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**CHAPTER 1 - TRADING PARAMETERS****Authority**

Trading of Natural Whitish Sesame Seeds futures may be conducted under such terms and conditions as specified in the Byelaws, Rules & Regulations and as per the circulars and notifications issued by the Exchange thereunder or the Securities and Exchange Board of India (SEBI) from time to time. A specimen of Natural Whitish Sesame Seeds futures contract specification is indicated in **Exhibit 1**.

**Unit of Trading**

The unit of trading shall be 5 MT. Bids and offers may be accepted in lots of 5 MT or multiples thereof.

**Months Traded In**

Trading in Natural Whitish Sesame Seeds futures may be conducted in the months as specified by the Exchange from time to time.

**Tick Size**

The tick size of the price of Natural Whitish Sesame Seeds shall be Re 5.

**Basis Price**

The basis price of Natural Whitish Sesame Seeds shall be Ex-warehouse Unjha, exclusive of Goods and Services Tax (GST).

**Unit for Price Quotation**

The unit of price quotation for Natural Whitish Sesame Seeds shall be in Rupees per Quintal. The basis for Natural Whitish Sesame Seeds is basis Unjha exclusive of GST.

**Hours of Trading**

The hours of trading for futures in Natural Whitish Sesame Seeds shall be as follows:

As notified by the Exchange from time to time, currently

- Mondays through Fridays – 09:00 a.m. to 05.00 p.m.

Or as determined by the Exchange from time to time. All timings are as per Indian Standard Timings (IST)

**Last Day of Trading**

Last day of trading shall be 20<sup>th</sup> day of delivery month, if 20<sup>th</sup> happens to be a holiday, a Saturday or a Sunday, then the due date shall be immediately preceding trading day of the Exchange.

**Mark to Market**

The outstanding positions in futures contract in Natural Whitish Sesame Seeds would be marked to market daily based on the Daily Settlement Price (DSP) as determined by the Clearing Corporation.

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**Position limits**

The following limits will be applicable on Exchange wise basis

**Member:** 30,000 MT or 15% of the market wide open interest in the commodity, whichever is higher.

**Client:** 3,000 MT

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.

For near month contracts:

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.

Member-wise: 7,500 MT or one-fourth of the member's overall position limit in that commodity, whichever is higher.

Client-wise: 750 MT

**Margin Requirements**

NCCL will use risk based margin model which will generate initial margin requirements which will be adequate to cover at least 99% VaR (Value at Risk) and Margin Period of Risk (MPOR) will be 3 days.

NCCL reserves the right to change, reduce or levy any additional margins including any markup margins.

For further details, participants can refer to circular no. NCCL/RISK-001/2018 dated September 26, 2018 on Risk Management Framework and NCCL/Risk-006/2020 dated February 18, 2020 on Margin Framework for Commodity Derivatives Segment.

**Additional/Special Margin**

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/Clearing Corporation.

**Pre-Expiry Margin**

There will be an additional margin imposed for the last 7 trading days, including the expiry day of the Natural Whitish Sesame Seeds contract. The additional margin will be increased by 2.50% every day for the last 7 trading including expiry day of the contract.

**Concentration Margin**

The Clearing Corporation shall levy Concentration Margin, when the overall market wide Open Interest (OI) of a commodity exceeds the specified Threshold Limit of Open Interest (OI) for that commodity.

For details, participants can refer to circular nos. NCCL/RISK-001/2018 dated September 26, 2018 on Risk Management Framework and NCCL/RISK-008/2019 dated June 12, 2019 on Concentration Margin – Revision in Concentration Margin and Threshold Level.

The Threshold Limits is 28,000 MT for both Peak and Lean period.

The Threshold Limits, slabs and applicable margins are subject to change and participants are requested to refer to relevant Clearing Corporation circulars issued from time to time.

**Delivery Margins**

In case of positions materializing into physical delivery, delivery margin will be charged for each commodity to mitigate the risks arising thereof. The Delivery Margin shall be higher of 3% + 5 day 99% VaR of spot price volatility or 20% on the long and short positions marked for delivery till the pay-in is completed by the member.

For further details, participants can refer to circular no. NCCL/RISK-001/2018 dated September 26, 2018 on Risk Management Framework.

**Penalty for default**

The penalty structure for failure to meet delivery obligations by the sellers is as follows:

Total amount of penalty = 3.0 % of Settlement price + replacement cost (difference between settlement price and average of three highest of the last spot prices of 5 succeeding days after the commodity pay-out date, if the average price so determined is higher than settlement price, else this component will be zero.)

The norms for apportionment of the 3.0 % penalty collected as mentioned above shall be as follows:

- a) 1.75 % of Settlement Price shall be deposited in the Settlement Guarantee Fund
- b) 0.25 % of Settlement Price shall be retained by the Clearing Corporation towards administrative expenses.
- c) 1 % of Settlement Price + replacement cost shall go to the Buyer who was entitled to receive delivery.

Buyers' defaults are not permitted. The amount due from the buyers shall be recovered from the buyer as Pay in shortage together with prescribed charges. Clearing Corporation shall have right to sell the goods on account of such Buyer to recover the dues and if the sale proceeds are insufficient, the Buyer would be liable to pay the balance.

A seller who has got requisite stocks in the NCCL approved warehouses and / or has marked an intention during staggered delivery period is not allowed to default and any such delivery default by seller would be viewed seriously and an additional penalty of 3% over and above the penalty

prescribed for delivery default shall be levied. In addition to the penalty, the Clearing Corporation shall take suitable penal / disciplinary action against such members.

For further details, participants can refer to circular no. NCCL/CLEARING-020/2020 dated April 07, 2020

### **Arbitration**

Disputes between the members of the Exchange inter-se and between members and constituents, arising out of or pertaining to trades done on NCDEX shall be settled through arbitration. The arbitration proceedings and appointment of arbitrators shall be as governed by the Bye-laws and Regulations of the Exchange.

### **Compliance of Laws**

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 their behalf by any third party is in due compliance with the applicable regulations laid down by authorities like Food Safety and Standards Authority of India (FSSAI), AGMARK, BIS, Warehousing Development and Regulatory Authority (WDRA) etc. and 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 non-compliance thereof.

**CHAPTER 2 - DELIVERY PROCEDURES****Unit of Delivery**

The unit of delivery for Natural Whitish Sesame Seeds shall be 5 MT.

**Delivery Size**

Delivery is to be offered and accepted in lots of 5 MT Net or multiples thereof. A quantity variation of +/- 2% is permitted as per contract specification.

**Delivery Requests**

The procedure for Natural Whitish Sesame Seeds delivery is based on the contract specifications as per Exhibit 1.

All the open positions shall have to be compulsorily delivered either by giving delivery or taking delivery as the case may be. That is, "upon expiry of the contracts, any seller with open position shall give delivery of the commodity. The corresponding buyer with open position as matched by the process put in place by the Clearing Corporation shall be bound to settle by taking physical delivery. In the event of default by seller to give delivery, such defaulting seller will be liable to penalty as may be prescribed by the Clearing Corporation from time to time".

The penalty structure for failure to meet delivery obligations, is as per circular no. NCCL/CLEARING-020/2020 dated April 07, 2020.

The delivery request for Natural Whitish Sesame Seeds contracts will be on staggered basis where tender period would be the last 5 trading days (including expiry day) of the contracts. 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 Clearing Corporation shall be bound to settle by taking delivery from the delivery center where the seller has delivered same.

The Buyers and the Sellers need to give their location preference through Web NCFE system provided by the Clearing Corporation. If the Sellers fail to give the location preference, then the allocation to the extent of his open position will be allocated to the base location.

**Delivery Allocation**

The Clearing Corporation would then compile delivery requests received from members during the tender period, and shall allocate delivery to buyers having open long position as per random allocation methodology to ensure that all buyers have an equal opportunity of being selected to receive delivery irrespective of the size or value of the position

The buyers / sellers who have to receive / give delivery would be notified on the same day after the close of trading hours. Delivery of Natural Whitish Sesame Seeds is to be accepted by buyers at the

Approved warehouse where the seller affects delivery in accordance with the contract specifications. On expiry, all outstanding position would be settled by giving / taking physical delivery.

**Actual Delivery**

Where Natural Whitish Sesame Seeds is sold for delivery in a specified month, the seller must have requisite electronic credit of such holding in his Clearing Member's Pool Account before the scheduled date of pay in. On settlement the buyer's Clearing Member's Pool Account would be credited with the said delivery quantity on pay out. The Clearing Member is expected to transfer the same to the buyer's Repository account. However, the buyer must take actual physical delivery of Natural Whitish Sesame Seeds before expiry of the validity date as indicated in the quality test report/Assayer's Certificate of the Assayer or get the same revalidated.

**Approved Warehouse**

NCCL has approved warehouses for receipt and delivery of Natural Whitish Sesame Seeds. Natural Whitish Sesame Seeds will be received and delivered only from the NCCL Approved warehouse. The updated list of Approved Warehouse can be accessed from the link:

[http://www.ncdex.com/ClearingServices/Clearing\\_Services\\_others.aspx](http://www.ncdex.com/ClearingServices/Clearing_Services_others.aspx)

The Natural Whitish Sesame Seeds received at the NCCL Approved warehouse will be tested and certified by Assayer appointed by warehouse among the empanelled list, before acceptance as good delivery in the warehouse. Likewise, Natural Whitish Sesame Seeds delivered to buyers will be from the Approved warehouse only.

**Quality Standards**

The contract quality for delivery of Natural Whitish Sesame Seeds Futures contracts made under NCDEX Regulations shall be Natural Whitish Sesame Seeds conforming to the quality specification indicated in the contract in Exhibit 1. No lower grade/quality shall be accepted in satisfaction of Futures contracts for delivery.

**Packaging**

Natural Whitish Sesame seed delivered shall be packed in new Jute bags (A Twill Bag) in merchantable condition with the mouth of the bag machine stitched disallowing sweating / spilling. The packaging of Sesame seed should be in standard bags of 75 Kg only Net weight.

**Standard Allowances**

Standard allowance at the time of fresh deposit	0.20%
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**Weight**

The quantity of Natural Whitish Sesame Seeds received and / or delivered at the NCCL approved warehouse would be determined / calculated by the weighbridge / weigh scale at the premises of the approved warehouse or such other weighbridge / weigh scale recognized by the approved warehouse and the quantity so determined would be binding on all parties. The weight of the bag will be 76 Kg.

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Gross. The total weight of the lot deposited will be considered as good delivery if it falls into quantity variation allowed under contract specifications.

### **Good / Bad delivery Norms**

Natural Whitish Sesame Seeds delivery into NCCL approved Warehouse would constitute good delivery or bad delivery based on the good / bad delivery norms as per **Exhibit 3**. The list contained in Exhibit 3 is only illustrative and not exhaustive. NCCL would from time to time review and update the good / bad delivery norms retaining the trade / industry practices.

### **Natural Whitish Sesame Seeds Sampling**

1. Sampling from 100% of the bags. Samples are to be taken from three different places in a bag.
2. 5% of the bags in the assaying lot subject to minimum 5 and maximum 10 bags randomly selected from each assaying lot will be cut open, contents spread on the floor and visually checked for presence of any admixture to the commodity like all organic and inorganic matters like any mineral, animal or plant matter, Leaves, pods, twigs, earth, sand dust, stones, other crops seeds, detached seed coats or any substance which is not directly related to the commodity being sampled. Presence of these materials such as large quantity, inferior quality, any apparent material which is not the actual commodity itself, if any will lead to rejection of the lot being sampled.

Further a sample from the bags cut open will be taken and checked for Admixture. The admixture content in the Assaying report will be entered higher out of the two matter values determined on the basis of the composite sample taken from the running sample as indicated in para 1 above and the sample collected as per the process indicated in para 2 This is then divided into 4 parts

These samples will be distributed as under:

- One sample to Depositor
- One sample to Warehouse service provider
- One sample for Analysis by assayer
- One sample for record with assayer

### **Empanelled Assayer**

NCCL has empanelled list of assayers. Warehouse appoints the Assayer from this list for quality testing and certification of Natural Whitish Sesame Seeds received at the Approved warehouse. The quality testing and certification of Natural Whitish Sesame Seeds will be undertaken only by such Assayer. The assayer details are given in the Exhibit 2 alongside the warehouses.

### **Quality Testing Report**

The test report issued by the Assayer on the samples drawn shall be acceptable and binding on all parties. A specimen format of the quality testing report is indicated in Exhibit 4.

### **Testing Procedure**

Testing for Natural Whitish Sesame Seeds will be done both physically and chemically. To test Whitish and coloured seeds, admixture and rain affected seeds, physical tests are conducted. For FFA and Moisture, chemical test is done by oven dry method.

Testing Methodology:

Parameter	Process
Whitish Seed	Sample weight taken is 25 gms.
	Other than Admixture are considered whitish Seed

Parameter	Process
Admixture	Sample weight taken is 25 gms.
	Anything other than sound Sesame Seeds

### Assayer Certificate

Quality certificate issued by Assayer for Natural Whitish sesame seed delivered at Approved warehouses shall be acceptable and binding on all parties. Each delivery of Natural Whitish Sesame seed at the warehouse must be accompanied by a certificate from empanelled assayer in the format as per Exhibit 4.

### Validity period

The validity period for Natural Whitish Sesame Seed for the deposits done is as per the table appended below

Months of Deposit /Date of entry & Completion of assaying by warehouse in system (Jan -Dec)*	Deliverable period from the date of Fresh Deposit (no. of months)	Validity period at the time of fresh deposit (no. of months)
January	6	6
February	6	6
March	6	6
April	5	5
May	4	4
June	3	3
July	2	2
August	1	1
September	0	0
October	6	6
November	6	6
December	6	6

\*20<sup>th</sup> of previous month to 19<sup>th</sup> of the current month as mentioned in the table above

The stock of Natural Whitish Sesame seed deposited in the NCCL Approved warehouses shall necessarily be removed after the Exchange Deliverable Date (EDD) as indicated above and continuation of the storage beyond EDD shall be entirely a private arrangement between the Warehouse and the depositor/beneficiary holder. The Exchange / Clearing corporation shall not be responsible in any manner whatsoever for those stocks which have not been received by any buyer through an immediate preceding settlement on the Exchange platform and for those stocks which have crossed the EDD.

### Electronic transfer

Any buyer or seller receiving and or effecting delivery of Natural Whitish Sesame Seeds would have to open a Repository account with an empanelled Repository Participant (RP) to hold the Natural Whitish Sesame Seeds in electronic form. On settlement, the buyer's account with the RP would be

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credited with the quantity of Natural Whitish Sesame Seeds received and the corresponding seller's account would be debited. The Buyer wanting to take physical delivery of the Natural Whitish Sesame Seeds holding has to make a request in prescribed form to his RP with whom Repository account has been opened. The RP would route the request to the warehouse for issue of the physical commodity i.e. Natural Whitish Sesame Seeds to the buyer and debit his account, thus reducing the electronic balance to the extent of goods so withdrawn.

### **Charges**

All charges and costs payable at the approved warehouse towards delivery of Natural Whitish Sesame Seeds including sampling, grading, weighing, handling charges, storage etc. from the date of receipt into approved warehouse up to date of pay in & settlement shall be paid by the seller.

No refund for warehouse charges paid by the seller for full validity period shall be given to the seller or buyer for delivery earlier than the validity period.

All charges and costs associated & including storage, handling etc. after the pay out shall be borne by the buyer. Warehouse storage charges will be charged to the member / client by the respective Repository Participant.

The Assayer charges for testing and quality certification should be paid to the Assayer directly at the delivery location either by cash / cheque / demand draft.

### **Duties & levies**

All duties, levies etc. up to the point of sale will have to be fully borne by the seller and shall be paid to the concerned authority. All related documentation should be completed before delivery of Natural Whitish Sesame Seeds into the NCCL approved warehouse.

### **Stamp Duty**

Stamp duty is payable on all contract notes issued as may be applicable in the State from where the contract note is issued or as per the Stamp Act of the State in which such contract note is received by the client, if such client is located in other state.

### **Taxes**

#### Goods and Services Tax (GST)

On services rendered by Members

GST shall be payable by the members of the Clearing Corporation on the gross amount charged by them, from their clients on account of dealing in commodities.

GST on the deliveries effected on the NCCL Platform as the case may be would be applicable on the delivered commodities and a buyer on the NCCL platform shall make payment to his corresponding seller the value of GST payable by buyer on the commodities received by the seller in the settlement. The buyer and the seller shall be responsible for fulfillment of the obligations under the GST act on all contracts. The seller shall issue appropriate invoices to his corresponding buyer as may be required under the GST act. The seller is required to remit the GST amount so collected/received

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from the buyer wherever applicable to the GST authorities within such time frame as may be prescribed under the GST rules. Members and / or their constituents requiring to receive or deliver Natural Whitish Sesame Seeds should register themselves with the relevant GST authorities of the place where the delivery is proposed to be received / given. In the event of any GST exemptions, such exemption certificate as may be required under the GST law would have to be issued/provided to his seller before the settlement of the obligation.

All Members and / or their constituents are required to adhere to the requirements under the GST act and the Rules made thereunder including the notifications issued by the Central or State Government and must have valid GST registration in place for transacting in physical deliveries and also comply with the requirements under the GST act.

The taxes payable on the commodity contracts shall be governed by the relevant Govt. legislations and notifications issued by the State or the Central Govt. from time to time and the buyer and seller is responsible to comply with the tax laws as applicable to the commodity.

### **Premium / Discount**

Location Premium Discount will be notified by the Exchange from time to time.

Premium & Discount on the Natural Whitish Sesame Seed delivered will be provided by the Exchange on the basis of quality specifications:

Such amount will be adjusted to the members account through the supplementary settlement. The decision of the Clearing Corporation in determination of premium/discount is final and binding on all market participants.

Currently, the applicable Grade premium/discounts for the Natural Whitish Sesame Seed are as follows:

<b>Premium discount matrix of Natural Whitish Sesame Seeds</b>			
<b>Other Coloured (Including 1% max rain damaged seeds)</b>	<b>P/D</b>	<b>Grade</b>	<b>PD Value</b>
1	0.00	SESAMESEED1	0.00
2	-0.50	SESAMESEED2	-0.50
3	-1.00	SESAMESEED3	-1.00
4	-1.50	SESAMESEED4	-1.50
5	-2.00	SESAMESEED5	-2.00
6	-3.00	SESAMESEED6	-3.00
7	-4.00	SESAMESEED7	-4.00

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Ready Reckoner					
Other Coloured (Inculding 1% max rain damaged seeds)			Basis Point		
basis 2 %	=	1	1	=	0.00
2.01 to 2.50 %	=	2	2	=	-0.50
2.51 to 3.00 %	=	3	3	=	-1.00
3.01 to 3.50 %	=	4	4	=	-1.50
3.51 to 4.00 %	=	5	5	=	-2.00
4.01 to 4.50 %	=	6	6	=	-3.00
4.51 to 5.00 %	=	7	7	=	-4.00

**CHAPTER 3 - CLEARING AND SETTLEMENT**
**Daily Settlement**

All open positions of a Futures contract would be settled daily based on the Daily Settlement Price (DSP).

**Daily Settlement Prices**

The Daily Settlement Price (DSP) will be as disseminated by the Exchange at the end of every trading day. The DSP will be reckoned for marking to market all open positions.

**Final Settlement Prices**

The Final Settlement price will be determined by the Clearing Corporation on maturity of the contract. All open positions on the expiry day of the contract would result in compulsory delivery.

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

The Settlement Price for any delivery allocation during staggered period (i.e. up to one day prior to expiry) would be the last available spot price displayed for the respective contract.

In case of non-availability of polled spot price on expiry (E0) due to sudden closure of physical market under any emergency situations noticed at the basis center, the Framework for Determination of Final Settlement Price (FSP) as laid down by NCDEX vide its circular No. NCDEX/TRADING-012/2019 dated April 05, 2019 shall be applicable.

**Spot Prices**

NCDEX will announce / disseminate spot prices for Natural Whitish Sesame Seeds relating to the designated delivery center and specified grade/ quality parameters determined through the process of polling a set of market participants representing different segments of the value chain such as traders, importers / exporters, processors etc.

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The polled prices shall be input to a normalizing algorithm (like 'bootstrapping' technique) to arrive at a representative, unbiased and clean 'benchmark' spot price for Natural Whitish Sesame Seeds. The security of data and randomness of polling process will ensure transparency and correctness of prices. The Exchange has absolute right to modify the process of determination of spot prices at any time without notice.

### Dissemination of Spot Prices

Spot prices for Natural Whitish Sesame Seeds will be disseminated on daily basis.

### Pay in and Pay out for Daily Settlement / Final Settlement

The table below illustrates timings for pay in and pay out in case of daily settlement. The buyer clients would have to deposit requisite funds with their respective Clearing Member before "pay in".

All fund debits and credits for the Member would be done in the Member's Clearing and Settlement Account with the Clearing bank.

Time (T / E+1)	Activity
On or before 8.30 hrs	PAYIN - Debit paying member a/c for funds
After 10.30 hrs	PAYOUT – Credit receiving member a/c for funds

### Pay in and Pay out for final physical settlement

The table below illustrates timings for pay in and pay out in case of positions marked for physical settlement. The buyers / sellers would have to deposit requisite funds / Natural Whitish Sesame Seeds with their respective Clearing member before "pay in".

Pay in and Pay out for Final Settlement in case of physical deliveries	
Time (T/E+2)	Activity
On or before 12.00 hrs	PAYIN - Debit Buyer Member Clearing & Settlement a/c for funds - Debit Seller Member's CM Pool Account for Natural Whitish Sesame Seeds
After 14.30 hrs	PAYOUT - Credit Seller Member Clearing & Settlement a/c for funds - Credit Buyer Member's CM Pool Account for Natural Whitish Sesame Seeds

### Tender Date -T

#### Tender period:

The delivery request for Natural Whitish Sesame Seeds contracts will be on a staggered basis where the tender period would be the last 5 trading days (including expiry day) of the contracts.

Pay-in and Pay-out: on a T/E+2 basis. If the tender date is T/E then, pay-in and pay-out would happen on T/E + 2 day. If such a T/E + 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.

### **Expiry Date**

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.

The settlement of contract would be by a staggered delivery system of Pay-in and Pay-out including last Pay-in and pay-out which would be the Final Settlement of the contract.

Additionally, the supplemental settlement for Natural Whitish Sesame Seeds Futures contracts for premium / discount adjustments relating to quality of Natural Whitish Sesame Seeds delivered, actual quantity delivered and close out for shortages, will also be conducted on the same day. Clearing Members are required to maintain adequate fund balances in their respective accounts.

Pay in and Pay out for supplemental settlement	
Time (T/E+2)	Activity
On or before 15.00 hours	PAY IN - Debit Member Clearing & Settlement a/c for funds
After 15.00 hours	PAY OUT – Credit Member Clearing & Settlement a/c for funds

### **Early Pay-in of Commodities**

Members can make an early pay-in of commodities to get exemption from the applicable pre-expiry and delivery margin and the same would be considered for the purpose of adjustment against their settlement obligations. The member shall mark EPI using the NCFE web application. The user guide for the same is available for download under: -

NCFE Menu: Downloads-> Download files-> Under User Manual folder-> EPI user guide

For further details, refer circular no. NCCL/CLEARING-020/2020 dated April 07, 2020.

### **Supplementary Settlement for GST**

NCCL will conduct a separate supplementary settlement, as illustrated below, three days after normal pay out for completion of GST transactions on deliveries effected by a buyer and seller on the Exchange platform.

In order to facilitate issue of GST invoice to right parties, the buyer Clearing Members are required to give the buyer client details to the Clearing Corporation latest by 15.00 Hrs on T/E+3 day failing which the buying member is considered as the end buyer and accordingly invoice is issued in his/their name.

The Seller Clearing Members are required to give the seller client details to the Clearing Corporation latest by 15.00 hrs on T/E + 4 day.

The amounts due to the above differences will be debited / credited to Member's clearing bank account similar to normal settlement.

The contents of this product note are subject to Rules, Byelaws and Regulations of NCDEX as in force from time to time and be read therewith.



Pay in and Pay out for GST	
Time (T/E + 5)	Activity
On or before 10.30 hours	PAY IN: Debit Buyer Member Clearing & Settlement a/c for funds.
After 10.30 hours	PAY OUT: Credit Seller Member Clearing & Settlement a/c for funds

It is clarified that the procedure for Supplementary Settlement for GST shall continue to be the same as notified by the Clearing Corporation vide circular number NCCL/CLEARING-020/2020 dated April 07, 2020.

**Completion of Settlement**

The settlement obligations shall be deemed to be completed as per the provisions of the Bye-laws, Rules and Regulations of the Clearing Corporation and the circulars issued by the Clearing Corporation thereunder from time to time.

**Exhibit 1 – Contract Specifications of Natural Whitish Sesame Seeds (Symbol: SESAMESEED) Futures Contract**

 (Applicable for contract expiring in the month of October 2020, November 2020 and December 2020)  
 (Updated as on August 25, 2020)

Type of Contract	Futures Contract												
Name of Commodity	Natural Whitish Sesame Seeds												
Ticker symbol	SESAMESEED												
Trading System	NCDEX Trading System												
Basis	Ex-Warehouse Unjha, 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. 5												
Quality specification	<p>Natural Whitish Sesame Seeds 99x2x1 grade with the following specifications, Sesame to be necessarily machine cleaned</p> <table border="1"> <tr> <td>Whitish Seed</td> <td>99 % Basis</td> </tr> <tr> <td>Other Colored (Including 1% Max. Rain Damaged) Seeds</td> <td>2% Basis, From 2 % to 4 % Accepted at 1:1 Discount and above 4% to 5% at 1:2 Discount or part thereof, above 5% rejected</td> </tr> <tr> <td>Admixture</td> <td>1% Max</td> </tr> <tr> <td>FFA</td> <td>1.5 % Max</td> </tr> <tr> <td>Moisture content</td> <td>6% Max</td> </tr> <tr> <td>Oil content</td> <td>48% Min</td> </tr> </table> <p><b>Other Color Seed</b> includes dark seed, light seed (Small seed / Yellowish in color), Rain damaged, touched or rain affected seeds etc.</p> <p><b>Admixture:</b> Anything other than sound Sesame Seeds, this will pass through a 1.0 mm round sieve hole and sorted matter on the purity work board it includes all organic and inorganic matters like any mineral, animal or plant matter, Leaves, pods, twigs, earth, sand dust, stones, other crops seeds, detached seed coats and the likes.</p>	Whitish Seed	99 % Basis	Other Colored (Including 1% Max. Rain Damaged) Seeds	2% Basis, From 2 % to 4 % Accepted at 1:1 Discount and above 4% to 5% at 1:2 Discount or part thereof, above 5% rejected	Admixture	1% Max	FFA	1.5 % Max	Moisture content	6% Max	Oil content	48% Min
Whitish Seed	99 % Basis												
Other Colored (Including 1% Max. Rain Damaged) Seeds	2% Basis, From 2 % to 4 % Accepted at 1:1 Discount and above 4% to 5% at 1:2 Discount or part thereof, above 5% rejected												
Admixture	1% Max												
FFA	1.5 % Max												
Moisture content	6% Max												
Oil content	48% Min												
Quantity variation	+/- 2%												
Delivery center	Unjha (Within 50 km radius from municipal limits)												
Additional Delivery Center	Rajkot (Within 50 km radius from municipal limits) Location Premium/Discount as notified by the Exchange from time to time.												
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.												

The contents of this product note are subject to Rules, Byelaws and Regulations of NCDEX as in force from time to time and be read therewith.

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 centre 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-020/2020 dated April 07, 2020</p>
Opening of contracts	<p>Trading in any contract month will open on the 1<sup>st</sup> day 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</p>
Tender Period	<p>Tender Date –T</p> <p>Tender Period: The tender period would be the last 5 trading days (including expiry day) of the contracts.</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 corporation, 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 Clearing Corporation.</p> <p>Upon the expiry of the contract all the outstanding open position shall result in compulsory delivery.</p>
No. of active contracts	<p>As per the launch calendar</p>
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: 30,000 MT or 15% of the market wide open interest in the commodity, whichever is higher. Client-wise: 3,000 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:</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: 7,500 MT or one-fourth of the member's overall position limit in that commodity, whichever is higher. Client-wise: 750 MT</p>																																																				
Premium/Discount	Location Premium Discount will be notified by the Exchange from time to time.																																																				
Special margin	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 Price Settlement	<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" data-bbox="496 1361 1289 1727"> <thead> <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> </thead> <tbody> <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> </tbody> </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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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 with staggered delivery																																																				
Minimum Initial Margin	10%																																																				

**Tolerance limit for outbound deliveries in Natural Whitish Sesame Seeds**

Commodity Specifications	Basis	Permissible Tolerance
Oil Content	48% Min	Nil
Whitish Seed	99% Basis	+/- 0.25%
Other Colored (Including 1% Max. Rain Damaged) Seeds	2 % Basis From 2 % to 4 % Accepted at 1:1 Discount and above 4% to 5% at 1:2 Discount or part thereof, above 5% rejected	+/-0.25%
Moisture	6 % Max	Nil
FFA	1.5 % max	Nil
Admixture	1% max	+/-0.25%
Max Tolerance (for all characteristics)		+/-0.50%

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 empaneled assayer.

**Contract Launch Calendar**

Contract Launch Month	Contract Expiry Month
August 26, 2020	October 2020 November 2020 December 2020

**Disclaimer**

Members and market participants who enter into buy and sell transactions may please note that they need to be aware of all the factors that go into the mechanism of trading and clearing, as well as all provisions of the Exchange's/ Clearing Corporation's Bye Laws, Rules, Regulations, Product Notes, circulars, directives, notifications of the Exchange/Clearing Corporation as well as of the Regulators, Governments and other authorities.

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 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, BIS, Warehousing Development and Regulatory Authority (WDRA) , Orders under Packaging and Labelling etc., and 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 non-compliance thereof.

The contents of this product note are subject to Rules, Byelaws and Regulations of NCDEX as in force from time to time and be read therewith.

**Exhibit 2 - Warehouse & Assayer Address Details**

For the updated list of Warehouse & Assayers kindly refer to the NCDEX Website

[http://www.ncdex.com/ClearingServices/Clearing\\_Services\\_others.aspx](http://www.ncdex.com/ClearingServices/Clearing_Services_others.aspx)

**Exhibit 3 - Good / Bad delivery norms**

No.	Particulars	Good / Bad delivery
1.	Quality not meeting Futures contract specification.	Bad delivery
2.	Delivery at non Approved warehouse.	Bad delivery
3.	Delivery completed but without sampling & testing / certification / expired validity.	Bad delivery
4.	Delivery without weight certificate.	Bad delivery
5.	Weighed at other than recognized by Approved warehouse/ weigh bridge / weigh scale	Bad delivery
6.	When sample is not drawn as per sampling norms and not carried out at the time of unloading	Bad delivery
7.	Delivery not as per the packaging specification	Bad delivery
8.	Delivery found contaminated on visual inspection	Bad delivery

**Exhibit 4 – Specimen of Natural Whitish Sesame Seeds Testing Report**

<b>CERTIFICATE OF QUANTITY &amp; QUALITY</b>			
Date : _____	Report no.: _____		
NCDEX member :			
Commodity :			
Lorry No. :			
<b>1) QUANTITY :</b>			
This is to certify that National Commodity & Derivative Exchange Ltd. ( NCDEX ) member / constituent _____ has delivered _____ Metric Tons ( MT ) Net of Natural Whitish Sesame Seeds at the NCCL approved warehouse:			
The weight / tonnage of material delivered is as per weigh bridge / weigh scale in the premises of the approved warehouse.			
<b>2) QUALITY :</b>			
The results of analysis performed by our laboratory of the samples collected by <WH NAME> is stated below :			
<b>Test Items</b>	<b>Test method</b>	<b>Specification</b>	<b>Test results</b>
The material delivered by the above NCDEX Member is in accordance with the specification provided bearing grade _____ and valid up to _____.			
The goods delivered may be accepted / rejected.			
<b>Chief Inspector / Authorized Signatory</b>			