
NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED

Circular to all trading and clearing members of the Exchange

Circular No. : NCDEX/TRADING-109/2017/305

Date : November 20, 2017

Subject : Modification in Contract Specifications – Undecorticated Cotton Seed Oilcake (COCUDAKL) Futures contracts

Trading and Clearing Members are requested to note that the Exchange, as per Circular No. NCDEX/TRADING-96/2016/232 dated September 22, 2016, has modified the contract specifications of the Undecorticated Cotton Seed Oilcake (Symbol: COCUDAKL) expiring in the month of April 2018 and thereafter. The contract expiring in the month of April 2018 will be available for trading with effect from **December 01, 2017**. 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 launched product, its trading and related process put in place by the Exchange. Currently, Undecorticated Cotton Seed Oilcake (COCUDAKL) Futures contracts expiring in the months of December 2017, January 2018, February 2018 and March 2018 are available for trading and would continue to be traded as per existing contract specifications.

Summary of modifications in contract specifications for Undecorticated Cotton Seed Oilcake (COCUDAKL) Futures contracts expiring in the month of April 2018 and thereafter is given in Annexure I. Existing Contract specifications applicable for Undecorticated Cotton Seed Oilcake Futures contracts (Symbol: COCUDAKL) is given in Annexure II. Modified contract specifications applicable for Undecorticated Cotton Seed Oilcake (Symbol: COCUDAKL) Futures contracts expiring in the month of April 2018 and thereafter is given in Annexure III. Premium/Discount applicable for Cotton Seed Oilcake Futures contracts (Symbol: COCUDAKL) contract expiring in April 2018 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 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 warehouses of

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

Avinash Mohan
Executive Vice President – Business

Encl: Annexures

For further information / clarifications, please contact

1. Mr. Mukesh Kumar/ Mr. Krishan Singh on Mobile Phone (+91) 9860966033/ (+91) 9549715777
2. Customer Service Group on toll free number: 1800 26 62339
3. Customer Service Group by e-mail to : askus@ncdex.com

Annexure-I
Summary of the modifications in contract specifications for Uncorticated Cotton Seed Oilcake Futures contracts (COCUDAKL)

Parameter	Existing Contract Specification	Modified Contract Specification	Rationale
Additional delivery centres	Kadi (Gujarat), Rajkot (Gujarat) and Jalgaon (Maharashtra) within a radius of 60 km from the municipal limits) Location specific premium/discount as announced by the Exchange from time to time	Kadi (Gujarat) (within a radius of 60 km from the municipal limits) Location specific premium/discount as announced by the Exchange from time to time	No deliveries were seen at Rajkot and Jalgaon since its addition as additional delivery centers

Annexure II
Existing contract specifications of Undecorticated Cotton Seed Oilcake Futures contract

(Applicable for contracts expiring in the months of December 2017, January 2018, February 2018 and March 2018)

Type of Contract	Futures Contract
Name of Commodity	Undecorticated Cotton Seed Oilcake – Akola
Ticker symbol	COCUDAKL
Trading System	NCDEX Trading System
Basis	Ex-Warehouse Akola, Exclusive of GST
Unit of trading	10 MT
Delivery unit	10 MT
Maximum Order Size	500 MT
Quotation/base value	Rs. Per Quintal
Tick size	50 paisa
Quality specification	<p>Pure unadulterated cotton Seed Oilcake in pellet form</p> <ul style="list-style-type: none"> • Moisture Content: 9% (Max) • Oil Content: 6% (Min) • Fibre: 27% (Max) • Sand and Silica: 2.5% (Max) • Protein: 22% (Min) • Colour : Greenish yellow <p>Free from adulterants like Rice Bran cake, Rice Bran husk, Castor seed husk, safflower cake (Kardi cake)</p>
Quantity variation	+/- 2%
Delivery center	Akola (within a radius of 60 km from the municipal limits)
Additional delivery centers	Kadi (Gujarat), Rajkot (Gujarat) and Jalgaon (Maharashtra) (within a radius of 60 km from the municipal limits) Location specific premium/discount as announced by the Exchange from time to time
Trading hours	As notified by the Exchange from time to time, currently:- Mondays through Fridays: 10:00 a.m. to 5.00 p.m. The Exchange may vary the above timing with due notice
Opening of contracts	Trading in any contract month will open on the 1 st day of the month. If the 1 st 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 11th of every month in which the contract is due to expire. In case 11th 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: 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.</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: 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.</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 the 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: 8,00,000 MT or 15% of market wide open interest in the commodity, whichever is higher.</p> <p>Client-wise: 80,000 MT</p> <p>Bona fide hedger clients may seek exemption as per approved</p>

	<p>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 trading day.</p> <p>Member-wise: 2,00,000 MT or One-fourth of the member's overall position limit in that commodity, whichever is higher</p> <p>Client-wise: 20,000 MT</p>																																																				
Quality Allowance (for Delivery)	None																																																				
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	<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"> <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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Minimum Initial margin	4%																																																				
Delivery logic	Compulsory delivery																																																				

Tolerance limit - Undecorticated Cotton Seed Oil Cake – Akola

Commodity Specifications	Basis	Acceptable quality range as per contract specification	Permissible Tolerance
Moisture Content	9% (Max)		
Oil Content	6 % (Min)		+/- 0.25%
Fibre	27 % (Max)		+/- 0.25%
Sand and Silica	2.5 % (Max)		+/- 0.25%
Protein	22% (Min)		+/- 0.25%
Colour	Greenish yellow		
Max Tolerance (for all characteristics)			+/- 0.75%

Contract Launch calendar

Contract Launch Month	Contract Expiry Month
June 2017	December 2017
July 2017	January 2018
August 2017	February 2018
September 2017	March 2018
October 2017	No launch
November 2017	No launch

Annexure III
Modified contract specifications of Undecorticated Cotton Seed Oilcake Futures contract

(Applicable for contracts expiring in the months of April 2018 and thereafter)

Type of Contract	Futures Contract
Name of Commodity	Undecorticated Cotton Seed Oilcake – Akola
Ticker symbol	COCUDAKL
Trading System	NCDEX Trading System
Basis	Ex-Warehouse Akola, Exclusive of GST
Unit of trading	10 MT
Delivery unit	10 MT
Maximum Order Size	500 MT
Quotation/base value	Rs. Per Quintal
Tick size	50 paisa
Quality specification	<p>Pure unadulterated cotton Seed Oilcake in pellet form</p> <ul style="list-style-type: none"> • Moisture Content: 9% (Max) • Oil Content: 6% (Min) • Fibre: 27% (Max) • Sand and Silica: 2.5% (Max) • Protein: 22% (Min) • Colour : Greenish yellow <p>Free from adulterants like Rice Bran cake, Rice Bran husk, Castor seed husk, safflower cake (Kardi cake)</p>
Quantity variation	+/- 2%
Delivery center	Akola (within a radius of 60 km from the municipal limits)
Additional delivery centers	Kadi (Gujarat) (within a radius of 60 km from the municipal limits) Location specific premium/discount as announced by the Exchange from time to time
Trading hours	As notified by the Exchange from time to time, currently:- Mondays through Fridays: 10:00 a.m. to 5.00 p.m. The Exchange may vary the above timing with due notice
Opening of contracts	Trading in any contract month will open on the 1 st day of the month. If the 1 st day 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 shall start on 11 th of every

	<p>month in which the contract is due to expire. In case 11th 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: 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.</p>
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Protein	22% (Min)		+/- 0.25%
Colour	Greenish yellow		
Max Tolerance (for all characteristics)			+/- 0.75%

Contract Launch calendar

Contract Launch Month	Contract Expiry Month
December 2017	April 2018
January 2018	May 2018
February 2018	June 2018
March 2018	July 2018
April 2018	August 2018
May 2018	September 2018
June 2018	December 2018

Annexure IV:**Premium/Discount for Delivery Location Difference for contract expiring in the month of April 2018:**

Commodity (Base Centre)	Additional Delivery Centre	(+) Premium/ (-) Discount
Uncorticated Cotton seed oil cake (Akola)	Kadi	+ Rs. 30/Quintal