
NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED

Circular to all members of the Exchange

Circular No : NCDEX/TRADING- 41/2019
Date : October 23, 2019
Subject : Modifications in Contract Specifications of Coriander (Symbol: DHANIYA)

Members are requested to note that the Exchange, as per its Circular No. NCDEX/TRADING-96/2016/232 dated September 22, 2016, has modified the contract specifications of Coriander (DHANIYA) expiring in the months of **April 2020** and thereafter. The contract expiring in the month of **April 2020** will be available for trading from **November 01, 2019**. Contracts for further expiries will be launched as per the enclosed contract launch calendar.

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.

Currently, Coriander (DHANIYA) futures contracts expiring in the months of November 2019, December 2019 and January 2020 are available for trading and would continue to be traded as per existing contract specifications.

Members are requested to take note of the following:

1. Summary of modifications in contract specifications for Coriander (DHANIYA) futures contracts expiring in the months of April 2020 and thereafter is given in Annexure I.
2. Existing contract specifications applicable for Coriander (DHANIYA) futures contracts expiring in the months of November 2019, December 2019 and January 2020 is given in Annexure II.
3. Modified contract specifications applicable for Coriander (DHANIYA) futures contracts expiring in the months of April 2020 and thereafter is given in Annexure III.
4. Premium/discount for grade and location difference for contracts expiring in the months of April 2020 and thereafter 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 the 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 warehouse of the Exchange 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, BIS, 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 shall not be responsible or liable on account of any noncompliance thereof.

For and on behalf of
National Commodity & Derivatives Exchange Limited

Kapil Dev
Executive Vice President – Business

For further information / clarifications, please contact

1. Ms Bhupalini Kodati on Mobile Phone (+91) 9885633926
2. Customer Service Group on toll free number: 1800 26 62339
3. Customer Service Group by e-mail to : askus@ncdex.com

Annexure 1: Summary of modifications in contract specifications for Coriander (Symbol: DHANIYA) futures contracts

Parameter	Existing contract Specifications	Proposed Contract Specifications	Rationale
Additional delivery centre	Ramgunjmandi, Jaipur, Guna, Baran and Gondal (up to the radius of 60 Kms from the municipal limits) Location Premium/Discount as notified by the Exchange from time to time	Ramgunjmandi and Gondal (up to the radius of 60 Kms from the municipal limits) Location Premium/Discount as notified by the Exchange from time to time	Less active centres have been removed in order to better align futures contract with spot market.

Annexure II:
Existing Contract Specifications of Coriander (Symbol: DHANIYA) futures contract

(Applicable for contract expiring in the months of November 2019, December 2019 and January 2020)

Type of Contract	Futures Contract
Name of Commodity	Coriander
Ticker symbol	DHANIYA
Trading system	NCDEX Trading System
Basis	Badami Whole Dhaniya ex warehouse Kota exclusive of GST
Unit of trading	10 MT
Delivery unit	10 MT
Maximum order size	100 MT
Quotation/ Base value	Rs. Per Quintal
Tick size	Re. 1
Quality specification	<p>Coriander of Indian origin with following specifications</p> <p>Coriander to be necessarily machine cleaned</p> <ul style="list-style-type: none"> • Moisture – Basis 8% and acceptable upto 9%(Max) with 1:1 discount • Foreign Matter – Max 0.90% • Damaged & Discolored Seeds– Max 1.90% • Shriveled Seeds- Basis 1% Acceptable upto 1.5 % with 1:1 discount • Weevil seeds – Max 0.5% • Coriander splits (Dal) – Basis 5% and acceptable upto 9.50% with 1:0.5 discount • Live infestation – Not allowed <p>(Foreign matter includes dust, dirt, stones, lumps, earth, chaff, stalk, stem/straw, edible seeds of fruits other than Coriander)</p>
Also Deliverable	All grades superior to Badami can be delivered

Quantity variation	+/- 2%
Delivery center	Kota (up to the radius of 60 Kms from the municipal limits)
Additional delivery centre	Ramgunjmandi, Jaipur, Guna, Baran and Gondal (up to the radius of 60 Kms from the municipal limits) Location Premium/Discount as notified by the Exchange from time to time
Hours of Trading	As notified by the Exchange from time to time, currently: Mondays through Fridays: 09:00 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 (excluding Saturday). 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 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

	<p>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.</p> <p>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.</p>
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 centre where the seller has delivered same.</p> <p>The penalty structure for failure to meet delivery obligations will be as per circular no. NCDEX/CLEARING-020/2016/247 dated September 28, 2016.</p>
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/RISK-034/2016/209 dated September 08, 2016.</p>
Position limits	<p>Member-wise: 44,000 MT or 15% of market wide open interest in the commodity, whichever is higher.</p> <p>Client-wise: 4,400 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</p>

	<p>trading day.</p> <p>Member-wise: 11,000 MT or one-fourth of the member's overall position limit in that commodity, whichever is higher</p> <p>Client-wise: 1,100 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	<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 rowspan="2">Scenario</th><th colspan="4">Polled spot price availability on</th><th rowspan="2">FSP shall be simple average of last polled spot prices on:</th></tr><tr><th>E0</th><th>E-1</th><th>E-2</th><th>E-3</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><tr><td>7</td><td>Yes</td><td>No</td><td>No</td><td>No</td><td>E0</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	7	Yes	No	No	No	E0
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Minimum Initial margin	4%																																																				

Tolerance Limit for outbound deliveries of Coriander:

Commodity Specifications	Basis	Deliverable range	Tolerance Limit
Moisture	8%	9%	-
Foreign Matter	0.90%	0.90% Max	0.10%
Damaged & Discolored Seeds	1.90%	1.90% Max	0.10%
Shriveled seeds	1%	1.5%	0.10%
Weevil seeds	0.5%	-	0.1%
Coriander Splits	5%	9.50%	0.5%
Max Loss (for all the characteristics)	+/-1.01 %		

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/client lift the materials from warehouse. These permissible variations shall be based on the parameters found as per the immediate preceding test certificate given by NCDEX empanelled assayer.

Launch Calendar:

Contract Launch Month	Contract Expiry Month
July 2019	November 2019
August 2019	December 2019
September 2019	January 2020

Annexure III:
Modified Contract Specifications of Coriander (DHANIYA) Futures Contract

(Applicable for contract expiring in the months of April 2020 and thereafter with effect from November 1, 2019)

Type of Contract	Futures Contract
Name of Commodity	Coriander
Ticker symbol	DHANIYA
Trading system	NCDEX Trading System
Basis	Badami Whole Dhaniya ex warehouse Kota exclusive of GST
Unit of trading	10 MT
Delivery unit	10 MT
Maximum order size	100 MT
Quotation/ Base value	Rs. Per Quintal
Tick size	Re. 1
Quality specification	<p>Coriander of Indian origin with following specifications</p> <p>Coriander to be necessarily machine cleaned</p> <ul style="list-style-type: none"> Moisture – Basis 8% and acceptable upto 9%(Max) with 1:1 discount Foreign Matter – Max 0.90% Damaged & Discolored Seeds– Max 1.90% Shriveled Seeds- Basis 1% Acceptable upto 1.5 % with 1:1 discount Weevil seeds – Max 0.5% Coriander splits (Dal) – Basis 5% and acceptable upto 9.50% with 1:0.5 discount Live infestation – Not allowed <p>(Foreign matter includes dust, dirt, stones, lumps, earth, chaff, stalk, stem/straw, edible seeds of fruits other than Coriander)</p>
Also Deliverable	All grades superior to Badami can be delivered

Quantity variation	+/- 2%
Delivery center	Kota (up to the radius of 60 Kms from the municipal limits)
Additional delivery centre	Ramgunjmandi and Gondal (up to the radius of 60 Kms from the municipal limits) Location Premium/Discount as notified by the Exchange from time to time
Hours of Trading	As notified by the Exchange from time to time, currently: Mondays through Fridays: 09:00 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 (excluding Saturday). 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.
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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

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Coriander Splits	5%	9.50%	0.5%
Max Loss (for all the characteristics)	+/-1.01 %		

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 NCDEX empanelled assayer.

Contract Launch Calendar: -

Contract Launch Month	Contract Expiry Month
November-2019	April-2020
December-2019	May-2020
January-2020	June-2020
February-2020	July-2020
March-2020	No expiry
April-2020	August-2020
May-2020	September-2020
June-2020	October-2020
July-2020	November-2020
August-2020	December-2020
September-2020	January-2021
October-2020	No expiry

Annexure IV:

Premium/ Discount for delivery location differences for Futures contract expiring in month of April 2020:

Commodity (Basis Centre)	Additional Delivery Centre	(+)Premium/ (-)Discount
Kota	Ramgunjmandi	No Premium/ Discount
Kota	Gondal	- ₹ 300/ Quintal