
NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED

Circular to all members of the Exchange

Circular No : NCDEX/TRADING-041/2020

Date : August 12, 2020

Subject : Re-Launch of Futures contracts – Natural Whitish Sesame Seeds
(SESAMESEED)

The Exchange is pleased to inform the members of the Exchange that as per its Bye-laws, Rules and Regulations, and with the approval received from Securities and Exchange Board of India, Future contracts in Natural Whitish Sesame Seeds (Symbol: SESAMESEED) expiring in the months of October 2020, November 2020 and December 2020 would be available for trading w.e.f. **August 26, 2020**.

The Futures contracts to be launched shall be additionally governed by the Product Note as is notified on the Exchange website under the tab- “Products”. Members and participants are requested to kindly go through the same and get acquainted with the launched product, its trading and related process put in place by the Exchange.

Members are requested to take note of the following:

1. Summary of modifications in contract specifications for Natural Whitish Sesame Seeds (Symbol: SESAMESEED) Futures contracts expiring in the months of October 2020, November 2020 and December 2020 is given in Annexure I.
2. Modified contract specifications applicable for Futures contracts expiring in the months of October 2020, November 2020 and December 2020 is given in Annexure II.
3. Premium/Discount for delivery location difference for contracts expiring in the months of October 2020, November 2020 and December 2020 is given in Annexure III.

The transaction charges applicable on Natural Whitish Sesame Seeds futures contract (Symbol: SESAMESEED) will be as per Special Category commodities as mentioned below, till further notice from the Exchange.

- i. Rates for future contracts in special category for first four calendar months:
Transaction charges shall be at the flat rate of Rs. 3 per lakh of trade
- ii. Rates for future contracts in special category beyond first four calendar months:

Transaction charges for trading in Futures contracts in special category beyond first four calendar months shall be at the flat rate of Rs. 1.5 per lakh of trade.

The Risk Management Fees at Rs. 4 per Lakh on the value of every fresh overnight open interest position created in contracts shall be applicable.

With reference to circular nos. NCCL/RISK-001/2018 dated September 26, 2018 and NCCL/RISK-008/2019 dated June 12, 2019, members and participants are requested to note that as per the directives of the SEBI and Byelaws, Rules and Regulations of the Exchange, Concentration Margin shall be levied on Natural Whitish Sesame Seeds (Symbol: SESAMESEED). The Open Interest (OI) Threshold Level for Natural Whitish Sesame Seeds (Symbol: SESAMESEED) to attract Concentration Margin shall be as mentioned in the table below:

Commodity	Symbol	Measure	Open Interest Threshold Level
Natural Whitish Sesame Seeds	SESAMESEED	MT	28,000

The applicable OI slabs and corresponding margin percentages at clearing member level and at the client level shall be same as specified in the circular nos. NCCL/RISK-001/2018 dated September 26, 2018 and NCCL/RISK-008/2019 dated June 12, 2019. The Concentration Margin and Threshold Limit shall be effective from beginning of trading day August 26, 2020.

The contracts and the transactions therein will be subject to Bye Laws, Rules, and Regulations of the Exchange and circulars issued by the Exchange as well as directives, if any, issued from time to time by the Regulator. 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 warehouse of the Clearing Corporation is in due compliance with the applicable regulations laid down by authorities like Food Safety and Standards Authority of India, AGMARK, BIS, Orders under Packaging and Labelling etc., as also other State/Central laws and authorities issuing such regulations in this behalf from time to time, including but not limited to compliance of provisions and rates relating to GST, APMC Tax, Mandi Tax, LBT, stamp duty, etc. as applicable from time to time on the underlying commodity of any contract offered for deposit /trading / delivery and the Exchange shall not be responsible or liable on account of any non-compliance thereof.

For and on behalf of
National Commodity & Derivatives Exchange Limited

Kapil Dev
Executive Vice President –Business

Encl: Annexures

For further information/ clarifications, please contact

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Annexure I: Summary of modifications in contract specifications – Natural Whitish Sesame Seeds Futures contract

Parameters	Earlier contract specifications	Modified contract specifications
Type of Contract	Natural Whitish Sesame Seeds Futures Contract	Futures Contract
Trading System	NA	NCDEX Trading System
Basis	Ex-warehouse Rajkot exclusive of sales tax/VAT	Ex-Warehouse Unjha, exclusive of GST
Unit of trading	10 MT	5 MT
Delivery unit	10 MT	5 MT
Maximum Order Size	NA	250 MT
Tick size	Re. 1	Rs. 5
Quality specification	Natural Whitish Sesame Seeds 98x2x2 grade with the following specifications:	Natural Whitish Sesame Seeds 99x2x1 grade with the following specifications, Sesame to be necessarily machine cleaned
	Whitish seed (Including 1% Max. Rain Affected Seeds)	98%(Basis)
	Other coloured seeds (Including 1% Max. Rain Damaged Seeds)	2%(Basis)
	Admixture	2%(Basis)
	Free Fatty Acids	2%(Max)
	Moisture	6%(Basis)
	Whitish Seed	99 % Basis
	Other Colored (Including 1% Max. Rain Damaged Seeds)	2% Basis
Admixture	1% Max	
FFA	1.5 % Max	
Moisture content	6% Max	
Oil content	48% Min	

	<table><tr><td>Oil content</td><td>48%(Min)</td></tr></table>	Oil content	48%(Min)	<p>Other Color Seed includes dark seed, light seed (Small seed / Yellowish in color), Rain damaged, touched or rain affected seeds etc.</p> <p>Admixture: Anything other than sound Sesame Seeds, this will pass through a 1.0 mm round sieve hole and sorted matter on the purity work board it includes all organic and inorganic matters like any mineral, animal or plant matter, Leaves, pods, twigs, earth, sand dust, stones, other crops seeds, detached seed coats and the likes.</p>
Oil content	48%(Min)			
Quantity variation	+/- 5%	+/- 2%		
Delivery center	Rajkot (Within 50 km radius from municipal limits)	Unjha (Within 50 km radius from municipal limits)		
Additional delivery centers	Unjha, Gandhidham (Within 50 km radius from municipal limits) Location Premium/Discount as notified by the Exchange from time to time.	Rajkot (Within 50 km radius from municipal limits) Location Premium/Discount as notified by the Exchange from time to time.		
Trading hours	As per directions of the Forward Markets Commission from time to time, currently – Mondays through Fridays: 10:00 a. m. to 05:00 p.m. Saturdays: 10.00 a.m. to 2.00 p.m. The Exchange may vary the above timing with due notice	As notified by the Exchange from time to time, currently: Mondays through Fridays: 9.00 A.M. to 5.00 P.M. The Exchange may vary above timing with due notice.		
Due date/Expiry date	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	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.		

	trading day of the Exchange	The settlement of contract would be by a staggered system of Pay-in and Pay-out including the last pay-in and pay-out which would be the final settlement of the contract.
Delivery specification	Upon expiry of the contracts, if any seller with open position desires to give delivery at a particular delivery center, then the corresponding buyer with open position as matched by the process put in place by the Exchange shall be bound to settle by taking physical delivery	<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 Clearing Corporation, shall be bound to settle by taking delivery on T + 2 day from the delivery centre 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-002/2018 dated September 25, 2018.</p>
Opening of contracts	Trading in any contract month will open on the 10th day of the month. If 10th day happens to be a non-trading day, contracts would open on the next trading day.	Trading in any contract month will open on the 1st day of the month. If the 1st day happens to be a non-trading day, contracts would open on the next trading day
Tender Period	Not part of earlier contract specifications	<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	On the expiry of the contract, all outstanding positions not resulting in giving/taking of physical delivery of	Clearing and settlement of contracts will commence with the commencement of Tender Period by compulsory delivery of each open position tendered

	commodity shall be closed out at the Final Settlement Price announced by the Exchange	by the seller on T + 2 to the corresponding buyer matched by the process put in place by the Clearing Corporation. Upon the expiry of the contract all the outstanding open position shall result in compulsory delivery.
Daily Price limit (DPL)	Daily price limit will be (+) / (-) 2%. On the first day, the limit on daily price fluctuation will be reckoned with reference to the opening price. On the second day of trade and thereafter, the daily price limit will be reckoned with reference to the mark to market rate of the previous closing day. If the trade hits this price limit, there will be a cooling off period for 15 minutes. Trade will be allowed during this cooling off period within the price band. Thereafter, the price limit would be extended by another (+) / (-) 2%. No trade will be permitted during the day beyond the revised price limit of (+)/ (-) 4%	Daily price limit is (+/-) 3%. Once the 3% limit is reached, then after a period of 15 minutes the limit shall be increased further by 1%. The trading shall be permitted during the 15 minutes period within the 3% limit. After the DPL is enhanced, trades shall be permitted throughout the day within the enhanced total DPL of 4%. The DPL on the launch (first) day of new contract shall be as per the circular no. NCDEX/RISK-034/2016/209 dated September 08, 2016.
Position limits	Member: Maximum of 9,000 MT or 15% of market wide open position whichever is higher for all contracts. Client: Maximum of 3,000 MT for all contracts The above limits will not apply to bona fide hedgers. For bona fide hedgers, the Exchange will, on a case to case basis, decide the hedge limits Near month limit (Applicable from 28 days prior to expiry date) Member: 1,800 MT or 15% of the market-wide near month open position, whichever is higher. Client: 600 MT	The position limits will be applicable on Exchange wise basis Member-wise: 30,000 MT or 15% of the market wide open interest in the commodity, whichever is higher. Client-wise: 3,000 MT Bona fide hedger clients may seek exemption as per approved Hedge Policy of the Exchange notified vide Circular No. NCDEX/CLEARING-019/2016/246 dated September 28, 2016. 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: 7,500 MT or one-fourth of the

		<p>member's overall position limit in that commodity, whichever is higher.</p> <p>Client-wise: 750 MT</p>
Premium/Discount	<p>Discount as under:</p> <p>Whitish seeds: 98% basis (Including 1% Max. Rain Affected Seeds)</p> <ul style="list-style-type: none"> • Acceptable up to 97% at 1:2 discount • Below 97% rejected <p>Admixture: 2% basis</p> <ul style="list-style-type: none"> • Acceptable up to 3% at 1:1.5 discount • Above 3% rejected <p>Moisture: 6% basis</p> <ul style="list-style-type: none"> • Acceptable up to 7% at 1:1 discount • Above 7% rejected 	<p>Currently, no premium or discount on the basis of quality specifications will be applicable.</p> <p>Location Premium Discount will be notified by the Exchange from time to time.</p>
Special margins	<p>Special margin of 4% of the value of the contract will be levied whenever the rise or fall in price exceeds 20% of the 90-day prior settlement price. The margin will be payable by buyer or seller depending on whether price rises or falls respectively. The margins shall stay in force so long as price stays beyond the 20% limit and will be withdrawn as soon as the price is within the 20% band</p>	<p>In case of unidirectional price movement/ increased volatility, an additional/ special margin at such other percentage, as deemed fit by the Regulator/Exchange, may be imposed on the buy and the sell side or on either of the buy or sell sides in respect of all outstanding positions. Reduction/removal of such additional/ special margins shall be at the discretion of the Regulator/Exchange.</p>
Final Settlement Price	<p>None/ nothing mentioned on the contract specifications</p>	<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>

		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
Delivery Logic	None/ nothing mentioned on the contract specifications	Compulsory Delivery with staggered delivery					
Minimum Initial Margin	None/ nothing mentioned on the contract specifications	10%					

Annexure II:
**Modified Contract Specifications of Natural Whitish Sesame Seeds (SESAMESEED)
Futures contract**

Type of Contract	Futures Contract	
Name of Commodity	Natural Whitish Sesame Seeds	
Ticker symbol	SESAMESEED	
Trading System	NCDEX Trading System	
Basis	Ex-Warehouse Unjha, 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. 5	
Quality specification	Natural Whitish Sesame Seeds 99x2x1 grade with the following specifications, Sesame to be necessarily machine cleaned	
	Whitish Seed	99 % Basis
	Other Colored (Including 1% Max. Rain Damaged Seeds)	2% Basis
	Admixture	1% Max
	FFA	1.5 % Max
	Moisture content	6% Max
	Oil content	48% Min
	Other Color Seed includes dark seed, light seed (Small seed / Yellowish in color), Rain damaged, touched or rain affected seeds etc.	
	Admixture: Anything other than sound Sesame Seeds, this will	

	pass through a 1.0 mm round sieve hole and sorted matter on the purity work board it includes all organic and inorganic matters like any mineral, animal or plant matter, Leaves, pods, twigs, earth, sand dust, stones, other crops seeds, detached seed coats and the likes.
Quantity variation	+/- 2%
Delivery center	Unjha (Within 50 km radius from municipal limits)
Additional Delivery Center	Rajkot (Within 50 km radius from municipal limits) Location Premium/Discount as notified by the Exchange from time to time.
Trading hours	As notified by the Exchange from time to time, currently: Mondays through Fridays: 9.00 A.M. to 5.00 P.M. The Exchange may vary above timing with due notice.
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 Clearing Corporation, 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-002/2018 dated September 25, 2018.
Opening of contracts	Trading in any contract month will open on the 1 st day of the month. If the 1 st day happens to be a non-trading day, contracts

	would open on the next trading day
Tender Period	<p>Tender Date –T</p> <p>Tender Period: The tender period would be the last 5 trading days (including expiry day) of the contracts.</p> <p>Pay-in and Pay-out:</p> <p>On a T+2 basis. If the tender date is T, then pay-in and pay-out would happen on T+2 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 Clearing Corporation.</p> <p>Upon the expiry of the contract all the outstanding open position shall result in compulsory delivery.</p>
No. of active contracts	As per the launch calendar
Daily Price limit (DPL)	<p>Daily price limit is (+/-) 3%. Once the 3% limit is reached, then after a period of 15 minutes the limit shall be increased further by 1%. The trading shall be permitted during the 15 minutes period within the 3% limit. After the DPL is enhanced, trades shall be permitted throughout the day within the enhanced total DPL of 4%.</p> <p>The DPL on the launch (first) day of new contract shall be as per the circular no. NCDEX/RISK-034/2016/209 dated September 08, 2016.</p>

Position limits	<p>The position limits will be applicable on Exchange wise basis</p> <p>Member-wise: 30,000 MT or 15% of the market wide open interest in the commodity, whichever is higher.</p> <p>Client-wise: 3,000 MT</p> <p>Bona fide hedger clients may seek exemption as per approved Hedge Policy of the Exchange notified vide Circular No. NCDEX/CLEARING-019/2016/246 dated September 28, 2016.</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: 7,500 MT or one-fourth of the member's overall position limit in that commodity, whichever is higher.</p> <p>Client-wise: 750 MT</p>
Premium/Discount	<p>Currently, no premium or discount on the basis of quality specifications will be applicable.</p> <p>Location Premium Discount will be notified by the Exchange from time to time.</p>
Special margin	<p>In case of unidirectional price movement/ increased volatility, an additional/ special margin at such other percentage, as deemed fit by the Regulator/Exchange, may be imposed on the buy and the sell side or on either of the buy or sell sides in respect of all outstanding positions. Reduction/removal of such additional/ special margins shall be at the discretion of the Regulator/Exchange.</p>

Final Price	Settlement	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
Delivery Logic		Compulsory Delivery with staggered delivery					
Minimum Margin	Initial	10%					

Tolerance limit for outbound deliveries in Natural Whitish Sesame Seeds

Commodity Specifications	Basis	Permissible Tolerance
Oil Content	48% Min	Nil
Whitish Seed	99% Basis	+/- 0.25%
Other Colored Seeds	2 % Basis	+/-0.25%
Moisture	6 % Max	Nil
FFA	1.5 % max	Nil
Admixture	1% max	+/-0.25%
Max Tolerance (for all characteristics)		+/-0.50%

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
August 26, 2020	October 2020 November 2020 December 2020

Annexure III

Premium/Discount for delivery location difference for Futures contracts expiring in the months of October 2020, November 2020 and December 2020:

Commodity (Base Centre)	Additional Delivery Centre	Premium/Discount (Rs./Quintal)
Natural Whitish Sesame Seed (Unjha)	Rajkot (Gujarat)	At par