
NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED

Circular to all members of the Exchange

Circular No : NCDEX/TRADING-029/2021

Date : September 20, 2021

Subject : Modification in contract specifications – Turmeric (TMCFGRNZM) Futures Contracts

Members are requested to note that the Exchange, as per SEBI circular no. SEBI/HO/CDMRD/DOP/CIR/P/2019/135 dated November 14, 2019 and SEBI/HO/CDMRD_DOP/P/CIR/2021/592 dated July 08, 2021 has modified the contract specifications of Turmeric (Symbol: TMCFGRNZM) futures contracts expiring in the month of April 2022 and thereafter with effect from October 01, 2021.

Currently, Turmeric (Symbol: TMCFGRNZM) futures contracts expiring in the months of October 2021, November 2021 and December 2021 are available for trading and would continue to be traded as per existing contract specifications till their expiry.

The changes will be applicable for Turmeric (Symbol: TMCFGRNZM) futures contracts expiring in the month of April 2022 and thereafter from the beginning of day October 01, 2021.

The running futures contracts and contracts to be launched further 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 product launched and 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 Turmeric (Symbol: TMCFGRNZM) futures contracts expiring in the month of April 2022 and thereafter with effect from October 01, 2021 is given in **Annexure I**.
2. Existing contract specifications applicable for Turmeric (Symbol: TMCFGRNZM) futures contracts expiring in the month of September 2021, October 2021, November 2021 and December 2021 is given in **Annexure II**.
3. Modified contract specifications for Turmeric (Symbol: TMCFGRNZM) futures contracts applicable for contracts expiring in the month of April 2022 and thereafter with effect from October 01, 2021 is given in **Annexure III**.
4. Premium/Discount for delivery location difference for contracts expiring in the month of April 2022 is given in **Annexure IV**.

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 SEBI. 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 behalf of them by any third party acting on behalf of the Market Participants/Constituents is in due compliance with the applicable regulations laid down by authorities like Food Safety and Standards Authority of India, AGMARK, Warehousing Development and Regulatory Authority (WDRA), 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 / Clearing Corporation shall not be responsible or liable on account of any noncompliance thereof.

For and on behalf of
National Commodity & Derivatives Exchange Limited

Arun Yadav
Senior Vice President - Products

Encl: Annexures

For further information / clarifications, please contact

1. Customer Service Group on toll free number: 1800 26 62339
2. Customer Service Group by e-mail to: askus@ncdex.com

Annexure I: Summary of modifications in contract specifications of Turmeric (Symbol: TMCFGRNZN) Futures Contracts

Parameters	Existing contract specifications	Modified contract specifications	Rationale
Basis	Unpolished turmeric fingers Nizamabad quality ex warehouse Nizamabad exclusive of GST	Farmer polished turmeric fingers Nizamabad quality ex warehouse Nizamabad exclusive of GST	Over the period of time the percentage arrival of unpolished fingers had gradually decreased in Nizamabad and majority of the arrival coming to the market is Farmer polished grade. Given these dynamics, the PAC members suggested to change the basis grade. The Exchange had also initiated polling the spot price for Farmer Polished Turmeric Fingers ex warehouse Nizamabad since May 2020 in preparation for this modification.
Also Deliverable	The following qualities will be acceptable at Exchange specified premium/discount	The following qualities will be acceptable at Exchange specified premium/discount	Modification made in regard to the change of the basis grade from

Parameters	Existing contract specifications	Modified contract specifications	Rationale
	<ul style="list-style-type: none"> Farmer Polished/Unpolished fingers shall be acceptable in case of Nizamabad at Nizamabad Only farmer polished fingers of Nizamabad and Rajapore will be acceptable at Sangli, Only Farmer Polished fingers of Salem at Erode, Only Farmer Polished fingers of Erode at Erode and Only Farmer Polished fingers of Salem at Basmat 	<ul style="list-style-type: none"> Unpolished Turmeric fingers of Nizamabad at Nizamabad Only Farmer Polished Fingers of Nizamabad at Sangli Only Farmer Polished Fingers of Rajapore at Sangli Only Farmer Polished Fingers of Erode at Erode Only Farmer Polished Fingers of Salem at Erode Only Farmer Polished Fingers of Salem at Basmat 	Unpolished turmeric fingers ex warehouse Nizamabad to Farmer polished turmeric fingers ex warehouse Nizamabad.
Quality specification	<p>Unpolished turmeric fingers with the following specifications as the basis</p> <p>Unpolished turmeric fingers</p> <ul style="list-style-type: none"> Inferior quality Turmeric* should not be more than 2.25% Length <ul style="list-style-type: none"> Fingers that are broken/those less than 15mm should not be more than 3.0% Fingers less than or equal to 3 cm in length should not be more than 15% Damage due to moisture (i.e. Lokhandi) or over boiling (i.e. Kadh) should not be more than 1.2% Unboiled or less boiled (Gajarthod) turmeric should not be more than 0.3% Bhusa, chaff dirt, earth clods and stones should not be more than 0.75% Bulbs should not be more than 3% Moisture: 12% max Turmeric should be free from fungus 	<p>Farmer polished turmeric fingers with the following specifications as the basis</p> <p>Farmer polished turmeric fingers</p> <ul style="list-style-type: none"> Inferior quality Turmeric* should not be more than 2.25% Length <ul style="list-style-type: none"> Fingers that are broken/those less than 15mm should not be more than 3.0% Fingers less than or equal to 3 cm in length should not be more than 15% Damage due to moisture (i.e. Lokhandi) or over boiling (i.e. Kadh) should not be more than 1.2% Unboiled or less boiled (Gajarthod) turmeric should not be more than 0.3% Bhusa, chaff dirt, earth clods and stones should not be more than 0.75% Bulbs should not be more than 3% Moisture: 12% max Turmeric should be free from fungus 	Modification made in regard to the change of the basis grade from Unpolished turmeric fingers ex warehouse Nizamabad to Farmer polished turmeric fingers ex warehouse Nizamabad.

Parameters	Existing contract specifications			Modified contract specifications			Rationale
	<ul style="list-style-type: none"> Turmeric should not be artificially colored with dyes or chemicals * Chora/atthu finger, khota gatha, markha 			<ul style="list-style-type: none"> Turmeric should not be artificially colored with dyes or chemicals * Chora/atthu finger, khota gatha, markha 			
Premium/Discount	Delivery Center	Deliverable Grade	Current P/D	Delivery Center	Deliverable Grade	Modified P/D	Modifications have been done on the basis of feedback received by the PAC members, internal discussions and based on the changes in basis grade.
	Nizamabad	Nizamabad Unpolished	Basis	Nizamabad	Nizamabad Unpolished	-4%	
	Nizamabad	Farmer Polished	4%	Nizamabad	Farmer Polished	Basis	
	Sangli	Rajapore	8%	Sangli	Rajapore	4%	
	Sangli	Nizamabad Farmer Polished	4%	Sangli	Nizamabad Farmer Polished	At Par	
	Basmat	Salem	2%	Basmat	Salem	-2%	
	Erode	Salem	6%	Erode	Salem	2%	
	Erode	Erode	4%	Erode	Erode	At Par	

Annexure II: Existing Contract Specifications for Turmeric (Symbol: TMCFGRNZM) Futures Contracts

(Applicable for contracts expiring in the month of October 2021, November 2021 and December 2021)

Type of Contract	Futures Contract
Name of commodity	Turmeric
Ticker symbol	TMCFGRNZM
Trading system	NCDEX Trading System
Basis	Unpolished turmeric fingers Nizamabad quality ex warehouse Nizamabad exclusive of GST
Unit of trading	5 MT
Delivery unit	5 MT
Maximum order size	250 MT
Quotation/ Base value	Rs. Per Quintal
Tick size	Rs. 2
Quality specification	<p>Unpolished turmeric fingers with the following specifications as the basis</p> <p>Unpolished turmeric fingers</p> <ul style="list-style-type: none"> • Inferior quality Turmeric* should not be more than 2.25% • Length <ul style="list-style-type: none"> ○ Fingers that are broken/those less than 15mm should not be more than 3.0% ○ Fingers less than or equal to 3 cm in length should not be more than 15% • Damage due to moisture (i.e. Lokhandi) or over boiling (i.e. Kadh) should not be more than 1.2% • Unboiled or less boiled (Gajarthod) turmeric should not be more than 0.3% • Bhusa, chaff dirt, earth clods and stones should not be more than 0.75% • Bulbs should not be more than 3% • Moisture: 12% max • Turmeric should be free from fungus • Turmeric should not be artificially colored with dyes or chemicals <p>* Chora/athu finger, khota gatha, markha</p>
Also Deliverable	<p>The following qualities will be acceptable at Exchange specified premium/discount</p> <ul style="list-style-type: none"> • Farmer Polished/Unpolished fingers shall be acceptable in case of Nizamabad at Nizamabad • Only farmer polished fingers of Nizamabad and Rajapore will be acceptable at Sangli, Only Farmer Polished fingers of Salem at Erode, Only Farmer Polished fingers of Erode at Erode and Only Farmer Polished fingers of Salem at Basmat

Quantity variation	+/- 2%
Delivery center	Nizamabad (up to the radius of 50 Km from the municipal limits)
Additional delivery centers	Sangli, Erode, and Basmat (up to the radius of 50 Km from the municipal limits) with location wise premium/discount as announced by the Exchange
Hours of Trading	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 the above timing with due notice
Delivery Logic	Compulsory delivery
Opening of contracts	Trading in any contract month will open on the 1 st day of the month. If 1 st happens to be a non-trading day, contracts would open on the next trading day
Tender Period	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: 20th day of the delivery month. If 20th happens to be a holiday, a Saturday or a Sunday then the due date shall be the immediately preceding trading day of the Exchange, which is other than a Saturday. 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	<p>Upon expiry of the contracts all the outstanding open positions shall result in compulsory delivery.</p> <p>During the Tender period, if any delivery is tendered by seller, the corresponding buyer having open position and matched as per process put in place by the Exchange, shall be bound to settle by taking delivery on T+2 day from the delivery center where the seller has delivered same.</p> <p>The penalty structure for failure to meet delivery obligations will be as per circular nos. NCCL/CLEARING-010/2021 dated March 24, 2021 and NCCL/CLEARING-029/2021 dated August 18, 2021.</p>
No. of active contracts	As per launch calendar
Daily Price Limit (DPL)	<p>Daily price limit is (+/-) 4%. Once the 4% limit is reached, then after a period of 15 minutes this limit shall be increased further by 2%. The trading shall be permitted during the 15 minutes period within the 4% limit. After the DPL is enhanced, trades shall be permitted throughout the day within the enhanced total DPL of 6%.</p> <p>The DPL on the launch (first) day of new contract shall be as per the circular no. NCDEX/TRADING-010/2021 dated March 22, 2021.</p>
Position limits	<p>Member-wise: 56,000 MT or 15% of market wide open interest in the commodity, whichever is higher</p> <p>Client-wise: 5,600 MT</p> <p>Bona fide hedger/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: 14,000 MT or one-fourth of the member's overall position limit in that commodity, whichever is higher.</p> <p>Client-wise: 1,400 MT</p>
Special margins	<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	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	
Minimum margin	Initial	12%				

Tolerance limit for outbound deliveries –

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

Note: Tolerance limit is applicable only for outbound deliveries. Variation in quality parameters within the prescribed tolerance limit as above will be treated as good delivery when members/clients lift the materials from warehouse. These permissible variations shall be based on the parameters found as per the immediate preceding test certificate given by NCCL empanelled assayer.

Contract Launch Calendar:

Contract Launch Month	Contract Expiry Month
June 2021	October 2021
July 2021	November 2021
August 2021	December 2021
September 2021	No Launch

**Annexure III: Modified Contract Specifications for Turmeric (Symbol: TMCFGRNZM)
 Futures Contract**

(Applicable for contracts expiring in the month of April 2022 and thereafter)

Type of Contract	Futures Contract
Name of commodity	Turmeric
Ticker symbol	TMCFGRNZM
Trading system	NCDEX Trading System
Basis	Farmer polished turmeric fingers Nizamabad quality ex warehouse Nizamabad exclusive of GST
Unit of trading	5 MT
Delivery unit	5 MT
Maximum order size	250 MT
Quotation/ Base value	Rs. Per Quintal
Tick size	Rs. 2
Quality specification	<p>Farmer Polished Turmeric Fingers with the following specifications as the basis</p> <p>Farmer Polished Turmeric Fingers</p> <ul style="list-style-type: none"> • Inferior quality Turmeric* should not be more than 2.25% • Length <ul style="list-style-type: none"> ○ Fingers that are broken/those less than 15mm should not be more than 3.0% ○ Fingers less than or equal to 3 cm in length should not be more than 15% • Damage due to moisture (i.e. Lokhandi) or over boiling (i.e. Kadh) should not be more than 1.2% • Unboiled or less boiled (Gajarthod) turmeric should not be more than 0.3% • Bhusa, chaff dirt, earth clods and stones should not be more than 0.75% • Bulbs should not be more than 3% • Moisture: 12% max • Turmeric should be free from fungus • Turmeric should not be artificially colored with dyes or chemicals <p>* Chora/atthu finger, khota gatha, markha</p>
Also Deliverable	<p>The following qualities will be acceptable at Exchange specified premium/discount</p> <ul style="list-style-type: none"> • Unpolished Turmeric fingers of Nizamabad at Nizamabad • Only Farmer Polished Fingers of Nizamabad at Sangli • Only Farmer Polished Fingers of Rajapore at Sangli • Only Farmer Polished Fingers of Erode at Erode • Only Farmer Polished Fingers of Salem at Erode • Only Farmer Polished Fingers of Salem at Basmat
Quantity variation	+/- 2%

Delivery center	Nizamabad (up to the radius of 50 Km from the municipal limits)
Additional delivery centers	Sangli, Erode, and Basmat (up to the radius of 50 Km from the municipal limits) with location wise premium/discount as announced by the Exchange
Hours of Trading	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 the above timing with due notice
Delivery Logic	Compulsory delivery
Opening of contracts	Trading in any contract month will open on the 1 st day of the month. If 1 st happens to be a non-trading day, contracts would open on the next trading day
Tender Period	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: 20th day of the delivery month. If 20th happens to be a holiday, a Saturday or a Sunday then the due date shall be the immediately preceding trading day of the Exchange, which is other than a Saturday. 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	<p>Upon expiry of the contracts all the outstanding open positions shall result in compulsory delivery.</p> <p>During the Tender period, if any delivery is tendered by seller, the corresponding buyer having open position and matched as per process put in place by the Exchange, shall be bound to settle by taking delivery on T+2 day from the delivery center where the seller has delivered same.</p> <p>The penalty structure for failure to meet delivery obligations will be as per circular no. NCCL/CLEARING-010/2021 dated March 24, 2021 and NCCL/CLEARING-029/2021 dated August 18, 2021.</p>
No. of active contracts	As per launch calendar
Daily Price Limit (DPL)	<p>Daily price limit is (+/-) 4%. Once the 4% limit is reached, then after a period of 15 minutes this limit shall be increased further by 2%. The trading shall be permitted during the 15 minutes period within the 4% limit. After the DPL is enhanced, trades shall be permitted throughout the day within the enhanced total DPL of 6%.</p> <p>The DPL on the launch (first) day of new contract shall be as per the circular no. NCDEX/TRADING-010/2021 dated March 22, 2021.</p>
Position limits	<p>Member-wise: 56,000 MT or 15% of market wide open interest in the commodity, whichever is higher</p> <p>Client-wise: 5,600 MT</p> <p>Bona fide hedger/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: 14,000 MT or one-fourth of the member's overall position limit in that commodity, whichever is higher.</p> <p>Client-wise: 1,400 MT</p>
Special margins	<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	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	
Minimum margin	Initial	12%				

Tolerance Limit for Outbound Deliveries: -

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

Note: Tolerance limit is applicable only for outbound deliveries. Variation in quality parameters within the prescribed tolerance limit as above will be treated as good delivery when members/clients lift the materials from warehouse. These permissible variations shall be based on the parameters found as per the immediate preceding test certificate given by NCCL empanelled assayer

Contract Launch Calendar

Contract Launch Month	Contract Expiry Month
October 2021	April 2022
November 2021	May 2022
December 2021	June 2022
January 2022	July 2022
February 2022	No Launch
March 2022	No Launch
April 2022	August 2022
May 2022	September 2022
June 2022	October 2022
July 2022	November 2022
August 2022	December 2022
September 2022	No Launch

Annexure IV: Premium/Discount for delivery location difference for contract expiring in the month of April 2022

Commodity (Base centre)	Additional delivery centre	Deliverable Variety	(+) Premium/(-)Discount
Turmeric (Nizamabad)	Nizamabad	Nizamabad Unpolished	-4%
	Nizamabad	Farmer Polished	Basis
	Sangli	Rajapore	4%
	Sangli	Nizamabad Farmer Polished	At Par
	Basmat	Salem	-2%
	Erode	Salem	2%
	Erode	Erode	At Par