assayer details are given in the Exhibit 2 alongside the warehouses.

Quality Testing Report

The test report issued by the Turmeric testing laboratory 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

Fingers that appeared healthy/ normal externally but bearing hole/drills internally with no apparent mud/fungus/weevil/damage marks to be considered as normal fingers and not to be included in the category of inferior Turmeric. Inferior Turmeric will include any holes with dust, fungal infestation, discoloration marks, insect infestation etc.

Testing for Turmeric will be done both physically and chemically. To test moisture, chemical test would be done by toluene distillation method (IS1797)

Assayer Certificate

Testing and quality certificate/ test report issued by the Assayer on the samples drawn from Turmeric delivered at Approved warehouse(s) in Nizamabad, Erode, Sangli, Basmat, and at such other locations announced by the Exchange from time to time shall be acceptable and binding on all parties. Each delivery of Turmeric at the warehouse must be accompanied by a certificate from Assayer in the format as per Exhibit 4.

Admixture (Turmeric Varieties)

Admixture of other turmeric varieties allowed for delivery will be as provided by the Exchange on the basis of quality specifications:

The admixture will be acceptable only in case of superior varieties, presence of inferior varieties will attract rejection. Superior variety admixture may be allowed up to 10 % of the assaying lot and no premium will be provided for the superior admixture. Only the base variety allowed at the particular center will be considered for credit purpose.

The Exchange will communicate the admixtures allowed in the base varieties of turmeric. Allowable admixtures of Turmeric are as per the table that follows:

Different forms of same variety, not to be considered as different varieties for the purpose of identifying admixture.

For e.g Nizamabad Unpolished finger and Nizamabad Polished finger are turmeric of same variety i.e. Nizamabad Variety and should not be considered as admixture for one another.

Delivery Location	Base Variety Allowed	Admixture Allowed
Nizamabad	Nizamabad (Farmer Polished)	Not Allowed
Sangli	Nizamabad (Farmer Polished)	Not Allowed
Sangli	Rajapore	Not Allowed
Basmat	Salem	Not Allowed
Erode	Erode	Salem
Erode	Salem	Not Allowed

Validity period

The validity period of the Assayer's Certificate for Turmeric is will be as mentioned below

Months of Deposit / Date of entry & completion of assaying by warehouse in system (Jan -Dec)	Deliverable period from the date of Fresh Deposit (no. of months)	Validity period at the time of fresh deposit (no. of months)
January	0	0
February	6	6
March	6	6
April	6	6
May	6	6
June	6	6
July	6	6
August	5	5
September	4	4
October	3	3
November	2	2
December	1	1

*20th of previous month to 19th of the current month as mentioned in the table above

The stocks of Turmeric deposited in the Clearing Corporation 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 Clearing Corporation shall not be responsible in any manner whatsoever for those stocks which have not been received by any buyer through an immediate preceding settlement on the Exchange platform and for those stocks which have crossed the EDD

Electronic transfer

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

Charges

All charges and costs payable at the Approved warehouse towards delivery of Turmeric 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 member/ client by the respective Repository Participant.

The Assayer charges for testing and quality certification shall 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 Turmeric 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 respective 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 Turmeric 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.

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.

Premium/ Discount

Premium & Discount on the Turmeric delivered will be provided by the Exchange on the basis of quality specifications:

Such amount will be adjusted to the members account through the supplementary settlement. Applicable premium/ discounts for Turmeric are as per the circulars issued by the Exchange from time to time.

Location Premium/ Discount will be notified by the Exchange from time to time. The decision of the Exchange in determination of premium / discount is final and binding on all market participants.

Grades for turmeric contract

Delivery Location	Center	Variety	Quality	Grade	% PD
Basmat	BAS	Salem	SLM	TMCBASSLM	-2
Erode	ERD	Erode	ERD	TMCERDERD	At par
Erode	ERD	Salem	SLM	TMCERDSL	2
Nizamabad	NZM	Nizamabad Unpolished	NZM	TMCNZMNZM	-4
Nizamabad	NZM	Nizamabad (Farmer Polished)	NZMFP	TMCNZMNZMFP	Basis
Sangli	SGL	Nizamabad (Farmer Polished)	NZMFP	TMCNZMNZMFP	At par
Sangli	SGL	Rajapore	RJP	TMCSGLRJP	4

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 Turmeric 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 Turmeric. The security of data and randomness of 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 Turmeric will be disseminated on 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 hrs	PAYIN - Debit paying member a/c for funds
After 09.30 hrs	PAYOUT – Credit receiving member 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 / Turmeric 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 Turmeric
After 15.00 hrs	PAYOUT - Credit Seller Member Clearing and Settlement a/c for funds - Credit Buyer Member's CM Pool Account for Turmeric

Tender Date -T

Tender period:

The tender period would be the last 5 trading days (including expiry date) 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 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 / Clearing Corporation.

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

Additionally, the supplemental settlement for Turmeric futures contracts for premium / discount adjustments relating to quality of Turmeric 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 Pay-in 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-018/2021 dated May 24 , 2021.

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 Exchange platform.

In order to facilitate issue of invoice to right parties, the buyer Clearing Members are required to give the buyer client details to the Clearing Corporation latest by 15.00 hours 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 hours 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-018/2021 dated May 24, 2021 on Consolidated Circular – Clearing & Settlement Procedures.

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.

Exhibit 1 - Contract Specifications of Turmeric (Symbol: TMCFGRNZM) Futures Contract

(Applicable for contracts expiring in the month of April 2023 and thereafter)

(Updated as on February 02, 2023)

Type of Contract	Futures Contract
Name of commodity	Turmeric
Ticker symbol	TMCFGRNZM
Trading system	NCDEX Trading System
Basis	Farmer polished turmeric fingers Nizamabad quality exwarehouse Nizamabad exclusive of GST
Unit of trading	5 MT
Delivery unit	5 MT
Maximum order size	250 MT
Quotation/ Base value	Rs. Per Quintal
Tick size	Rs. 2
Quality specification	<p>Farmer Polished Turmeric Fingers with the following specifications as the basis</p> <p>Farmer Polished Turmeric Fingers</p> <ul style="list-style-type: none"> • Inferior quality Turmeric* should not be more than 2.25% • Length <ul style="list-style-type: none"> ○ Fingers that are broken/those less than 15mm should not be more than 3.0% ○ Fingers less than or equal to 3 cm in length should not be more than 15% • Damage due to moisture (i.e. Lokhandi) or over boiling (i.e. Kadh) should not be more than 1.2% • Unboiled or less boiled (Gajarthod) turmeric should not be more than 0.5% • Bhusa, chaff dirt, earth clods and stones should not be more than 0.75% • Bulbs should not be more than 3% • Moisture: 12% max • Turmeric should be free from fungus • Turmeric should not be artificially colored with dyes or chemicals <p>* Chora/athu finger, khota gatha, markha</p>

Also Deliverable	<p>The following qualities will be acceptable at Exchange specified premium/discount</p> <ul style="list-style-type: none"> • Unpolished Turmeric fingers of Nizamabad at Nizamabad • Only Farmer Polished Fingers of Nizamabad at Sangli • Only Farmer Polished Fingers of Rajapore at Sangli • Only Farmer Polished Fingers of Erode at Erode • Only Farmer Polished Fingers of Salem at Erode • Only Farmer Polished Fingers of Salem at Basmat
Quantity variation	+/- 2%
Delivery center	Nizamabad (up to the radius of 50 Km from the municipal limits)
Additional delivery centers	Sangli, Erode, and Basmat (up to the radius of 50 Km from the municipal limits) with location wise premium/discount as announced by the Exchange
Hours of Trading	<p>As notified by the Exchange from time to time, currently:</p> <p>Mondays through Fridays: 9:00 a. m. to 5:00 p.m.</p> <p>The Exchange may vary the above timing with due notice</p>
Delivery Logic	Compulsory delivery
Opening of contracts	Trading in any contract month will open on the 1 st day of the month. If 1 st 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 day. If such a T+2 day happens to be a Saturday, a Sunday or a holiday at the Exchange, Clearing Corporation, clearing banks or any of the service providers, pay-in and pay-out would be effected on the next working day.</p>
Closing of contract	<p>Clearing and settlement of contracts will commence with the commencement of Tender Period by compulsory delivery of each open position tendered by the seller on T+2 to the corresponding buyer matched by the process put in place by the Exchange.</p> <p>Upon the expiry of the contract all the outstanding open position shall result in compulsory delivery.</p>
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 contract would be by a staggered system of Pay-in and Pay-out including the Last Pay- in and Pay-out which would be</p>

	the Final Settlement of the contract.
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-010/2021 dated March 24, 2021 and NCCL/CLEARING-029/2021 dated August 18, 2021.</p>
No. of active contracts	As per 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 new contract shall be as per the circular no. NCDEX/TRADING-010/2021 dated March 22, 2021.</p>
Position limits	<p>Member-wise: 56,000 MT or 15% of market wide open interest in the commodity, whichever is higher</p> <p>Client-wise: 5,600 MT</p> <p>Bona fide hedger client 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>Member-wise: 14,000 MT or one-fourth of the member's overall position limit in that commodity, whichever is higher.</p> <p>Client-wise: 1,400 MT</p>
Special margins	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	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			
		E0	E-1	E-2	E-3
	1	Yes	Yes	Yes	Yes/No
	2	Yes	Yes	No	Yes
	3	Yes	No	Yes	Yes
	4	Yes	No	No	Yes
	5	Yes	Yes	No	No
	6	Yes	No	Yes	No
	7	Yes	No	No	No
Minimum Initial margin	12%				

Tolerance Limits for Outbound Deliveries-

Specification	Basis	Tolerance Limit
Inferior quality Turmeric (Chora/atthu finger, khota gatha, markha)	Upto 2.25%	+/- 0.3%
Length	Fingers less than or equal to 3 cm in length should not be more than 15%	+/- 3%
Damage due to moisture (i.e. Lokhandi) or over boiling (i.e. Kadh)	Upto 1.2%	+/- 0.2%
Bhusa, chaff dirt, earth clods and stones	Upto 0.75%	+/- 0.25%
Bulbs	Upto 3%	+/- 0.5%
Upper limit on the total of all tolerances		+/- 3.6%

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
October 2022	April 2023
November 2022	May 2023
December 2022	June 2023
January 2023	No Launch
February 2023	August 2023
March 2023	No Launch

Contract Launch Month	Contract Expiry Month
April 2023	October 2023
May 2023	No Launch
June 2023	December 2023
July 2023	No Launch
August 2023	No Launch
September 2023	No Launch

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 Rules, Bye Laws, 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 and Standards Authority of India (FSSAI), AGMARK, BIS, 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 Goods & Services Tax, 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 NCDEX Website – Clearing – Others – Approved Warehouses for delivery

Link - <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 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 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 Turmeric Testing Report
CERTIFICATE OF QUALITY

Date : _____

Report no.: _____

NCDEX Member/client : _____

Commodity : _____

Lorry No. : _____

Warehouse name & address: _____

Lot no.: _____

QUALITY :

The results of analysis performed by our laboratory of the samples collected by us 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