

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
For near month contracts	4
Margin Requirements	4
Additional/Special Margin	4
Pre-Expiry Margin	4
Concentration Margin	4
Delivery Margin	5
Penalty for default	5
Arbitration	6
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	9
Weight	9
Good/ Bad delivery Norms	9
Wheat Sampling	9
Assayer	9
Quality Testing Report	10
Assayer Certificate	10
Validity period	10
Electronic transfer	11
Charges	11
Duties & levies	12
Stamp Duty	12
Taxes	12
Premium/ Discount	12
CHAPTER 3 - CLEARING AND SETTLEMENT	13
Daily Settlement	13
Daily Settlement Prices	13
Final Settlement Prices	13
Spot Prices	13
Dissemination of Spot Prices	14
Pay in and Pay out for Daily Settlement	14
Pay in and Pay out for final physical settlement	14

Tender Date -T	14
Expiry Date	15
Early Pay-in of Commodities	15
Supplementary Settlement for GST	15
Completion of Settlement on NCCL Platform	16
Exhibit 1 - Contract Specifications of Wheat	17
Exhibit 2 Warehouse & Assayer Address Details	21
Exhibit 3 Good/ Bad delivery norms for acceptance of Commodity at warehouse	22
Exhibit 4 Specimen of Wheat Testing Report	23

CHAPTER 1 - TRADING PARAMETERS**Authority**

Trading of Wheat futures 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. Specimen of Wheat futures contract specification is indicated in **Exhibit 1**.

Unit of Trading

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

Months Traded In

Trading in Wheat 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 Wheat shall be Re. 1.00

Basis Price

The basis price of Wheat shall be Ex- Warehouse Kota exclusive of Goods and Services Tax (GST).

Unit for Price Quotation

The unit of price quotation for Wheat shall be in Rupees per Quintal. The basis for Wheat traded is Ex- Warehouse Kota exclusive of Goods and Services Tax (GST).

Hours of Trading

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

Mondays through Fridays - 09:00 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 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 Wheat would be marked to market daily based on the Daily Settlement Price (DSP) as determined by the Clearing Corporation.

Position limits

Member-wise: 26,50,000 MT or 15% of the market wide open interest in the commodity, whichever is higher.

Client-wise: 2,65,000 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: 6,62,500 MT or one-fourth of the member's overall position limit in that commodity, whichever is higher.

Client-wise: 66,250 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-007/2021 dated March 03, 2021 on Margin Framework for Commodity Derivatives Segment and NCCL/RISK-034/2021 dated September 06, 2021 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 Wheat contract. The additional margin will be increased by 2.50% 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 and NCCL/RISK-036/2020 dated September 02, 2020 on Revision in Concentration Margin Threshold Level. The Threshold Limit is 7,600 MT for Peak period and 2,500 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 payin is completed by the member.

For further details, participants can refer to circular no. NCCL/RISK-001/2018 dated September 26, 2018.

Penalty for default

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

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

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

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

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

Buyers' defaults are not permitted.

In the case of a default by a buyer in both agricultural and non-agricultural commodities i.e. in case a Clearing Member fails to make delivery pay-in of funds, it shall be considered as a member default. NCCL shall review the loss incurred by the non-defaulting Party, i.e. Seller, at its sole discretion, and accordingly, levy penalty on the defaulting buyer. However, such penalty shall be within the overall cap of delivery margins collected by the NCCL, from such defaulting buyer clearing 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 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 Food Safety and Standards Authority of India, AGMARK, BIS, Warehousing Development and Regulatory Authority (WDRA) etc. and a 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 Wheat 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 +/- 5% is permitted as per contract specification.

Delivery Requests

The procedure for Wheat 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, is as per circular no. NCCL/CLEARING-018/2021 dated May 24, 2021.

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

The Wheat received at the NCCL Approved warehouse will be tested and certified by Assayer as appointed by the warehouse among the empaneled list, before acceptance as good delivery in the warehouse. Likewise, Wheat delivered to buyers will be from the Approved warehouse only.

Description of Commodity

Wheat shall be the dried mature grains of *Triticumaestivum* Linn. or *Triticumvulgare* vill., *triticum* drum Desf., *triticumsphaerococcum* perc., *Triticumdicoccum* schubl., *Triticum Compactum* Host. It shall be sweet, clean and wholesome. Wheat should be free from any live infestation.

Quality Standards

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

Packaging

Standard Mill Quality Wheat delivered shall be packed in clean, dry, sound, un-mended B-Twill bags. Wheat should be in standard bags of 50 Kg / 60 Kg appropriate to the delivery center. The packaging size of the jute bags for delivery of Wheat should be uniform against the delivery lot size. The tare weight deduction per 50 Kg bag /60 Kg for net weight calculation shall be 670gms of gross weight.

Following process will be followed for accepting the Wheat in FCI gunny Bag / Govt. Agencies Marked gunny bag: -

- (a) To submit an NOC from FCI / Govt. agencies that the goods with specific details intended to deposit are allowed to be traded in open market.
- (b) To submit a declaration that the NOC as above is for the goods being deposited and would keep the Exchange indemnified at all times in the event of any wrong declaration.

In this regards, depositors are also required to note that the following documents in original are to be submitted while depositing such wheat purchased from FCI under OMSS.

- 1. RO by FCI
- 2. Gate Pass
- 3. Affidavit by depositors that this material is purchased from FCI under OMSS & is valid for trading.

DECLARATION Format:

I/We _____ having our address at _____ hereby declares that the goods deposited by us/on our behalf as per the enclosed KYD form (Annexure-3 of the circular no. NCCL/LOGISTICS-001/2020 dated January 08, 2020) is not a part of any PDS stocks or intended to be a part of the same. I/We further declare that in the event of the stocks deposited by us are withheld by any statutory authorities or such other authority for reasons of non-compliance or any violations/offence in respect of the said goods or their packaging (use of Pre-used Gunny Bags with markings of any govt agencies), I/We shall be solely responsible for the same. I/We further declare and undertake to be liable for the same and take such steps including arranging alternate stocks/packaging as the case may be.

Standard Allowances

Sample weight per validation of quality allowed will be 0.2% on account of sample testing & spillages.

Weight

The quantity of Wheat received and/ or delivered at the NCCL Approved warehouse would be determined/ calculated by the designated weighbridge 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 wheat per bag will be 50 Kgs net/ 60 Kgs net. There will be no bag weight deduction for the wheat deposited in SILO.

Good/ Bad delivery Norms

Wheat 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.

Wheat Sampling

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

Further a sample from the bags cut open will be taken and checked for foreign matter. The FM content in the Assaying report will be entered higher out of the two matter values determined on the basis of the composite sample taken from the running sample as indicated in para 1 above and the sample collected as per the process indicated in para 2. This would be 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/ reference with assayer

Assayer

NCCL has empanelled Assayer for quality testing and certification of wheat. Warehouse service provider can appoint assayer for particular warehouse only from the empanelled list of assayers. The quality testing and certification of wheat will be undertaken only by such assayer as appointed by the warehouse service provider.

Quality Testing Report

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

Assayer Certificate

Testing and quality certificate issued by Assayer for Wheat delivered at Approved warehouses shall be acceptable and binding on all parties. Each delivery of Wheat at the Approved warehouse must be accompanied by a certificate from Assayer in the format as per **Exhibit 4**.

Validity period

The validity period of the Assayer's Certificate for Wheat is as per the table given 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)	How many times revalidations allowed (no. of months)	Validity Period of first revalidation (no. of months)	Validity period of second revalidation (no. of months)
January	6	6	0	0	0
February	6	6	0	0	0
March	6	6	0	0	0
April	6	6	0	0	0
May	6	6	0	0	0
June	6	6	0	0	0
July	6	6	0	0	0
August	6	6	0	0	0
September	6	6	0	0	0
October	6	6	0	0	0
November	6	6	0	0	0
December	6	6	0	0	0

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

The validity period of the Assayer's Certificate for Wheat deposited in SILO is as per the table given 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)	How many times revalidations allowed (no. of months)	Validity Period of first revalidation (no. of months)	Validity period of second revalidation (no. of months)
April	6	6	0	0	0
May	5	5	0	0	0

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)	How many times revalidations allowed (no. of months)	Validity Period of first revalidation (no. of months)	Validity period of second revalidation (no. of months)
June	4	4	0	0	0
July	3	3	0	0	0
August	2	2	0	0	0
September	1	1	0	0	0
October	6	6	0	0	0
November	5	5	0	0	0
December	4	4	0	0	0
January	3	3	0	0	0
February	2	2	0	0	0
March	1	1	0	0	0

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

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

Electronic transfer

Any buyer or seller receiving and or effecting Wheat would have to open a Repository account with an empanelled Repository Participant (RP) to hold the Wheat in electronic form. On settlement, the buyer's account with the RP would be credited with the quantity of Wheat received and the corresponding seller's account would be debited. The Buyer wanting to take physical delivery of the Wheat 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. Wheat to the buyer and debit his account, thus reducing the electronic balance to the extent of Wheat so withdrawn.

Charges

All charges and costs payable at the Approved warehouse towards delivery of Wheat 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 pay-out shall be borne by the buyer. Warehouse storage charges will be charged to the member/ 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 Wheat 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 the client is located in another State.

Taxes**Goods and Services Tax (GST)**

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 NCCL 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 Wheat 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 Wheat delivered will be provided by NCCL on the basis of quality specifications.

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

At present no premium/discount is applicable on account of quality specification variations for Wheat delivered to NCCL Approved warehouse.

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.

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 NCCL 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 Wheat 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 Wheat. 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 Wheat 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 8.30 hrs	PAYIN - Debit paying member Clearing and settlement a/c for funds
After 09:30 hrs	PAYOUT – Credit receiving member Clearing and settlement a/c for funds

Pay in and Pay out for final physical settlement

The table below illustrates timings for pay in and pay out in case of positions marked for physical settlement. The buyers / sellers would have to deposit requisite funds / Wheat 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 Wheat
After 15.00hrs	PAYOUT - Credit Seller Member Clearing and Settlement a/c for funds - Credit Buyer Member's CM Pool Account for Wheat

Tender Date -T

Tender period:

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

Pay-in and Pay-out:

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.

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-ins and Payouts including the last Pay-in and Pay-out which would be the Final Settlement of the contract.

Additionally, the supplemental settlement for Wheat futures contracts for premium / discount adjustments relating to quality of Wheat 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 Web NCCE application. The user guide for the same is available for download under: -

NCCE 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 the buyer and seller on the NCCL 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 NCCL 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 & 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 on NCCL Platform

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 Wheat

(Applicable for all the contracts expiring in the month of January 2022 & thereafter)
 (Updated as on January 03, 2022)

Type of Contract	Futures Contract		
Name of Commodity	Wheat		
Ticker symbol	WHEATFAQ		
Trading System	NCDEX Trading System		
Basis	Ex- Warehouse Kota exclusive of GST		
Unit of trading	10 MT		
Delivery unit	10 MT		
Maximum Order Size	500 MT		
Quotation/base value	Rs/Quintal		
Tick size	Re. 1.00		
Quality specification	1	Damaged Kernel (Other than infestation damaged)	2% max. The limit of ergot affected grains shall not exceed 0.05 percent by weight and limit of Karnal Bunt affected grains shall not exceed 0.3 percent by weight.
	2	Infestation damaged Kernel	2% max
	3	Foreign Matter (Organic/Inorganic)	1% max (minerals not more than 0.25% and animal origins not more than 0.1%)
	4	Other edible grains	2% max
	5	Shrunken / Shriveled / Broken grains (not damaged)	5% max
	6	Total defects sum of: a) Foreign Matter b) Other edible grains c) Damaged Kernel (Other than infestation damaged) d) Shrunken/Shriveled/Broken grains (not damaged)	10% max The limit of ergot affected grains shall not exceed 0.05 percent by weight and limit of Karnal Bunt affected grains shall not exceed 0.3 percent by weight
	7	Moisture	11% max
	8	Test Weight	76 Kg/hl minimum
	9	Grain Size with diameter less than 3 mm	8% max

Quantity variation	+ / - 5%
Delivery center	Kota (within 50 Km radius from the municipal limits)
Additional delivery centres	Rajkot (Gujarat), Sri Ganganagar (Rajasthan), Indore (M.P.) and Agra (U.P.) (within 50 Km radius from the municipal limits) with location – wise premium/discount for all centers will be announced by the Exchange prior to launch of the contract.
Hours of trading	As notified by the Exchange from time to time, currently: - Mondays through Fridays: 09:00 AM to 05:00 PM The Exchange may vary the above timing with due notice.
Opening of Contracts	Trading in far month contract will open on the 1st day of the month in which the near month contract is due to expire. If the 1st day happens to be a non-trading day, contracts would open on the next trading day
Tender Period	Tender Date –T Tender Period: The tender period would be the last 5 trading days (including expiry day) of the contracts. Pay-in and Pay-out: 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.
Closing of contract	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. Upon the expiry of the contract all the outstanding open position shall result in compulsory delivery.
Due date/Expiry date	Expiry date of the contract: 20 th day of the delivery month. If 20 th 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. 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.
Delivery Specification	Upon expiry of the contracts all the outstanding open positions shall result in compulsory delivery. During the Tender period, if any delivery is tendered by seller, the corresponding buyer having open position and matched as per process put in place by the Exchange, shall be bound to settle by taking delivery on T + 2 day from the delivery centre where the seller has delivered same. 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, 2018..

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 this 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/TRADING-010/2021 dated March 22, 2021.</p>																																																
Position limits	<p>Member-wise: 26,50,000 MT or 15% of the market wide open interest in the commodity, whichever is higher. Client-wise: 2,65,000 MT.</p> <p>Bona fide hedger/EFE clients may seek exemption as per approved Hedge Policy of the Exchange notified vide Circular No. NCDEX/TRADING-026/2021 dated August 30, 2021 and Circular No: NCDEX/TRADING-072/2018 dated November 28, 2018.</p> <p>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.</p> <p>Member-wise: 6,62,500 MT or One-fourth of the member's overall position limit in that commodity, whichever is higher. Client-wise: 66,250 MT</p>																																																
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.																																																
Delivery Logic	Compulsory Delivery																																																
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></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
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	8%					

Tolerance limit for outbound deliveries –

Quality Parameter	Basis	Permissible tolerance
Damaged Kernel (Other than infestation damaged)	2% max. The limit of ergot affected grains shall not exceed 0.05 percent by weight and limit of Karnal Bunt affected grains shall not exceed 0.3 percent by weight.	+/- 0.25% (No outbound tolerance for ergot affected grains and Karnal Bunt grains)
Infestation damaged Kernel	2% max.	+/- 0.50%
Foreign Matter (Organic/Inorganic)	1% max (minerals not more than 0.25% and animal origins not more than 0.1%)	
Other edible grains	2% max	+/- 0.25%
Shrunken / Shriveled / Broken grains (not damaged)	5% max	+/- 0.50%
Total defects sum of: a) Foreign Matter b) Other edible grains c) Damaged Kernel (Other than infestation damaged) d) Shrunken/ Shriveled/ Broken grains (not damaged)	10% max The limit of ergot affected grains shall not exceed 0.05 percent by weight and limit of Karnal Bunt affected grains shall not exceed 0.3 percent by weight.	+/- 0.50% (No outbound tolerance for ergot affected grains and Karnal Bunt grains)
Moisture	11% max	
Grain Size with diameter less than 3 mm	8% max	
Test Weight	76 Kg/hl Minimum	+/- 0.25 Kg/hl
Max Tolerance (for all characteristic)		1.25%

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
September 2021	January 2022
October 2021	February 2022
November 2021	March 2022
December 2021	April 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/Clearing Corporation 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 is in due compliance with the applicable regulations laid down by authorities like Food Safety and Standards Authority of India, AGMARK, BIS, Warehousing Development and Regulatory Authority (WDRA) etc. and other State/Central laws and authorities issuing such regulations in this behalf from time to time, including but not limited to compliance of provisions and rates relating to GST, APMC Tax, Mandi Tax, LBT, Stamp Duty, etc. as applicable from time to time on the underlying commodity of any contract offered or 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

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

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

S.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 weigh bridge/ weigh scale other than those recognized by Approved warehouse	Bad delivery
6	When sample is not drawn as per sampling norms and not carried out at the time of unloading	Bad delivery
7	Delivery not as per the packaging specification	Bad delivery
8	Delivery found contaminated on visual inspection	Bad delivery

Exhibit 4 Specimen of Wheat Testing Report

CERTIFICATE OF QUALITY			
Date : _____		Report no.: _____	
NCDEX Member/Client name : _____			
Commodity : _____			
Lorry No. : _____			
Warehouse name and address _____			
QUALITY :			
The results of analysis performed by our laboratory of the samples drawn by us on date.....from the goods deposited by NAME_____ 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			