
NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED

Circular to all trading and clearing members of the Exchange
Circular No : NCDEX/TRADING-070/2018
Date : October 26, 2018
Subject : Modification in contract specifications– Rapeseed-Mustard seed (RMSEED)

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 Rapeseed-Mustard Seed (RMSEED) Futures contracts expiring in the months of May 2019 and thereafter. The contract expiring in the month of May 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, Rapeseed-Mustard seed Futures contracts expiring in months of November 2018, December 2018, January 2019, February 2019 and April 2019 are available for trading and would continue to be traded as per existing contract specifications.

Summary of modifications in contract specifications for Rapeseed-Mustard seed Futures contracts (Symbol: RMSEED) expiring in the month of May 2019 and thereafter is given in **Annexure I**. Existing contract specifications for Rapeseed-Mustard Seed Futures contracts (Symbol: RMSEED) is given in **Annexure II**. Modified contract specifications applicable for Rapeseed-Mustard Seed Futures contracts (Symbol: RMSEED) expiring in the months of May 2019 and thereafter is given in **Annexure III**. Premium/Discount applicable for Rapeseed-Mustard seed Futures contracts (Symbol: RMSEED) for contract expiring in May 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 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

Kapil Dev
Executive Vice President

Encl: Annexures

For further information / clarifications, please contact

1. Mr. Rameshwar Rai on Mobile Phone (+91) 8889912120
2. Mr. Amit Singh on Mobile Phone (+91) 9766053993
3. Customer Service Group on toll free number: 1800 26 62339
4. Customer Service Group by e-mail to : askus@ncdex.com

Annexure I
Summary of modifications in contract specifications for Rapeseed-Mustard seed (RMSEED) futures contract

Parameter	Existing Contract Specification	Modified Contract Specification	Rationale
Additional delivery centres	Alwar (Rajasthan), Kota (Rajasthan), Sri Ganganagar (Rajasthan), Bikaner (Rajasthan) Jodhpur (Rajasthan) and Tonk (Rajasthan) (At all centers, up to the radius of 50 km from the municipal limits) (Premium/discount for all centres will be announced at the time of launching a contract)	Alwar (Rajasthan), Kota (Rajasthan), Sri Ganganagar (Rajasthan), Bikaner (Rajasthan), Jodhpur (Rajasthan), Tonk (Rajasthan), Agra (Uttar Pradesh) (At all centers, up to the radius of 50 km from the municipal limits) (Premium/discount for all centres will be announced at the time of launching a contract)	The new additional delivery centre is major producing and processing centre. It will assist market participants at this location in efficiently trading on the Exchange and will give an option to tender/receive delivery.

Annexure II:
Existing Contract Specifications of Rapeseed Mustard seed (RMSEED) Futures contract

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

Type of contract	Futures Contract	
Trading system	NCDEX Trading System	
Name of commodity	Rapeseed-Mustard seed	
Ticker symbol	RMSEED	
Basis	Ex-warehouse Jaipur, 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	Re. 1	
Quality Specification	Moisture content	5% (basis)
	Oil Content (at 5% moisture content level):	42% (basis)
	FFA%	1.0 (max)
	Foreign Matter	0.50% (basis)
	Damaged or Shriveled or discolored seeds	0.75% (max)
	Insect damaged matter	Insect damaged matter should be within 0.75%.
Quantity variation	+/- 2%	
Delivery centre	Jaipur (up to the radius of 50 km from the municipal limits)	
Additional delivery centres	Alwar (Rajasthan), Kota (Rajasthan), Sri Ganganagar (Rajasthan), Bikaner (Rajasthan), Jodhpur (Rajasthan) and Tonk (Rajasthan) (At all centers, up to the radius of 50 km from the municipal limits) (Premium/discount for all centres will be announced at the time of launching a contract)	
Trading hours	As notified by the Exchange from time to time, currently:- Mondays through Fridays: 10:00 a. m. to 05:00p.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 1st day of the month. If the 1st day happens to be a non-trading day, contracts would open on the next trading day	
Tender Period	Tender Date –T	

	<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 launch calendar
Price Limits	<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>Limits on open positions for aggregate as well as near month will be across all contracts and all exchanges.</p> <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 Hedge Policy of the Exchange notified vide Circular No. NCDEX/CLEARING-019/2016/246 dated September 28, 2016.</p> <p>For near month contracts: The following limits would be applicable from 1st of every month in which the contract is due to expire. If 1st happens to be a non-trading day, the near month limits would start from the next trading day.</p> <p>Member-wise: 2,00,000 MT or one-fourth of the member's overall position limit in that commodity, whichever is higher Client-wise: 20.000 MT</p>																																																				
Premium/Discount	<p>Quality delivery with variation shall be acceptable with premium/discount as under:</p> <p>Moisture:</p> <ul style="list-style-type: none"> • 6.5% maximum with moisture adjusted weight <p>Oil Content:</p> <ul style="list-style-type: none"> • More than 42% accepted at 1:1 premium or part there of • From 42% to 38% accepted at 1:1 discount or part there of • Below 38% rejected <p>Foreign matter:</p> <ul style="list-style-type: none"> • From 0.50% to 1.5% accepted at 1:1 discount or part there of • Above 1.5% rejected <p>Free from non-edible seeds such as Mahuas, Castor, Neem, Taramira, Argemone seeds. Should be free from any foul odor.</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 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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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.
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Tolerance limit of Rapeseed Mustard Seed

Commodity Specifications	Basis	Acceptable quality range as per contract specification	Permissible Tolerance
Moisture content	5% (basis)	6.5% maximum with moisture adjusted weight	
Oil Content (at 5% moisture content level)	42% (basis)	More than 42% accepted at 1:1 premium or part thereof. From 42% to 38% accepted at 1:1 discount or part thereof. Below 38% rejected	+/-0.50%
FFA	1.0% (max)		+/-0.50%
Foreign Matter	0.50% (basis)	From 0.50% to 1.5% accepted at 1:1 discount or part thereof. Above 1.5% rejected	+/-0.10%
Damaged or shriveled or discolored seeds	0.75% (max)		+/-0.25%
Insect Damaged Matter	0.75% (max)		+/-0.25%
Max Tolerance (for all characteristics)			+/- 1.00%

Contract Launch Calendar for Rapeseed Mustard Seed

Contract Launch Month	Contract Expiry Month
July – 2018	November - 2018
August – 2018	December - 2018
September - 2018	January - 2019
October - 2018	April – 2019, February-2019

Annexure III:
Modified Contract Specifications of Rapeseed Mustard seed (RMSEED) Futures contract

(Applicable for all contracts expiring in the months of May 2019 and thereafter)

Type of contract	Futures Contract	
Trading system	NCDEX Trading System	
Name of commodity	Rapeseed-Mustard seed	
Ticker symbol	RMSEED	
Basis	Ex-warehouse Jaipur, 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	Re. 1	
Quality Specification	Moisture content	5% (basis)
	Oil Content (at 5% moisture content level):	42% (basis)
	FFA%	1.0 (max)
	Foreign Matter	0.50% (basis)
	Damaged or Shriveled or discolored seeds	0.75% (max)
	Insect damaged matter	Insect damaged matter should be within 0.75%.
Quantity variation	+/- 2%	
Delivery centre	Jaipur (up to the radius of 50 km from the municipal limits)	
Additional delivery centres	Alwar (Rajasthan), Kota (Rajasthan), Sri Ganganagar (Rajasthan), Bikaner (Rajasthan), Jodhpur (Rajasthan), Tonk (Rajasthan) and Agra (Uttar Pradesh) (At all centres, up to the radius of 50 km from the municipal limits) (Premium/discount for all centres will be announced at the time of launching a contract)	
Trading hours	As notified by the Exchange from time to time, currently:- Mondays through Fridays: 10:00 a. m. to 05:00p.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 1st day of the month. If the 1st day happens to be a non-trading day, contracts would open on the next trading day	
Tender Period	Tender Date –T	

	<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>
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No. of active contracts	As per launch calendar
Price Limits	<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>
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Tolerance limit of Rapeseed Mustard seed

Commodity Specifications	Basis	Acceptable quality range as per contract specification	Permissible Tolerance
Moisture content	5% (basis)	6.5% maximum with moisture adjusted weight	
Oil Content (at 5% moisture content level)	42% (basis)	More than 42% accepted at 1:1 premium or part thereof. From 42% to 38% accepted at 1:1 discount or part thereof. Below 38% rejected	+/-0.50%
FFA	1.0% (max)		+/-0.50%
Foreign Matter	0.50% (basis)	From 0.50% to 1.5% accepted at 1:1 discount or part thereof. Above 1.5% rejected	+/-0.10%
Damaged or shriveled or discolored seeds	0.75% (max)		+/-0.25%
Insect Damaged Matter	0.75% (max)		+/-0.25%
Max Tolerance (for all characteristics)			+/- 1.00%

Contract Launch Calendar for Rapeseed Mustard Seed

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

Annexure IV:
Premium/Discount for delivery location differences for contracts expiring in the month of May 2019:

Commodity (Base centre)	Additional delivery centre	(+) Premium/(-)Discount
Rapeseed Mustard seed (Jaipur)	Alwar	No premium/discount
	Kota	No premium/discount
	Sri Ganganagar	-Rs. 60/quintal
	Bikaner	-Rs. 50/quintal
	Jodhpur	-Rs. 60/quintal
	Tonk	-Rs. 20/quintal
	Agra	-Rs. 60/quintal