
NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED

Circular to all trading and clearing members of the Exchange

Circular No : NCDEX/TRADING- 021/2019

Date : July 04, 2019

Subject : Launch of Futures contracts – Unprocessed Whole Raw Moong
(Not for direct human consumption) (MOONG)

The Exchange is pleased to inform the trading and clearing 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 vide letter no. SEBI/HO/CDMRD/DOP/OW/P/2019/15478/1 dated June 19, 2019, Future contracts in Unprocessed Whole Raw Moong (Not for direct human consumption) (Symbol: MOONG) expiring in the months of August 2019, September 2019, October 2019, November 2019 and December 2019 would be available for trading w.e.f. **July 08, 2019**. Contracts for further expiries will be launched as per the enclosed contract launch calendar.

Members and participants are requested to note that Unprocessed Whole Raw Moong (Not for direct human consumption) Futures contract (Symbol: MOONG) will be available for trading as per the contract specifications given in Annexure – I.

Premium/Discount for Delivery Location Difference for contracts expiring in the months of August 2019, September 2019, October 2019, November 2019 and December 2019 is given in Annexure II.

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.

The transaction charges applicable on Unprocessed Whole Raw Moong (Not for direct human consumption) Futures contract (Symbol: MOONG) will be as per Special Category commodities as mentioned below, till further notice from the Exchange.

Special Category	Client-level Slabs	Rate Rs. per lakh
Slab 1	ADTV Up to Rs. 10 Crore	2.00
Slab 2	On incremental ADTV above Rs.10 Crore	1.00

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 Unprocessed Whole Raw Moong (Not for direct human consumption) (Symbol: MOONG). The Open Interest Threshold Level for Unprocessed Whole Raw Moong (Not for direct human consumption) (Symbol: MOONG) to attract Concentration Margin shall be as mentioned in the table below:

Commodity	Symbol	Measure	Open Interest Threshold Level
Unprocessed Whole Raw Moong (Not for direct human consumption)	MOONG	MT	40,000

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 July 08, 2019.

The contracts and the transactions therein will be subject to Rules, Bye Laws 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 Exchange 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

1. Mr. Mukesh Kumar on Mobile Phone: 09860966033
2. Customer Service Group on toll free number: 1800 266 2339/1800 103 4861
3. Customer Service Group by e-mail to : askus@ncdex.com

Annexure I

Contract Specifications of Unprocessed Whole Raw Moong (Not for direct human consumption) (MOONG) Futures contract

Parameters	Contract specifications																				
Type of Contract	Futures Contract																				
Name of Commodity	Unprocessed Whole Raw Moong (Not for direct human consumption)																				
Ticker symbol	MOONG																				
Trading System	NCDEX Trading System																				
Basis	Ex-Warehouse Merta City, 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	Re. 1																				
Quality specification	<p>Unprocessed Whole Raw Moong (not for direct human consumption) with the following specifications:</p> <table border="1"> <tr> <td>Moisture</td><td>10% Max</td></tr> <tr> <td>Foreign Matter</td><td>The limits for foreign matter (extraneous matter) shall be maximum 2.0% by weight of which the maximum 0.5% by weight may be the inorganic matter and impurities of animal origin.</td></tr> <tr> <td>Other edible grains</td><td>1% Max</td></tr> <tr> <td>Damaged Seeds</td><td>3% Max</td></tr> <tr> <td>Immature, Shrunken, Shriveled, Broken, Split seeds</td><td>2% Max</td></tr> <tr> <td>Weevilled</td><td>1% Max</td></tr> <tr> <td>Small Seeds (passing through 3.0 mm long hole sieve)</td><td>2% Max</td></tr> <tr> <td>Discolored seeds (other than dark green seeds)</td><td>2% Max</td></tr> <tr> <td>Seeds with loss of Lustre</td><td>5% Max</td></tr> <tr> <td>Kaudi seeds</td><td>0.5% Max</td></tr> </table> <p>The material should be tested for 3.0 mm Long Hole Sieve</p> <p>The material should be free of live infestation and Fungus</p>	Moisture	10% Max	Foreign Matter	The limits for foreign matter (extraneous matter) shall be maximum 2.0% by weight of which the maximum 0.5% by weight may be the inorganic matter and impurities of animal origin.	Other edible grains	1% Max	Damaged Seeds	3% Max	Immature, Shrunken, Shriveled, Broken, Split seeds	2% Max	Weevilled	1% Max	Small Seeds (passing through 3.0 mm long hole sieve)	2% Max	Discolored seeds (other than dark green seeds)	2% Max	Seeds with loss of Lustre	5% Max	Kaudi seeds	0.5% Max
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	Unprocessed Whole Raw Moong deposited for delivering on Exchange Platform shall also conform to the applicable standards for Unprocessed Whole Raw Moong as prescribed under the Food Safety And Standards (Food Products Standards And Food Additives) Regulations 2011 and in force from time to time.
Quantity variation	+/- 2%
Delivery center	Merta City (up to the radius of 50 Kms from the municipal limits)
Additional delivery centers	Nokha, Jodhpur and Sri Ganganagar (up to the radius of 50 Kms from the municipal limits)
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: 20th day of the delivery month. If 20th happens to be a holiday, a Saturday or a Sunday then the due date shall be the immediately preceding trading day of the Exchange. The settlement of contract would be by a staggered system of Pay-in and Pay-out including the last pay-in and pay-out which would be the final settlement of the contract.
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 center 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 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	Tender Date –T Tender Period: The tender period shall start on 11th of every month in which the contract is due to expire. In case 11th happens to be a Saturday, a Sunday or a holiday at the Exchange, the tender period would start from the next working day. 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 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

	<p>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>							
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: 50,000 MT or 15% of the market wide open interest in the commodity, whichever is higher.</p> <p>Client-wise: 5,000 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: 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: 12,500 MT or one-fourth of the member's overall position limit in that commodity, whichever is higher.</p> <p>Client-wise: 1,250 MT</p>							
Special margin	<p>In case of unidirectional price movement/ increased volatility, an additional/ special margin at such other percentage, as deemed fit by the Regulator/Exchange, may be imposed on the buy and the sell side or on either of the buy or sell sides in respect of all outstanding positions. Reduction/removal of such additional/ special margins shall be at the discretion of the Regulator/Exchange.</p>							
Final Settlement Price	<p>FSP shall be arrived at by taking the simple average of the last polled spot prices of the last three trading days viz., E0 (expiry day), E-1 and E-2. In the event the spot price for any one or both of E- 1 and E-2 is not available; the simple average of the last polled spot price of E0, E-1, E-2 and E-3, whichever available, shall be taken as FSP. Thus, the FSP under various scenarios of non-availability of polled spot prices shall be as under:</p> <table border="1"> <thead> <tr> <th>Scenario</th><th>Polled spot price availability on</th><th>FSP shall be simple average of last polled spot</th></tr> </thead> <tbody> <tr> <td></td><td></td><td></td></tr> </tbody> </table>		Scenario	Polled spot price availability on	FSP shall be simple average of last polled spot			
Scenario	Polled spot price availability on	FSP shall be simple average of last polled spot						

		E0	E-1	E-2	E-3	prices on:	
	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					
Minimum Initial Margin		4%					

Tolerance limit for outbound deliveries in Unprocessed Whole Raw Moong (Not for direct human consumption)

Commodity Specifications	Basis	Permissible Tolerance
Moisture	10% max	+/- 0.50%
Damaged Seeds	3% max	+/- 0.25%
Immature, Shrunken, Shriveled, Broken, Split seeds	2% max	+/-0.25%
Weevilled	1% max	+/-0.50%
Seeds with loss of Lustre	5% max	+/-0.50%
Max Tolerance (for all characteristics)		+/-1.50%

Contract Launch Calendar

Contract Launch Month	Contract Expiry Month
July 08, 2019	August 2019
	September 2019
	October 2019
	November 2019
	December 2019
August 2019	January 2020
September 2019	February 2020
October 2019	March 2020
November 2019	April 2020
December 2019	May 2020
January 2020	June 2020
February 2020	July 2020
March 2020	August 2020
April 2020	September 2020
May 2020	October 2020
June 2020	November 2020
July 2020	December 2020

Annexure II

Premium/Discount for Delivery Location Difference for contracts expiring in the months of August 2019, September 2019, October 2019, November 2019 and December 2019:

Commodity (Base Centre)	Additional Delivery Centre	(+) Premium/ (-) Discount
Unprocessed Whole Raw Moong (Not for direct human consumption) (Merta City)	Jodhpur	No Premium/Discount
	Nokha	(-) Rs. 50 per quintal
	Sri Ganganagar	(-) Rs. 50 per quintal