NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED

Circular to all Members of the Exchange
Circular No. : NCDEX/TRADING-048/2022
Date : September 22, 2022
Subject : Modifications in Contract Specifications of Turmeric (TMCFGRNZM) Futures and Options in Goods Contract

Members are requested to note that the Exchange, as per SEBI circular no. SEBI/HO/CDMRD/DOP/CIR/P/2019/135 dated November 14, 2019 regarding Modifications in the contract specifications of commodity derivatives contracts and SEBI/HO/CDMRD_DOP/P/CIR/2021/592 dated July 08, 2021 regarding Review of Advance Intimation timelines for modifications in the contract specifications of commodity derivatives contracts, has modified the contract specifications of Turmeric (TMCFGRNZM) Futures and Options in Goods Contract expiring in the month of April 2023 and thereafter with effect from October 03, 2022.

Currently, Turmeric (TMCFGRNZM) Futures and Options in Goods Contracts expiring in the months of October 2022, November 2022 & December 2022 are available for trading and would continue to be traded as per the existing contract specification. Futures & Options contracts of Turmeric (TMCFGRNZM) expiring in the month of April 2023 shall be available for trading with effect from October 03, 2022 and October 04 2022 respectively. The changes will be applicable for Turmeric (TMCFGRNZM) Futures and Options in Goods Contracts expiring in the month of April 2023 and thereafter from the beginning of day October 03, 2022 and October 04 2022 respectively.

The running futures and options 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" and "Options->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.

Members are requested to take note of the following:

1. Summary of modifications in contract specifications for Turmeric (TMCFGRNZM) Futures and Options in Goods Contract expiring in the month of April 2023 and thereafter with effect from October 03, 2022 and October 04, 2022 respectively is given in **Annexure I.**

2. Existing contract specifications applicable for Turmeric (TMCFGRNZM) Futures and Options in Goods Contract expiring in the months of October 2022, November 2022 & December 2022 is given in **Annexure II.**

3. Modified contract specifications applicable for Turmeric (TMCFGRNZM) Futures and Options in Goods Contract expiring in the month of April 2023 and thereafter with effect from October 03, 2022 and October 04, 2022 respectively is given in **Annexure III**.

The contracts and the transactions therein will be subject to Bye Laws, Rules and Regulations of the Exchange and circulars issued by the Exchange as well as directives, if any, issued from time to time by 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 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, 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 / Clearing Corporation shall not be responsible or liable on account of any noncompliance thereof.

For and on behalf of
National Commodity & Derivatives Exchange Limited

Arun Yadav
Senior Vice President – Products

Encl: Annexures

For further information / clarifications, please contact

1. Customer Service Group on toll free number: 1800 266 2339
2. Customer Service Group by e-mail to: askus@ncdex.com

Annexure I: Summary of modifications in contract specifications for Turmeric (TMCFGRNZM) Futures and Options in Goods Contract

1. **Turmeric (TMCFGRNZM) Futures and Options in Goods Contract**

The details of the modifications in quality specifications and premium/discount is provided below:

Parameters	Existing	Modified	Rationale

Quality specification	Farmer Polished Turmeric Fingers with the following specifications as the basis
	
	Farmer Polished Turmeric Fingers
	
	• Inferior quality Turmeric* should not be more than 2.25%
	• Length
	  ○ Fingers that are broken/those less than 15mm should not be more than 3.0%
	  ○ Fingers less than or equal to 3 cm in length should not be more than 15%
	• Damage due to moisture (i.e. Lokhandi) or over boiling (i.e.Kadh) should not be more than 1.2%
	• Unboiled or less boiled (Gajarthod) turmeric should not be more than 0.3%
	• Bhusa, chaff dirt, earth clods and stones should not be more than 0.75%
	• Bulbs should not be more than 3%
	• Moisture: 12% max
	• Turmeric should be free from fungus
	• Turmeric should not be artificially colored with dyes or chemicals
	* Chora/atthu finger, khota gatha, markha
		Farmer Polished Turmeric Fingers with the following specifications as the basis
		
		Farmer Polished Turmeric Fingers
		
		• Inferior quality Turmeric* should not be more than 2.25%
		• Length
		  ○ Fingers that are broken/those less than 15mm should not be more than 3.0%
		  ○ Fingers less than or equal to 3 cm in length should not be more than 15%
		• Damage due to moisture (i.e. Lokhandi) or over boiling (i.e.Kadh) should not be more than 1.2%
		• **Unboiled or less boiled (Gajarthod) turmeric should not be morethan 0.5%**
		• Bhusa, chaff dirt, earth clods and stones should not be more than 0.75%
		• Bulbs should not be more than 3%
		• Moisture: 12% max
		• Turmeric should be free from fungus
		• Turmeric should not be artificially colored with dyes or chemicals
		* Chora/atthu finger, khota gatha, markha
			The modification is done to align the contract with the current market practices.

Annexure II: Existing contract specifications applicable for Turmeric (Futures and Options in Goods Contracts)

Existing Contract Specifications of Turmeric (TMCFGRNZM) Futures Contract
(Applicable for contracts expiring in the months of October 2022, November 2022 & December 2022)

Type of Contract	Futures Contract
Name of commodity	Turmeric
Ticker symbol	TMCFGRNZM
Trading system	NCDEX Trading System
Basis	Farmer polished turmeric fingers Nizamabad quality exwarehouse Nizamabad 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	Rs. 2

Quality specification	Farmer Polished Turmeric Fingers with the following specifications as the basis
	
	Farmer Polished Turmeric Fingers
	
	• Inferior quality Turmeric* should not be more than 2.25%
	• Length
	  ○ Fingers that are broken/those less than 15mm should not be more than 3.0%
	  ○ Fingers less than or equal to 3 cm in length should not be more than 15%
	• Damage due to moisture (i.e. Lokhandi) or over boiling (i.e. Kadh) should not be more than 1.2%
	• Unboiled or less boiled (Gajarthod) turmeric should not be more than 0.3%
	• Bhusa, chaff dirt, earth clods and stones should not be more than 0.75%
	• Bulbs should not be more than 3%
	• Moisture: 12% max
	• Turmeric should be free from fungus
	• Turmeric should not be artificially colored with dyes or chemicals
	
	* Chora/atthu finger, khota gatha, markha

Also Deliverable	The following qualities will be acceptable at Exchange specified premium/discount • Unpolished Turmeric fingers of Nizamabad at Nizamabad • Only Farmer Polished Fingers of Nizamabad at Sangli • Only Farmer Polished Fingers of Rajapore at Sangli • Only Farmer Polished Fingers of Erode at Erode • Only Farmer Polished Fingers of Salem at Erode • Only Farmer Polished Fingers of Salem at Basmat
Quantity variation	+/- 2%
Delivery center	Nizamabad (up to the radius of 50 Km from the municipal limits)
Additional delivery centers	Sangli, Erode, and Basmat (up to the radius of 50 Km from the municipal limits) with location wise premium/discount as announced by the Exchange
Hours of Trading	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 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. If1st happens to be a non-trading day, contracts would open on the next trading day
Tender Period	Tender Date –T Tender Period: The tender period would be the last 5 trading days (including expiry day) of the contracts. Pay-in and Pay-out: On a T+2 basis. If the tender date is T, then pay-in and pay-out would happen on T+2 day. 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.
Closing of contract	Clearing and settlement of contracts will commence with the commencement of Tender Period by compulsory delivery of eachopen position tendered by the seller on T+2 to the corresponding buyer matched by the process put in place by the Exchange. Upon the expiry of the contract all the outstanding open position shall result in compulsory delivery.

Due date/Expiry date	Expiry date of the contract: 20th day of the delivery month. If 20th happens to be a 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. 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.
Delivery Specification	Upon expiry of the contracts all the outstanding open positions shall result in compulsory delivery. 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. The penalty structure for failure to meet delivery obligations will be as per circular no. NCCL/CLEARING-010/2021 dated March 24, 2021 and NCCL/CLEARING-029/2021 dated August 18, 2021.
No. of active contracts	As per launch calendar
Daily Price Limit (DPL)	Daily price limit is (+/-) 4%. Once the 4% 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 4% limit. After the DPL is enhanced, trades shall be permitted throughout the day within the enhanced total DPL of 6%. The DPL on the launch (first) day of new contract shall be as per the circular no. NCDEX/TRADING-010/2021 dated March 22, 2021.
Position limits	Member-wise: 56,000 MT or 15% of market wide open interest in the commodity, whichever is higher Client-wise: 5,600 MT Bona fide hedger/EFE clients may seek exemption as per approved Hedge Policy of the Exchange notified vide Circular No. NCDEX/TRADING-026/2021 dated August 30, 2021 and Circular No: NCDEX/TRADING-072/2018 dated November 28, 2018. 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. Member-wise: 14,000 MT or one-fourth of the member's overall position limit in that commodity, whichever is higher. Client-wise: 1,400 MT

<table>
<tr><td>Special margins</td><td>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.</td></tr>
<tr><td>Final Settlement Price</td><td>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:
<table>
<tr><td>Scenario</td><td colspan="4">Polled spot price availability on</td><td rowspan="2">FSP shall be simple average of last polled spot prices on:</td></tr>
<tr><td></td><td>E0</td><td>E-1</td><td>E-2</td><td>E-3</td></tr>
<tr><td>1</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes/No</td><td>E0, E-1, E-2</td></tr>
<tr><td>2</td><td>Yes</td><td>Yes</td><td>No</td><td>Yes</td><td>E0, E-1, E-3</td></tr>
<tr><td>3</td><td>Yes</td><td>No</td><td>Yes</td><td>Yes</td><td>E0, E-2, E-3</td></tr>
<tr><td>4</td><td>Yes</td><td>No</td><td>No</td><td>Yes</td><td>E0, E-3</td></tr>
<tr><td>5</td><td>Yes</td><td>Yes</td><td>No</td><td>No</td><td>E0, E-1</td></tr>
<tr><td>6</td><td>Yes</td><td>No</td><td>Yes</td><td>No</td><td>E0, E-2</td></tr>
<tr><td>7</td><td>Yes</td><td>No</td><td>No</td><td>No</td><td>E0</td></tr>
</table></td></tr>
<tr><td>Minimum Initial margin</td><td>12%</td></tr>
</table>

Tolerance Limits for Outbound Deliveries-

Specification	Basis	Tolerance Limit
Inferior quality Turmeric (Chora/atthu finger, khota gatha, markha)	Upto 2.25%	+/- 0.3%
Length	Fingers less than or equal to 3 cm in length should not be more than 15%	+/- 3%
Damage due to moisture (i.e. Lokhandi) or over boiling (i.e. Kadh)	Upto 1.2%	+/- 0.2%
Bhusa, chaff dirt, earth clods and Stones	Upto 0.75%	+/- 0.25%
Bulbs	Upto 3%	+/- 0.5%
Upper limit on the total of all tolerances		+/- 3.6%

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 materialsfrom 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
June 2022	October 2022
July 2022	November 2022
August 2022	December 2022
September 2022	No Launch

Existing Contract Specifications of Options in Goods on Turmeric
(Applicable for contracts expiring in the month of October 2022, November 2022 & December 2022)

Type of Contract	Options in Goods
Underlying	TMCFGRNZM
Symbol	<UNDERLYING SYMBOL><OPTIONS EXPIRY DATE-DDMMMYY><CE/PE><STRIKE PRICE><UNDERLYINGTYPE-F/S> Example: TMCFGRNZM20MAY20CE4100S
Unit of trading	5 MT
Delivery Unit	5 MT
Maximum Order Size	250 MT
Settlement Type	Compulsory Delivery
Opening of Contracts	Options contract shall be launched on the trading day following the day on which the Futures contract with the same underlying is launched
Closing of Contract	Upon the expiry of the contract all the outstanding open position shall result in compulsory delivery. The penalty structure for failure to meet delivery obligations will be as per circular no. NCCL/CLEARING-010/2021 dated March 24, 2021 and NCCL/CLEARING-029/2021 dated August 18, 2021.
Options Type	European
Premium Quotation/base value	Rs. Per Quintal
Tick Size	Rs. 1 per Quintal
Due Date/ Expiry Date	Expiry date of the contract: 20th day of the delivery month. If 20th happens to be a holiday, a Saturday or a Sunday then the due date shall be the immediately preceding trading day of the Exchange, which is other than a Saturday. 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.
Strike Interval	100
Number of Strikes	10-1-10

Quality Parameters	Farmer Polished Turmeric Fingers with the following specifications as the basis
	Farmer Polished Turmeric Fingers
	• Inferior quality Turmeric* should not be more than 2.25%
	• Length
	    o Fingers that are broken/those less than 15mm should not be more than 3.0%
	    o Fingers less than or equal to 3 cm in length should not be more than 15%
	• Damage due to moisture (i.e. Lokhandi) or over boiling (i.e. Kadh) should not be more than 1.2%
	• Unboiled or less boiled (Gajarthod) turmeric should not be more than 0.3%
	• Bhusa, chaff dirt, earth clods and stones should not be more than 0.75%
	• Bulbs should not be more than 3%
	• Moisture: 12% max
	• Turmeric should be free from fungus
	• Turmeric should not be artificially colored with dyes or chemicals
	* Chora/atthu finger, khota gatha, markha

Also Deliverable	The following qualities will be acceptable at Exchange specified premium/discount • Unpolished Turmeric fingers of Nizamabad at Nizamabad • Only Farmer Polished Fingers of Nizamabad at Sangli • Only Farmer Polished Fingers of Rajapore at Sangli • Only Farmer Polished Fingers of Erode at Erode • Only Farmer Polished Fingers of Salem at Erode • Only Farmer Polished Fingers of Salem at Basmat
Quantity Variation	+/- 2%
Basis	Farmer polished turmeric fingers Nizamabad quality ex warehouse Nizamabad exclusive of GST
Delivery Centre	Nizamabad (up to the radius of 50 Km from the municipal limits)
Additional Delivery Centres	Sangli, Erode, and Basmat (up to the radius of 50 Km from the municipal limits) with location wise premium/discount as announced by the Exchange
Options Launch Calendar	As per the Options Launch Calendar
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 the above timing with due notice
Daily Price Range (DPR)	Based on the factors of Daily Price Range (DPR) of Futures contract and volatility.

Position Limits	Position limits for 'option in goods' shall be clubbed with position limits of 'options on commodity futures' on the same underlying goods but shall remain separate from position limits of futures contracts on the same underlying. Numerical value for client level/member level limits in Options shall be twice of corresponding numbers applicable for Futures contracts. Turmeric: 1,12,000 MT and 11,200 MT for member and client respectively. **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. Member-wise: 14,000 MT or One-eighth of the member's overall position limit in that commodity, whichever is higher. Client-wise: 1,400 MT
Exercise of Options	European Options to be exercised only on the day of Expiration of the Options contracts
Mechanism of Exercise	a) All option contracts belonging to 'CTM' option series shall be exercised only on 'explicit instruction' for exercise by the long position holders of such contracts. b) All In the money (ITM) option contracts, except those belonging to 'CTM' option series, shall be exercised automatically, unless 'contrary instruction' has been given by long position holders of such contracts for not doing so. c) All Out of the money (OTM) option contracts, except those belonging to 'CTM' option series, shall expire worthless. d) All exercised contracts within an option series shall be assigned to short positions in that series in a fair and non-preferential manner.
Final Settlement Method	On exercise, Option position shall result in physical Delivery of underlying commodity: • long call position shall result into a buy (commodity receivable) position • long put position shall result into a sell (commodity deliverable) position • short call position shall result into a sell (commodity deliverable) position • short put position shall result into a buy (commodity receivable) Position

<table>
<tr><td>Final Settlement Price</td><td>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:
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<tr><td>7</td><td>Yes</td><td>No</td><td>No</td><td>No</td><td>E0</td></tr>
</table></td></tr>
<tr><td>Initial Margin</td><td>NCCL shall adopt appropriate initial margin model and parameters that are risk-based and generate margin requirements sufficient to cover potential future exposure to participants/clients.
The initial margin shall be imposed at the level of portfolio of individual client comprising of his positions in futures and options contracts on each commodity.
Margins shall be adequate to cover atleast 99% VaR (Value at Risk) and Margin Period of Risk (MPOR) shall be at least three days.
For buyer of the option, buy premium shall be charged as margins and blocked from the collaterals.
On computation of settlement obligation at the end of day, the premium blocked shall be released and collected as pay-in as per process notified.
NCCL shall fix prudent price scan range and volatility scan range based on the volatility in the price of the underlying commodity.
Appropriate Short Option Minimum Margin (SOMM) shall be fixed.</td></tr>
</table>

Other Margins	• **Extreme loss margin:** NCCL shall levy appropriate Extreme loss margin as applicable. • **Calendar spread charge:** The calendar spread charge shall be calculated on the basis of delta of the portfolio of futures and options. A calendar spread charge of 25% on each leg of the positions shall be charged. • **Mark to Market:** NCCL shall mark to market the options positions by deducting/adding the current market value of options (positive for long options and negative for short options) times the number of long/short options in the portfolio from/to the margin requirement. Thus, mark to market gains and losses would not be settled in cash for options positions. • **Pre expiry margin:** Pre expiry margin will be charged on potential in the money long and short option positions. The pre expiry margin will be increased gradually every day beginning from the pre-determined number of days before the expiry of the contract as applicable. • **Delivery Margin:** Appropriate Delivery Margin will be charged on the long and short positions resulting into physical delivery. • **Margining at client level:** NCCL shall impose initial margins at the level of portfolio of individual client comprising of his positions in futures and options contracts on each commodity. • **Other margins**: Other margins like additional margins and special margins shall be applicable as and when they are levied by the Exchange/CC/Regulator.
Minimum Initial margin	12%
Extreme Loss Margin (ELM)	1%

Tolerance limit for Outbound delivery:

Specification	Basis	Tolerance Limit
Inferior quality Turmeric (Chora/atthu finger, khota gatha, markha)	Upto 2.25%	+/- 0.3%
Length	Fingers less than or equal to 3 cm in length should not be more than 15%	+/- 3%
Damage due to moisture (i.e. Lokhandi) or over boiling (i.e. Kadh)	Upto 1.2%	+/- 0.2%
Bhusa, chaff dirt, earth clods and Stones	Upto 0.75%	+/- 0.25%
Bulbs	Upto 3%	+/- 0.5%
Upper limit on the total of all tolerances		+/- 3.6%

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
July 2022	
	October 2022
	November 2022
August 2022	December 2022
September 2022	No Launch

Annexure III: Modified Contract Specifications for Turmeric (TMCFGRNZM) Futures and Options in Goods Contract

Modified Contract Specifications of Turmeric (TMCFGRNZM) Futures Contract (Applicable for contracts expiring in the month of April 2023 and thereafter with effect from October 03, 2022)

Type of Contract	Futures Contract
Name of commodity	Turmeric
Ticker symbol	TMCFGRNZM
Trading system	NCDEX Trading System
Basis	Farmer polished turmeric fingers Nizamabad quality exwarehouse Nizamabad 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	Rs. 2

Quality specification	Farmer Polished Turmeric Fingers with the following specifications as the basis
	
	Farmer Polished Turmeric Fingers
	
	• Inferior quality Turmeric* should not be more than 2.25%
	• Length
	  o Fingers that are broken/those less than 15mm should not be more than 3.0%
	  o Fingers less than or equal to 3 cm in length should not be more than 15%
	• Damage due to moisture (i.e. Lokhandi) or over boiling (i.e. Kadh) should not be more than 1.2%
	• **Unboiled or less boiled (Gajarthod) turmeric should not be morethan 0.5%**
	• Bhusa, chaff dirt, earth clods and stones should not be more than 0.75%
	• Bulbs should not be more than 3%
	• Moisture: 12% max
	• Turmeric should be free from fungus
	• Turmeric should not be artificially colored with dyes or chemicals
	
	* Chora/atthu finger, khota gatha, markha

Also Deliverable	The following qualities will be acceptable at Exchange specified premium/discount • Unpolished Turmeric fingers of Nizamabad at Nizamabad • Only Farmer Polished Fingers of Nizamabad at Sangli • Only Farmer Polished Fingers of Rajapore at Sangli • Only Farmer Polished Fingers of Erode at Erode • Only Farmer Polished Fingers of Salem at Erode • Only Farmer Polished Fingers of Salem at Basmat
Quantity variation	+/- 2%
Delivery center	Nizamabad (up to the radius of 50 Km from the municipal limits)
Additional delivery centers	Sangli, Erode, and Basmat (up to the radius of 50 Km from the municipal limits) with location wise premium/discount as announced by the Exchange
Hours of Trading	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 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. If1st happens to be a non-trading day, contracts would open on the next trading day
Tender Period	Tender Date –T Tender Period: The tender period would be the last 5 trading days (including expiry day) of the contracts. Pay-in and Pay-out: On a T+2 basis. If the tender date is T, then pay-in and pay-out would happen on T+2 day. 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.
Closing of contract	Clearing and settlement of contracts will commence with the commencement of Tender Period by compulsory delivery of each open position tendered by the seller on T+2 to the corresponding buyer matched by the process put in place by the Exchange. Upon the expiry of the contract all the outstanding open position shall result in compulsory delivery.

Due date/Expiry date	Expiry date of the contract: 20th day of the delivery month. If 20th happens to be a holiday, aSaturday or a Sunday then the due date shall be the immediatelypreceding trading day of the Exchange, which is other than a Saturday. 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.
Delivery Specification	Upon expiry of the contracts all the outstanding open positions shallresult in compulsory delivery. 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. The penalty structure for failure to meet delivery obligations will be asper circular no. NCCL/CLEARING-010/2021 dated March 24, 2021 and NCCL/CLEARING-029/2021 dated August 18, 2021.
No. of active contracts	As per launch calendar
Daily Price Limit (DPL)	Daily price limit is (+/-) 4%. Once the 4% 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 4% limit. After the DPL is enhanced, trades shall be permitted throughout the day within the enhanced total DPL of 6%. The DPL on the launch (first) day of new contract shall be as per the circular no. NCDEX/TRADING-010/2021 dated March 22, 2021.
Position limits	Member-wise: 56,000 MT or 15% of market wide open interest in thecommodity, whichever is higher Client-wise: 5,600 MT Bona fide hedger/EFE clients may seek exemption as per approvedHedge Policy of the Exchange notified vide Circular No. NCDEX/TRADING-026/2021/ dated August 30, 2021 and CircularNo: NCDEX/TRADING-072/2018 dated November 28, 2018. 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-tradingday, the near month limits would start from the next trading day. Member-wise: 14,000 MT or one-fourth of the member's overallposition limit in that commodity, whichever is higher. Client-wise: 1,400 MT

<table>
<tr><td>Special margins</td><td>In case of unidirectional price movement/ increased volatility, an additional/ special margin at such other percentage, as deemed fit bythe 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.</td></tr>
<tr><td>Final Settlement Price</td><td>FSP shall be arrived at by taking the simple average of the last polledspot prices of the last three trading days viz., E0 (expiry day), E-1 andE-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:
<table>
<tr><td>Scenario</td><td colspan="4">Polled spot price availability on</td><td rowspan="2">FSP shall be simple average of last polled spot prices on:</td></tr>
<tr><td></td><td>E0</td><td>E-1</td><td>E-2</td><td>E-3</td></tr>
<tr><td>1</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes/No</td><td>E0, E-1, E-2</td></tr>
<tr><td>2</td><td>Yes</td><td>Yes</td><td>No</td><td>Yes</td><td>E0, E-1, E-3</td></tr>
<tr><td>3</td><td>Yes</td><td>No</td><td>Yes</td><td>Yes</td><td>E0, E-2, E-3</td></tr>
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<tr><td>6</td><td>Yes</td><td>No</td><td>Yes</td><td>No</td><td>E0, E-2</td></tr>
<tr><td>7</td><td>Yes</td><td>No</td><td>No</td><td>No</td><td>E0</td></tr>
</table>
</td></tr>
<tr><td>Minimum Initial margin</td><td>12%</td></tr>
</table>

Tolerance Limits for Outbound Deliveries-

Specification	Basis	Tolerance Limit
Inferior quality Turmeric (Chora/atthu finger, khota gatha, markha)	Upto 2.25%	+/- 0.3%
Length	Fingers less than or equal to 3 cm in length should not be more than 15%	+/- 3%
Damage due to moisture (i.e. Lokhandi) or over boiling (i.e. Kadh)	Upto 1.2%	+/- 0.2%
Bhusa, chaff dirt, earth clods and stones	Upto 0.75%	+/- 0.25%
Bulbs	Upto 3%	+/- 0.5%
Upper limit on the total of all tolerances		+/- 3.6%

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**
October 2022	April 2023
November 2022	May 2023
December 2022	June 2023
January 2023	July 2023
February 2023	No Launch
March 2023	No Launch
April 2023	August 2023
May 2023	September 2023
June 2023	October 2023
July 2023	November 2023
August 2023	December 2023
September 2023	No Launch

Modified Contract Specifications of Turmeric Options in Goods Contract
(Applicable for contracts expiring in the month of April 2023 and thereafter with effect from October 04, 2022)

Type of Contract	Options in Goods
Underlying	TMCFGRNZM
Symbol	<UNDERLYING SYMBOL><OPTIONS EXPIRY DATE-DDMMMYY><CE/PE><STRIKE PRICE><UNDERLYINGTYPE-F/S> Example: TMCFGRNZM20MAY20CE4100S
Unit of trading	5 MT
Delivery Unit	5 MT
Maximum Order Size	250 MT
Settlement Type	Compulsory Delivery
Opening of Contracts	Options contract shall be launched on the trading day following the day on which the Futures contract with the same underlying is launched
Closing of Contract	Upon the expiry of the contract all the outstanding open position shall result in compulsory delivery. The penalty structure for failure to meet delivery obligations will be as per circular no. NCCL/CLEARING-010/2021 dated March 24, 2021 and NCCL/CLEARING-029/2021 dated August 18, 2021.
Options Type	European
Premium Quotation/base value	Rs. Per Quintal
Tick Size	Rs. 1 per Quintal
Due Date/ Expiry Date	Expiry date of the contract: 20th day of the delivery month. If 20th happens to be a holiday, a Saturday or a Sunday then the due date shall be the immediately preceding trading day of the Exchange, which is other than a Saturday. 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.
Strike Interval	100
Number of Strikes	10-1-10

Quality Parameters	Farmer Polished Turmeric Fingers with the following specifications as the basis
	
	Farmer Polished Turmeric Fingers
	
	• Inferior quality Turmeric* should not be more than 2.25%
	• Length
	  o Fingers that are broken/those less than 15mm should not bemore than 3.0%
	  o Fingers less than or equal to 3 cm in length should not bemore than 15%
	• Damage due to moisture (i.e. Lokhandi) or over boiling (i.e.Kadh) should not be more than 1.2%
	• **Unboiled or less boiled (Gajarthod) turmeric should not be more than 0.5%**
	• Bhusa, chaff dirt, earth clods and stones should not be more than 0.75%
	• Bulbs should not be more than 3%
	• Moisture: 12% max
	• Turmeric should be free from fungus
	• Turmeric should not be artificially colored with dyes or chemicals
	
	* Chora/atthu finger, khota gatha, markha

Also Deliverable	The following qualities will be acceptable at Exchange specified premium/discount • Unpolished Turmeric fingers of Nizamabad at Nizamabad • Only Farmer Polished Fingers of Nizamabad at Sangli • Only Farmer Polished Fingers of Rajapore at Sangli • Only Farmer Polished Fingers of Erode at Erode • Only Farmer Polished Fingers of Salem at Erode • Only Farmer Polished Fingers of Salem at Basmat
Quantity Variation	+/- 2%
Basis	Farmer polished turmeric fingers Nizamabad quality ex warehouse Nizamabad exclusive of GST
Delivery Centre	Nizamabad (up to the radius of 50 Km from the municipal limits)
Additional Delivery Centres	Sangli, Erode, and Basmat (up to the radius of 50 Km from the municipal limits) with location wise premium/discount as announced by the Exchange
Options Launch Calendar	As per the Options Launch Calendar
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 the above timing with due notice
Daily Price Range (DPR)	Based on the factors of Daily Price Range (DPR) of Futures contract and volatility.

Position Limits	Position limits for 'option in goods' shall be clubbed with position limits of 'options on commodity futures' on the same underlying goods but shall remain separate from position limits of futures contracts on the same underlying. Numerical value for client level/member level limits in Options shall be twice of corresponding numbers applicable for Futures contracts. Turmeric: 1,12,000 MT and 11, 200 MT for member and client respectively. **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. Member-wise: 14,000 MT or One-eighth of the member's overall position limit in that commodity, whichever is higher. Client-wise: 1,400 MT
Exercise of Options	European Options to be exercised only on the day of Expiration of the Options contracts
Mechanism of Exercise	a) All option contracts belonging to 'CTM' option series shall be exercised only on 'explicit instruction' for exercise by the long position holders of such contracts. b) All In the money (ITM) option contracts, except those belonging to 'CTM' option series, shall be exercised automatically, unless 'contrary instruction' has been given by long position holders of such contracts for not doing so. c) All Out of the money (OTM) option contracts, except those belonging to 'CTM' option series, shall expire worthless. d) All exercised contracts within an option series shall be assigned to short positions in that series in a fair and non-preferential manner.
Final Settlement Method	On exercise, Option position shall result in physical Delivery of underlying commodity: • long call position shall result into a buy (commodity receivable) position • long put position shall result into a sell (commodity deliverable) position • short call position shall result into a sell (commodity deliverable) position • short put position shall result into a buy (commodity receivable) Position

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<td>Final Settlement Price</td>
<td>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:
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</table>
</td>
</tr>
<tr>
<td>Initial Margin</td>
<td>NCCL shall adopt appropriate initial margin model and parameters that are risk-based and generate margin requirements sufficient to cover potential future exposure to participants/clients.
The initial margin shall be imposed at the level of portfolio of individual client comprising of his positions in futures and options contracts on each commodity.
Margins shall be adequate to cover atleast 99% VaR (Value at Risk) and Margin Period of Risk (MPOR) shall be at least three days.
For buyer of the option, buy premium shall be charged as margins and blocked from the collaterals.
On computation of settlement obligation at the end of day, the premium blocked shall be released and collected as pay-in as per process notified.
NCCL shall fix prudent price scan range and volatility scan range based on the volatility in the price of the underlying commodity.
Appropriate Short Option Minimum Margin (SOMM) shall be fixed.</td>
</tr>
</table>

Other Margins	• **Extreme loss margin:** NCCL shall levy appropriate Extreme loss margin as applicable. • **Calendar spread charge:** The calendar spread charge shall be calculated on the basis of delta of the portfolio of futures and options. A calendar spread charge of 25% on each leg of the positions shall be charged. • **Mark to Market:** NCCL shall mark to market the options positions by deducting/adding the current market value of options (positive for long options and negative for short options) times the number of long/short options in the portfolio from/to the margin requirement. Thus, mark to market gains and losses would not be settled in cash for options positions. • **Pre expiry margin:** Pre expiry margin will be charged on potential in the money long and short option positions. The pre expiry margin will be increased gradually every day beginning from the pre-determined number of days before the expiry of the contract as applicable. • **Delivery Margin:** Appropriate Delivery Margin will be charged on the long and short positions resulting into physical delivery. • **Margining at client level:** NCCL shall impose initial margins at the level of portfolio of individual client comprising of his positions in futures and options contracts on each commodity. • **Other margins**: Other margins like additional margins and special margins shall be applicable as and when they are levied by the Exchange/CC/Regulator.
Minimum Initial margin	12%
Extreme Loss Margin (ELM)	1%

Tolerance limit for Outbound delivery:

Specification	Basis	Tolerance Limit
Inferior quality Turmeric (Chora/atthu finger, khota gatha, markha)	Upto 2.25%	+/- 0.3%
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Bulbs	Upto 3%	+/- 0.5%
Upper limit on the total of all tolerances		+/- 3.6%

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.

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