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**NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED**

Circular to all trading and clearing members of the Exchange

Circular No : NCDEX/TRADING-067/2018

Date : October 22, 2018

Subject : Modifications in Contract Specifications of Jeera (JEERAUNJHA)

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Trading and Clearing 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 Jeera (JEERAUNJHA) expiring in the month of March 2019 and thereafter. The contract expiring in the month of March 2019 will be available for trading with effect from **November 01, 2018**. 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, Jeera (JEERAUNJHA) futures contracts expiring in the months of November 2018, December 2018 and January 2019 are available for trading and would continue to be traded as per existing contract specifications.

Summary of modifications in contract specifications for Jeera (JEERAUNJHA) futures contracts expiring in the months of March 2019 and thereafter is given in Annexure I. Existing contract specifications applicable for Jeera (JEERAUNJHA) futures contracts is given in Annexure II. Modified contract specifications applicable for Jeera (JEERAUNJHA) futures contracts expiring in the month of March 2019 and thereafter is given in Annexure III. Premium/discount for location difference for contract expiring in the month of March 2019 is given in Annexure IV.

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 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 Standard 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**

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Kapil Dev  
Executive Vice President –Business

Encl : Annexures

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For further information / clarifications, please contact

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## **Annexure 1: Summary of modifications in contract specifications for Jeera (JEERAUNJHA) futures contracts**

Parameter	Existing	Proposed	Rationale
Quality Specification	Moisture 9% Max	Moisture 8% basis	To align with market practice.
Quality Allowance	Moisture - None	Moisture 8% basis acceptable up to 9.5% with discount as under : <ul style="list-style-type: none"> <li>Above 8% and up to 9% with 1:1 discount</li> <li>Above 9% and up to 9.5% with 1:2 discount</li> <li>Above 9.5% rejected.</li> </ul>	
	Foreign Matter 1% basis <ul style="list-style-type: none"> <li>acceptable up to 1.5 % with a discount of 1:1</li> </ul>	Foreign Matter 1% basis acceptable up to 1.5 % with a discount as under : <ul style="list-style-type: none"> <li>Above 1% and up to 1.5% with 1:2 discount</li> <li>Above 1.5% rejected</li> </ul>	
	Damaged, Discolored, Shriveled and Immature seeds 2% basis <ul style="list-style-type: none"> <li>Acceptable up to 4.5% with discount as under:</li> <li>Above 2% and up to 4% with 1:0.5 discount</li> <li>Above 4% and up to 4.5% with 1:1 discount</li> <li>Above 4.5% rejected</li> </ul>	Damaged, Discolored, Shriveled and Immature seeds 2% basis Acceptable up to 4.5% with discount as under: <ul style="list-style-type: none"> <li>Above 2% and up to 4.5% with 1:1 discount</li> <li>Above 4.5% rejected</li> </ul>	

**Annexure II:**
**Existing Contract Specifications of Jeera (JEERAUNJHA) futures contract**

(Applicable for all contracts expiring in the months of November 2018, December 2018 and January 2019)

Types of contract	Futures contract												
Name of commodity	Jeera												
Ticker symbol	JEERAUNJHA												
Trading system	NCDEX Trading System												
Basis	Ex-warehouse Unjha exclusive of GST												
Unit of trading	3 MT												
Delivery unit	3 MT												
Maximum order size	150 MT												
Quotation	Rs per Quintal												
Tick size	Rs 5												
Quality specification	<p>Jeera of Indian Origin with the following specifications. Jeera to be necessarily machine cleaned</p> <table border="1"> <tr> <td>Foreign Matter*</td><td>1.0 % basis</td></tr> <tr> <td>Seeds with Stalks</td><td>8.0 % max</td></tr> <tr> <td>Damaged, Discolored, Shriveled and Immature seeds</td><td>2.0% basis</td></tr> <tr> <td>Insect damaged matter</td><td>Should not be more than 0.5%</td></tr> <tr> <td>Test Weight (on count basis)</td><td>Maximum 300 seeds per gram</td></tr> <tr> <td>Moisture</td><td>9% max</td></tr> </table> <p>*Foreign matter includes anything other than Jeera seeds e.g. sand, silica, pebbles, and other edible/non edible seeds</p>	Foreign Matter*	1.0 % basis	Seeds with Stalks	8.0 % max	Damaged, Discolored, Shriveled and Immature seeds	2.0% basis	Insect damaged matter	Should not be more than 0.5%	Test Weight (on count basis)	Maximum 300 seeds per gram	Moisture	9% max
Foreign Matter*	1.0 % basis												
Seeds with Stalks	8.0 % max												
Damaged, Discolored, Shriveled and Immature seeds	2.0% basis												
Insect damaged matter	Should not be more than 0.5%												
Test Weight (on count basis)	Maximum 300 seeds per gram												
Moisture	9% max												
Quantity variation	+/- 2%												
Delivery center	At the approved warehouse(s) in Unjha (up to the radius of 60 Km from the municipal limits)												
Additional delivery centers	At the approved warehouse(s) in Jodhpur (up to the radius of 60 Km from the municipal limits) with location wise premium/discount as announced by the Exchange prior to launch of contract												
Hours of Trading	<p>As notified by the Exchange from time to time , currently :-</p> <p>Mondays through Fridays :</p> <p>10:00 AM to 5:00 PM</p> <p>The Exchange may vary the above timing with due notice.</p>												

Delivery Logic	Compulsory delivery
No. of active contracts	As per the launch calendar
Opening of contracts	Trading in any contract month will open on the 1 <sup>st</sup> of the month. If the 1 <sup>st</sup> 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 shall start on 11<sup>th</sup> of every month in which the contract is due to expire. In case 11<sup>th</sup> happens to be a Saturday, a Sunday or a holiday at the Exchange, the tender period would start from the next working day.</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 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 Exchange.</p> <p>Upon the expiry of the contract all the outstanding open position shall result in compulsory delivery.</p>
Due date/Expiry date	<p>Expiry date of the contract:</p> <p>20<sup>th</sup> day of the delivery month. If 20<sup>th</sup> 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.</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 center where the seller has delivered same.</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.
Daily Price Limit (DPL)	<p>Daily price limit is (+/-) 2%. Once the 2% 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 2% 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: 24,000 MT or 15% of market wide open interest in the commodity, whichever is higher.</p> <p>Client-wise: 2,400 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 1<sup>st</sup> of every month in which the contract is due to expire. If 1<sup>st</sup> happens to be a non-trading day, the near month limits would start from the next trading day.</p> <p>Member-wise: 6,000 MT or one-fourth of the member's overall position limit in that commodity, whichever is higher.</p> <p>Client-wise: 600 MT</p>
Quality Allowance	<p>Foreign Matter 1% basis acceptable up to 1.5 % with a discount of 1:1</p> <p>Damaged, Discolored, Shriveled and Immature seeds 2% basis Acceptable up to 4.5% with discount as under:</p> <p>Above 2% and up to 4% with 1:0.5 discount</p> <p>Above 4% and up to 4.5% with 1:1 discount</p> <p>Above 4.5% rejected</p>
Special Margins	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.
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 Initial margin	4%					

**Tolerance limit for outbound deliveries of Jeera**

Specification	Basis	Deliverable Range	Tolerance Limit
Foreign Matter	1.0 % basis	1.5 % max	+/- 0.25%
Seeds with Stalks	8.0 % max	-	+/- 0.4%
Damaged, Discolored, Shriveled and Immature seeds	2.0 % basis	4.5% max	+/- 0.5%
Insect damaged matter	Should not be more than 0.5%		
Test Weight (on count basis)	300 seeds max per 1 gram	-	+/- 10 seeds per 1 gram
Upper limit on the total of all tolerances			+/- 1%

**Contract Launch Calendar:**

Contract Launch Month	Contract Expiry Month
July 2018	November 2018
August 2018	December 2018
September 2018	January 2019
October 2018	No Launch

**Annexure III:**
**Modified Contract Specifications of Jeera (JEERAUNJHA) Futures Contract**

(Applicable for contract expiring in the month of March 2019 and thereafter)

Types of contract	Futures contract												
Name of commodity	Jeera												
Ticker symbol	JEERAUNJHA												
Trading system	NCDEX Trading System												
Basis	Ex-warehouse Unjha exclusive of GST												
Unit of trading	3 MT												
Delivery unit	3 MT												
Maximum order size	150 MT												
Quotation	Rs per Quintal												
Tick size	Rs 5												
Quality specification	<p>Jeera of Indian Origin with the following specifications. Jeera to be necessarily machine cleaned</p> <table border="1"> <tr> <td>Foreign Matter*</td><td>1.0 % basis</td></tr> <tr> <td>Seeds with Stalks</td><td>8.0 % max</td></tr> <tr> <td>Damaged, Discolored, Shriveled and Immature seeds</td><td>2.0% basis</td></tr> <tr> <td>Insect damaged matter</td><td>Should not be more than 0.5%</td></tr> <tr> <td>Test Weight (on count basis)</td><td>Maximum 300 seeds per gram</td></tr> <tr> <td><b>Moisture</b></td><td><b>8% basis</b></td></tr> </table> <p>*Foreign matter includes anything other than Jeera seeds e.g. sand, silica, pebbles, and other edible/non edible seeds</p>	Foreign Matter*	1.0 % basis	Seeds with Stalks	8.0 % max	Damaged, Discolored, Shriveled and Immature seeds	2.0% basis	Insect damaged matter	Should not be more than 0.5%	Test Weight (on count basis)	Maximum 300 seeds per gram	<b>Moisture</b>	<b>8% basis</b>
Foreign Matter*	1.0 % basis												
Seeds with Stalks	8.0 % max												
Damaged, Discolored, Shriveled and Immature seeds	2.0% basis												
Insect damaged matter	Should not be more than 0.5%												
Test Weight (on count basis)	Maximum 300 seeds per gram												
<b>Moisture</b>	<b>8% basis</b>												
Quantity variation	+/- 2%												
Delivery center	At the approved warehouse(s) in Unjha (up to the radius of 60 Km from the municipal limits)												
Additional delivery centers	At the approved warehouse(s) in Jodhpur (up to the radius of 60 Km from the municipal limits) with location wise premium/discount as announced by the Exchange prior to launch of contract												
Hours of Trading	<p>As notified by the Exchange from time to time , currently :-            Mondays through Fridays :            10:00 AM to 5:00 PM            The Exchange may vary the above timing with due notice.</p>												

Delivery Logic	Compulsory delivery
No. of active contracts	As per the launch calendar
Opening of contracts	Trading in any contract month will open on the 1 <sup>st</sup> of the month. If the 1 <sup>st</sup> 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 shall start on 11<sup>th</sup> of every month in which the contract is due to expire. In case 11<sup>th</sup> happens to be a Saturday, a Sunday or a holiday at the Exchange, the tender period would start from the next working day.</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 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 Exchange.</p> <p>Upon the expiry of the contract all the outstanding open position shall result in compulsory delivery.</p>
Due date/Expiry date	<p>Expiry date of the contract:</p> <p>20<sup>th</sup> day of the delivery month. If 20<sup>th</sup> 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.</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 center where the seller has delivered same.</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.
Daily Price Limit (DPL)	<p>Daily price limit is (+/-) 2%. Once the 2% 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 2% 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: 24,000 MT or 15% of market wide open interest in the commodity, whichever is higher.</p> <p>Client-wise: 2,400 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 1<sup>st</sup> of every month in which the contract is due to expire. If 1<sup>st</sup> happens to be a non-trading day, the near month limits would start from the next trading day.</p> <p>Member-wise: 6,000 MT or one-fourth of the member's overall position limit in that commodity, whichever is higher.</p> <p>Client-wise: 600 MT</p>
Quality Allowance	<p><b>Foreign Matter 1% basis acceptable up to 1.5 % with a discount as under :</b></p> <ul style="list-style-type: none"> <li>• Above 1% and up to 1.5% with 1:2 discount</li> <li>• Above 1.5% rejected</li> </ul> <p><b>Damaged, Discolored, Shriveled and Immature seeds 2% basis Acceptable up to 4.5% with discount as under:</b></p> <ul style="list-style-type: none"> <li>• Above 2% and up to 4.5% with 1:1 discount</li> <li>• Above 4.5% rejected</li> </ul> <p><b>Moisture 8% basis acceptable up to 9.5% with discount as under :</b></p> <ul style="list-style-type: none"> <li>• Above 8% and up to 9% with 1:1 discount</li> <li>• Above 9% and up to 9.5% with 1:2 discount</li> <li>• Above 9.5% rejected.</li> </ul>
Special Margins	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.

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 Initial margin	4%					

**Tolerance limit for outbound deliveries of Jeera-**

Specification	Basis	Deliverable Range	Tolerance Limit
Foreign Matter	1.0 % basis	1.5 % max	+/- 0.25%
Seeds with Stalks	8.0 % max	-	+/- 0.4%
Damaged, Discolored, Shriveled and Immature seeds	2.0 % basis	4.5% max	+/- 0.5%
Insect damaged matter	Should not be more than 0.5%		
Test Weight (on count basis)	300 seeds max per 1 gram	-	+/- 10 seeds per 1 gram
Upper limit on the total of all tolerances			+/- 1%

**Contract Launch Calendar:**

Contract Launch Month	Contract Expiry Month
November 2018	March 2019
December 2018	April 2019
January 2019	May 2019
February 2019	June 2019
March 2019	July 2019
April 2019	August 2019
May 2019	September 2019
June 2019	October 2019
July 2019	November 2019
August 2019	December 2019
September 2019	January 2020
October 2019	No Launch

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**Annexure IV:****Premium/ Discount for location difference for Futures contract expiring in month of March 2019:**

Commodity (Basis Centre)	Additional Delivery Centre	Premium/ Discount
Jeera (Unjha)	Jodhpur	No Premium/ Discount