
NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED

Circular to all trading and clearing members of the Exchange
Circular No : NCDEX/TRADING-064/2017/172
Date : July 12, 2017
Subject : Launch of Futures contract – Chana (CHANA)

The Exchange is pleased to inform the trading and clearing Members of the Exchange that as per its Bye-laws, Rules and Regulations, and with the approval received from the Securities Exchange Board of India vide letter no. SEBI/HO/CDMRD/RMP/OW/P/2017/15867/1 dated July 12, 2017, Futures contract in Chana (Desi Unprocessed Whole Raw Chana (Not for direct human consumption)), (Symbol: CHANA) expiring in the months of September 2017, October 2017 and November 2017 would be available for trading from **July 14, 2017**. Contracts for further expiries will be launched as per the enclosed contract launch calendar.

Members and participants are requested to note that Chana Futures contract will be available for trading with modified contract specifications. The Futures contract to be launched shall additionally be governed by the Product Note as 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.

Summary of modifications in contract specifications for Chana Futures contract expiring in the months of September 2017 and thereafter are given in Annexure I. Modified Contract specifications applicable for Chana Futures contract (Symbol: CHANA) expiring in the month of September 2017 and thereafter is given in Annexure II. Premium/discount for delivery location difference for contract expiring in the month of September 2017, October 2017 and November 2017 are given in Annexure III.

The transaction charges applicable on Chana futures contract (Symbol: CHANA) will be as per list B commodities which is presently at a flat rate of Rs. 2 per Rs. lakh of trade, till further notice from the Exchange.

With reference to Exchange circular No. NCDEX/RISK-033/2016/207 dated September 02, 2016 on Additional risk management norms for National Commodity Derivatives Exchanges, members and participants are requested to note that as per the directives of the SEBI and Byelaws, Rules and Regulations of the Exchange, Concentration Margin shall be levied on Chana. The Open Interest Threshold Level for Chana (CHANA) to attract Concentration Margin shall be as mentioned in the table below.

Commodity	Symbol	Measure	Open Interest Threshold Level
Chana	CHANA	MT	3,00,000

The applicable OI slabs and corresponding margin percentages at clearing member level and at client level shall be same as specified in the circular no. NCDEX/RISK-015/2016/085 dated April 18, 2016. The Concentration Margin and Threshold Limit shall be effective from beginning of trading day July 14, 2017.

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 Regulator. It is clarified that it is the sole obligation and responsibility of the Members and market participants to ensure that apart from the approved quality standards stipulated by the Exchange, the commodity deposited / traded / delivered through the approved warehouse of the Exchange is in due compliance with the applicable regulations laid down by authorities like Food Safety Standard Authority of India, AGMARK, BIS, 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 non-compliance thereof

For and on behalf of
National Commodity & Derivatives Exchange Limited

Suresh Devnani
Exchange Vice President - Business

For further information / clarifications, please contact

1. Mr. Krishan Singh on Mobile Phone (+91) 9548715777
2. Mr. Somesh Vaidya on Mobile Phone (+91) 9819161117
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 Chana futures contract

Parameter	Earlier Contract Specification	Modified Contract Specification																																				
Ticker Symbol	CHARJDDDEL	CHANA																																				
Basis	Desi ex-warehouse Delhi exclusive of sales tax/VAT	Desi Unprocessed Whole Raw Chana (Not for direct human consumption) ex-warehouse Bikaner exclusive of GST.																																				
Quality Specification	<table border="1"> <tr> <td colspan="2">Desi Chana</td> </tr> <tr> <td colspan="2">Chana Desi shall be sound, clean and shall be free from Mathara, Khesari and live infestation</td> </tr> <tr> <td>Foreign matter (other than varietal admixture) Chana with foreign matter not more than 1% by weight of which not more than 0.25% by weight shall be mineral matter and not more than 0.10% by weight shall be impurities of animal origin.</td> <td>1% max</td> </tr> <tr> <td>Green (Cotyledon color), Immature, Shrunken, Shriveled Seeds</td> <td>4% max</td> </tr> <tr> <td>Broken, Splits;</td> <td>3% max</td> </tr> <tr> <td>Damaged</td> <td>4% max</td> </tr> <tr> <td>Weevilled</td> <td>1% max</td> </tr> <tr> <td>Moisture</td> <td>11% max</td> </tr> <tr> <td>Varietal admixture</td> <td>3% Max</td> </tr> </table>	Desi Chana		Chana Desi shall be sound, clean and shall be free from Mathara, Khesari and live infestation		Foreign matter (other than varietal admixture) Chana with foreign matter not more than 1% by weight of which not more than 0.25% by weight shall be mineral matter and not more than 0.10% by weight shall be impurities of animal origin.	1% max	Green (Cotyledon color), Immature, Shrunken, Shriveled Seeds	4% max	Broken, Splits;	3% max	Damaged	4% max	Weevilled	1% max	Moisture	11% max	Varietal admixture	3% Max	<table border="1"> <tr> <td colspan="2">Desi Unprocessed whole Raw Chana (Not for direct human consumption)</td> </tr> <tr> <td colspan="2">Desi Unprocessed whole Raw Chana (Not for direct human consumption) shall be sound, clean and shall be free from Mathara, Khesari and live infestation</td> </tr> <tr> <td>Foreign matter (other than varietal admixture) Chana with foreign matter not more than 1% by weight of which not more than 0.25% by weight shall be mineral matter and not more than 0.10% by weight shall be impurities of animal origin.</td> <td>1% max</td> </tr> <tr> <td>Green (Cotyledon color), Immature, Shrunken, Shriveled Seeds</td> <td>4% max</td> </tr> <tr> <td>Broken, Splits;</td> <td>3% max</td> </tr> <tr> <td>Damaged</td> <td>4% max</td> </tr> <tr> <td>Weevilled</td> <td>1% max</td> </tr> <tr> <td>Moisture</td> <td>11% max</td> </tr> <tr> <td>Varietal admixture</td> <td>3% Max</td> </tr> </table>	Desi Unprocessed whole Raw Chana (Not for direct human consumption)		Desi Unprocessed whole Raw Chana (Not for direct human consumption) shall be sound, clean and shall be free from Mathara, Khesari and live infestation		Foreign matter (other than varietal admixture) Chana with foreign matter not more than 1% by weight of which not more than 0.25% by weight shall be mineral matter and not more than 0.10% by weight shall be impurities of animal origin.	1% max	Green (Cotyledon color), Immature, Shrunken, Shriveled Seeds	4% max	Broken, Splits;	3% max	Damaged	4% max	Weevilled	1% max	Moisture	11% max	Varietal admixture	3% Max
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Delivery Centre	Desi Chana to be delivered at Delhi (up to the radius of 60 kms from the municipal limits)	Desi Unprocessed whole Raw Chana (Not for direct human consumption) to be delivered at Bikaner (up to the radius of 100 kms from the municipal limits)																																				

Also Deliverable (Additional Delivery Centers (ADC))	Desi Chana can also be delivered at Bikaner and Ganj Basoda (up to the radius of 60 Kms from municipal limit)	Desi Unprocessed whole Raw Chana (Not for direct human consumption) can also be delivered at Ganj Basoda (Upto the radius of 100 Kms from municipal limit).																																												
Tender Period	<p>Tender Date –T</p> <p>Tender Period: The tender period shall start on 1st of every month in which the contract is due to expire. In case 1st 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>	<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. 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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Annexure II:
Contract Specifications of Chana (CHANA)

(Applicable for contracts expiring in the months of September 2017 and thereafter)

Type of Contract	Futures Contract	
Trading system	NCDEX Trading System	
Ticker symbol	CHANA	
Basis	Desi Unprocessed Whole Raw Chana (Not for direct human consumption) ex-warehouse Bikaner 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	Desi Unprocessed Whole Raw Chana (Not for direct human consumption)	
	Desi Unprocessed Whole Raw Chana (Not for direct human consumption) shall be sound, clean and shall be free from Mathara, Khesari and live infestation	
	Foreign matter (other than varietal admixture) Chana with foreign matter not more than 1% by weight of which not more than 0.25% by weight shall be mineral matter and not more than 0.10% by weight shall be impurities of animal origin.	1% max
	Green (Cotyledon color), Immature, Shrunken, Shriveled Seeds	4% max
	Broken, Splits;	3% max
	Damaged	4% max
	Weevilled	1% max
	Moisture	11% max
	Varietal admixture	3% Max
Quantity Variation	+/-5%	
Delivery center	Desi Unprocessed Whole Raw Chana (Not for direct human consumption) to be delivered at Bikaner (Upto the radius of 100 kms from the municipal limits)	

Also deliverable	Desi Unprocessed Whole Raw Chana (Not for direct human consumption) can also be delivered at Ganj Basoda (Upto the radius of 100 Kms from municipal limit).
Hours of Trading	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.
Delivery Logic	Compulsory delivery
No. of active contracts	As per launch calendar.
Opening of contracts	Trading in any contract month will open on the 1 st day of the month. If 1 st day of the month 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 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. 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 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, 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 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. NCDEX/CLEARING-020/2016/247 dated September 28, 2016.
Daily Price Limit (DPL)	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

	<p>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 following limits will be applicable for positions grossed across all Chana contracts on the Exchange</p> <p>Member-wise: 3,00,000 MT or 15% of the market-wide open interest, whichever is higher.</p> <p>Client-wise: 30,000 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 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: 75,000 MT or one-fourth of the member's overall position limit in that commodity, whichever is higher.</p> <p>Client-wise: 7,500 MT.</p>																																																				
Premium / Discount	<p>Premium/Discount for Chana delivery at additional delivery centers.</p> <p>The Premium and discount for different locations shall be announced by the Exchange before launching of contract.</p>																																																				
Special margins	<p>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.</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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7	Yes	No	No	No	E0																																																
Minimum Initial margin	4%																																																				

Tolerance limit for outbound deliveries in Chana

Commodity Specifications	Basis	Permissible Tolerance
Desi Unprocessed Whole Raw Chana (Not for direct human consumption)		
Moisture	11% max	+/- 0.50%
Green (Cotyledon Color), Immature, Shrunken, Shriveled Seeds	4% max	+/- 0.25%
Broken, Splits	3% max	+/-0.25%
Damaged Seeds	4% max	+/-0.50%
Varietal admixture	3% max	+/-0.25%
Max Tolerance (for all characteristics)		+/-1.25%

Contract Launch Calendar

Contract Launch Month	Contract Expiry Month
July 14, 2017	September 2017, October 2017 and November 2017
September 2017	December 2017 and January 2018
October 2017	March 2018
November 2017	April 2018
December 2017	May 2018
January 2018	June 2018
February 2018	July 2018
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Annexure III:

Premium / Discount for delivery location differences for contract expiring in the month of September 2017, October 2017 and November 2017:

Commodity (Base centre)	Additional delivery centre	(+) Premium/(-) Discount
Chana (Bikaner)	Ganj Basoda	No Premium/Discount