
NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED

Circular to all members of the Exchange

Circular No.: NCDEX/SURVEILLANCE & INVESTIGATION - 017/2025

Date : April 01, 2025

Subject : Master Circular – Spot Price Polling

Exchange from time to time has been issuing various circulars/directions to market participants. In order to enable the users to have access to the applicable circulars at one place, Master Circular in respect of Spot Price Polling is attached herewith.

This Master circular is a compilation of relevant circulars issued by the Spot Price Polling team of the Exchange, which are operational as on date of this circular. Efforts have been made to incorporate applicable provisions of existing circulars issued by SEBI.

It is hereby clarified that in case of any inconsistency between this Master Circular and the original applicable circular, the content of the original circular shall prevail.

Notwithstanding in any revision in the processes or formats, if any –

- a) anything done or any action taken or purported to have been done or taken under such revised/ rescinded process including but not limited to any regulatory inspection/ investigation or enquiry commenced or any disciplinary proceeding initiated or to be initiated under such rescinded/ revised process or rescission, shall be deemed to have been done or taken under the corresponding provisions of this Master Circular
- b) the previous operation of the rescinded process or circular or anything duly done or suffered thereunder, any right, privilege, obligation or liability acquired, accrued or incurred thereunder, any penalty incurred in respect of any violation of such rescinded process or circulars, or any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty as aforesaid, shall remain unaffected as if the rescinded process or circulars have never been rescinded.

The rescinded Master Circular is available on the NCDEX website at [NCDEX/SURVEILLANCE & INVESTIGATION-069/2024](#) under the category “Circulars”.

All Members, clients and market participants are requested to take note of the same.

For and on behalf of
National Commodity & Derivatives Exchange Limited

Avinash Mohan
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For further information / clarifications, please contact

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1. SPOT PRICE POLLING MECHANISM

The Securities and Exchange Board of India (SEBI) has issued a circular (circular No. [SEBI/HO/CDMRD/DMP/CIR/P/2016/78](#) dated September 02, 2016) on “Spot Price Polling Mechanism” in order to maintain the transparency of spot price polling process and dissemination of spot prices at Commodity Derivatives Exchanges.

As per the above-mentioned circular, in order to maintain the transparency of spot price polling process and dissemination of spot prices arrived at through spot price polling process, the commodity derivatives exchanges are directed to:

- ❖ Have a well laid down and documented policy for the spot price polling mechanism.
- ❖ Display the spot price polling mechanism adopted for every contract on its website along with following details:
 - Details of the contract
 - Mechanism of spot price polling
 - How spot prices are arrived at
 - Whether these prices include or exclude taxes and other levies / costs
 - Whether spot prices polling has been outsourced to any external agency and if so, the details thereof.
 - Criteria for selection of these polling participants
 - Any other information that the Exchange may consider

Spot Price Polling Mechanism used by the Exchange is available on Exchange website. The link for the same is as follows: <https://ncdex.com/reports/pollled-price-quotes>

- ❖ Disclose, for every contract, following details with respect to individual spot price polling participants on its website:
 - Participants
 - Location
 - Profession
 - Price quoted
 - Time, Date
- The Exchanges may assign a code such A1, A2, A3...etc. for polling participants of a particular contract and reveal his location and price (s) for the day.
- This information shall be updated on Exchange website every day for every contract traded on the exchange platform.

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- The information shall continue to be displayed even after the expiry of the contract for a period of 3 years.

This information is updated on a daily basis on Exchange website. The link for the same is as follows: <https://ncdex.com/reports/polled-price-quotes>

- ❖ Endeavour in increasing the sample size used for fixing the daily spot prices during the last 15 days of the contract expiry.
- ❖ Review on a monthly basis the prices polled from the participants to identify participants habitually quoting unrealistic prices. These participants could be put under watch and subsequently removed from the panel if such instances reoccur despite appropriate communications.
- ❖ Provide a separate feedback window for receiving complaints in this regard. The exchanges shall address such complaints in a time-bound manner. Further, the exchanges shall keep the audit trail of all such complaints received and the steps taken for redressal.

Any complaint/feedback pertaining to spot price disseminated by the Exchange can be made by email on askus@ncdex.com

Reference:

- Circular no. [NCDEX/TRADING-090/2016/208](#) dated September 07, 2016

2. ENROLLMENT OF PARTICIPANTS FOR SPOT PRICE POLLING

In an endeavor to make the spot price polling mechanism of the Exchange more efficient through a robust polling universe, Exchange has announced a facility for self-enrollment of value chain participants to become a part of polling universe on the Exchange website at the following link: <https://www.ncdex.com/MarketData/LiveSpotQuotes.aspx>

Value chain participants are required to take note of the above and provide necessary details as sought in the application form and submit the same only after reading the Guiding Principles. Exchange reserves the right to enroll the applicant and the decision of the Exchange shall be final and binding.

Reference:

- Circular no. [NCDEX/TRADING-075/2017/202](#) dated August 14, 2017

3. CRITERIA FOR SETTLEMENT MODE OF COMMODITY DERIVATIVE CONTRACTS

SEBI circular [SEBI/HO/CDMRD/DMP/CIR/P/2017/116](#) dated October 16, 2017 on “Criteria for Settlement Mode of Commodity Derivative Contracts” specifies broad guidelines for deciding appropriate settlement mode for commodity derivatives contracts.

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As per the circular, the first preference of settlement type shall always be by the way of physical delivery.

Any exemption from the above i.e. cash settlement of commodity derivatives contract, may be considered only in specified scenarios with a proper justification. One of those scenarios is the availability of reliable benchmark price of the commodity, which can be used as reference for settlement price. Exchanges shall satisfy themselves that the reference spot price is robust – fair indicator of prevailing prices and not susceptible to any distortion/manipulation.

Reference:

- Circular no. [NCDEX/TRADING-106/2017/291](#) dated November 02, 2017

4. FIXATION OF FINAL SETTLEMENT PRICE (FSP)

SEBI has issued a circular (circular No. [SEBI/HO/CDMRD/DRMP/CIR/P/2016/90](#) dated September 21, 2016) on “Staggered delivery, early delivery system, early pay-in facility, penalty on delivery default, fixation of FSP and changes in expiry dates” with an objective to consolidate and update such norms.

As per the above-mentioned circular, for contracts where Final Settlement Price (FSP) is determined by polling, unless specifically approved by SEBI otherwise, the 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

In case of non-availability of polled spot price on expiry day (E0) due to sudden closure of physical market under any emergency situations noticed at the basis centre, Exchanges shall decide further course of action for determining FSP in consultation with SEBI.

Reference:

- Circular no. [NCDEX/TRADING-98/2016/236](#) dated September 27, 2016

5. CHANGE IN EXPIRY DATE

A system is put in place to take into account the usual closure of mandis (physical market) on account of various festivals in advance, at the time of contract launch.

The Securities and Exchange Board of India (SEBI) has issued a circular (circular No. [SEBI/HO/CDMRD/DRMP/CIR/P/2016/90](#) dated September 21, 2016) on “Staggered delivery, early delivery system, early pay-in facility, penalty on delivery default, fixation of FSP and changes in expiry dates”.

As per the above-mentioned circular, in case the underlying physical market at the notified basis centre is closed on the expiry day of the contract, due to festivals, strikes, erratic weather conditions, etc., Exchange may advance expiry date of running contract.

Decision about advancing expiry of running contract shall be intimated to the market at least 10 days before the revised expiry date. The delivery period may be advanced accordingly for contract having staggered delivery. The FSP of such contract shall be fixed as per the above procedure.

Reference:

- Circular no. [NCDEX/TRADING-98/2016/236](#) dated September 27, 2016

6. FRAMEWORK FOR DETERMINATION OF FINAL SETTLEMENT PRICE (FSP) IN CASE OF UNAVAILABILITY OF POLLED SPOT PRICE ON EXPIRY DAY

Based on deliberations in the Commodity Derivatives Advisory Committee (CDAC) meetings, back-testing of various alternatives of determining FSP carried out by Exchanges and consultations held with Exchanges, SEBI has permitted Exchanges/Clearing Corporations to design and implement their own framework for determining FSP in case of unavailability of polled spot price on expiry day, ensuring that the framework is objective and adequate to determine FSP in all eventualities.

In view of the above, the following framework shall henceforth be used for determination of FSP in case of unavailability of polled spot price on expiry day (E0). The order of methods to be used under this framework is provided below:

Method 1

FSP would be determined as per the process of FSP fixation mentioned above. However, spot price at basis center on the expiry day (E0) shall be derived from the polled spot prices of the alternate center (as notified by the Exchange from time to time). To derive the spot price at basis centre, adjustments are made for the average difference between polled spot price at alternate center and polled spot price at basis center for 7 days from the date when spot price was unavailable.

For determination of FSP under this method:

- Polled Spot price at alternate center should be available on expiry day (E0)

- Polled spot price of alternate center as well as basis center should be available for at least three days in past 7 consecutive trading days

In case the Method 1 is not applicable or the FSP cannot be determined due to non-fulfillment of any of the conditions mentioned above, Method 2 would be adopted.

Method 2

FSP would be determined as per the FSP fixation process mentioned above. However, polled Spot price at basis center on the expiry day (E0) shall be derived by extrapolating the difference between spot and futures price trend for past 30 days in expiring contract from the date from which spot price was unavailable.

For determination of FSP under this Method, the expiring contract should meet the liquidity criteria:-

- On the Expiry Day (E0); and
- Atleast 7 days (out of 30 days to be considered)

In case FSP cannot be determined as per Method 1 and 2 mentioned above, Method 3 would be adopted.

Method 3

Weighted average futures price on the last three trading days (viz. E0 (expiry day), E-1 and E-2) after excluding outliers. The FSP under various scenarios would be as under:

Scenario	Trading in futures			Final Settlement Price
	E0	E-1	E-2	
1	Yes	Yes	Yes	Weighted average futures price on E0, E-1 & E-2 after excluding outliers
2	Yes	Yes	No	Weighted average futures price on E0 & E-1 after excluding outliers
3	Yes	No	Yes	Weighted average futures price on E0 & E-2 after excluding outliers
4	Yes	No	No	Weighted average futures price on E0 after excluding outliers
5	No	Yes	Yes	Weighted average futures price on E-1 & E-2 after excluding outliers
6	No	No	Yes	Weighted average futures price on E-2 after excluding outliers
7	No	Yes	No	Weighted average futures price on E-1 after excluding outliers

For determination of FSP under this Method:-

- All the trades in the expiring contract (except for spread trades) would be considered.
- All the trade prices having Sigma more than 2 Sigma would be considered as outliers and thus excluded from calculation of weighted average price.

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- It is mandatory for trading to take place in expiring contract on at least one of last three days of expiry (E0, E-1 and E-2) to determine weighted average futures price.

In case FSP cannot be determined as per Method 1, 2 and 3 mentioned above, Method 4 would be adopted.

Method 4

Last available polled spot price of the underlying commodity would be declared as FSP of the futures contract.

Reference:

- Circular no. [NCDEX/TRADING-012/2019](#) dated April 05, 2019
- Circular no. [NCDEX/TRADING-023/2022](#) dated May 13, 2022
- Circular no. [NCDEX//SURVEILLANCE & INVESTIGATION-035/2024](#) dated Feb 14, 2024

7. SPOT PRICE BASIS OF MAIZE - FEED / INDUSTRIAL GRADE (SYMBOL: MAIZE)

As per Exchange circular No. [NCDEX/TRADING-036/2021](#) dated November 01, 2021, the basis of Maize - Feed / Industrial Grade futures contracts available for trading on Exchange platform is as under:

Contract Expiry Month	Basis
April to September	Ex-warehouse Gulabbagh exclusive of GST
October to March	Ex-warehouse Chhindwara exclusive of GST

In line with the above, the spot price basis of Maize - Feed / Industrial Grade (Symbol: MAIZE) would be as under:

Contract Expiry Month	Basis
April to September	Ex-warehouse Gulabbagh exclusive of GST
October to March	Ex-warehouse Chhindwara exclusive of GST

The transition of Spot price basis under symbol MAIZE from Gulabbagh to Chhindwara and Chhindwara to Gulabbagh shall happen post completion of physical settlement of contracts expiring in the months of September and March respectively.

Market participants may refer to spot price of both the centers (Gulabbagh and Chhindwara) at any point of time under following symbols:

Symbol	Basis
MAIZERABI	Ex-warehouse Gulabbagh exclusive of GST
MAIZECHIND	Ex-warehouse Chhindwara exclusive of GST

Reference:

- Circular no. [NCDEX/TRADING-038/2021](#) dated November 30, 2021

8. LOCATION PREMIUM DISCOUNT

With an objective to re-issue/update norms prescribed for National Commodity Derivatives Exchanges by the erstwhile FMC with respect to Location premium/discount, it has been prescribed that Exchanges shall determine and disclose for contracts the location premium/discount prior to launch of the contract in various commodities.

Reference:

- Circular no. [NCDEX/TRADING-99/2016/237](#) dated September 27, 2016

Appendix: List of Circulars / Communication

Sr. No.	Subject	Circular No.	Date
1	Spot Price Polling Mechanism	NCDEX/TRADING-090/2016/208	07-Sep-16
2	Staggered delivery, early delivery system, early pay-in facility, penalty on delivery default, fixation of FSP and changes in expiry dates	NCDEX/TRADING-98/2016/236	27-Sep-16
3	Commodity derivatives – miscellaneous norms	NCDEX/TRADING-99/2016/237	27-Sep-16
4	Enrollment of Participants for Spot Price Polling	NCDEX/TRADING-075/2017/202	14-Aug-17
5	Criteria for Settlement Mode of Commodity Derivative Contracts	NCDEX/TRADING-106/2017/291	02-Nov-17
6	Framework for Determination of Final Settlement Price (FSP) in case of Unavailability of Polled Spot Price on Expiry Day	NCDEX/TRADING-012/2019	05-Apr-19
7	Spot Price Basis of Maize - Feed / Industrial Grade (Symbol: MAIZE)	NCDEX/TRADING-038/2021	30-Nov-21
8	Addendum - Framework for Determination of Final Settlement Price (FSP) in case of Unavailability of Polled Spot Price on Expiry Day	NCDEX/TRADING-023/2022	13-May-22
9	Addendum - Framework for Determination of Final Settlement Price (FSP) in case of Unavailability of Polled Spot Price on Expiry Day	NCDEX//SURVEILLANCE & INVESTIGATION-035/2024	14-Feb-24