
NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED

Circular to all trading and clearing members of the Exchange
Circular No : NCDEX/TRADING-050/2017/135
Date : June 09, 2017
Subject : Launch of futures contract – Degummed Soy oil (SYODEGUM)

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/DRMP/OW/P/2017/13275/1 dated June 09, 2017, futures contract in Degummed Soy oil (Symbol: SYODEGUM) expiring in the months of July 2017, August 2017, September 2017, October 2017, November 2017, December 2017 and January 2018 would be available for trading from June 12, 2017. Contracts for further expiries will be launched as per the enclosed contract launch calendar.

Members and participants are requested to note that Degummed Soy oil futures contracts 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.

Contract specifications applicable for Degummed Soy oil futures contracts (Symbol: SYODEGUM) expiring in the month of July 2017 and thereafter are given in Annexure I.

The transaction charges applicable on Degummed Soy oil futures contract (SYODEGUM) will be as per list C, which is presently at a flat rate of Rs. 0.10 per 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 Degummed Soy Oil. The Threshold Limit for Degummed Soy Oil (SYODEGUM) shall be as mentioned in the table below.

Commodity	Symbol	Measure	Threshold Limit
Degummed Soy Oil	SYODEGUM	MT	3,50,000 MT

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 June 12, 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 Sales Tax, Value Added Tax, APMC Tax, Mandi Tax, LBT, Octroi, Excise duty, 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

Sarat Mulukutla
Chief – Commercial Segment

For further information / clarifications, please contact

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

Annexure I:
Contract Specifications of Degummed Soy oil (SYODEGUM)

(Applicable for contracts expiring in the month of July 2017 and thereafter)

Type of contract	Futures Contract																
Name of commodity	Degummed Soy Oil																
Ticker symbol	SYODEGUM																
Trading system	NCDEX Trading System																
Basis	Ex-seller's tank, Kandla exclusive of Sales Tax / VAT																
Unit of trading	10 MT																
Delivery unit	10 MT																
Maximum Order Size	500 MT																
Quotation/base value	Rs. per 10 Kg																
Tick size	5 Paise																
Quality specification	<p>Degummed Soy Oil with the following specifications:</p> <table border="1"> <tr> <td>FFA (expressed as Oleic Molecular Weight 282)</td> <td>1.25% max</td> </tr> <tr> <td>Moisture and volatile matter</td> <td>0.2% max</td> </tr> <tr> <td>Impurities (Insoluble in petrol ether)</td> <td>0.1% max</td> </tr> <tr> <td>Sediment</td> <td>0.1% max</td> </tr> <tr> <td>Lecithin (expressed as phosphorus)</td> <td>0.02% max</td> </tr> <tr> <td>Unsaponifiable matter</td> <td>1.5% max</td> </tr> <tr> <td>Colour (Lovibond cell 1")</td> <td>Not darker than 50 yellow plus 5 red</td> </tr> <tr> <td>Flash point</td> <td>Min 250 degree F (121 degree C)</td> </tr> </table> <p>Degummed Soy Oil should also conform to the provisions of regulation 2.2.1 (14) of Food Safety and Standards (Food Product Standards and Food Additives) Regulation 2011</p>	FFA (expressed as Oleic Molecular Weight 282)	1.25% max	Moisture and volatile matter	0.2% max	Impurities (Insoluble in petrol ether)	0.1% max	Sediment	0.1% max	Lecithin (expressed as phosphorus)	0.02% max	Unsaponifiable matter	1.5% max	Colour (Lovibond cell 1")	Not darker than 50 yellow plus 5 red	Flash point	Min 250 degree F (121 degree C)
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Colour (Lovibond cell 1")	Not darker than 50 yellow plus 5 red																
Flash point	Min 250 degree F (121 degree C)																
Quantity variation	+/- 2%																
Delivery centre	Kandla (within a radius of 50 km from the municipal limits)																
Trading hours	<p>As notified by the Exchange from time to time, currently:- Mondays through Fridays: 10:00 A.M. to 9.00 P.M. / 9.30 P.M.* * during US day light saving period On the expiry date, contracts expiring on that day will not be available for trading after 5 P.M. The Exchange may vary the above timing with due notice.</p>																
Due date/Expiry date	20th day of the delivery month																

	If 20th of the month happens to be a holiday, a Saturday or a Sunday then the due date shall be the immediately preceding trading day of the Exchange.
Delivery specification	Upon expiry of the contract, the delivery position would be arrived at by the Exchange based on the information to give/take delivery furnished by the Sellers and Buyers as per the process put in place by the Exchange for effecting physical delivery.
Closing of contract	On the expiry of the contract, all outstanding positions not resulting in giving/taking of physical delivery of the commodity shall be closed out at the Final Settlement Price (FSP) as announced by the Exchange
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 then the contracts would open for trading on the next trading day.
No. of active contracts	As per launch Calendar
Price limit	<p>Daily price limit is (+/-) 3%. Once the 3% limit is reached, then after a period of 15 minutes the limit shall be increased further by 1%. The trading shall be permitted during the 15 minutes period within the 3% limit. After the DPL is enhanced, trades shall be permitted throughout the day within the enhanced total DPL of 4%.</p> <p>The DPL on the launch (first) day of new contract shall be as per the circular no. NCDEX/RISK-034/2016/209 dated September 08, 2016.</p>
Position limits	<p>The position limits will be applicable on Exchange wise basis Member-wise: 350000 MT or 15 % of the market wide open interest in the commodity, whichever is higher Client-wise: 35000 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. Member-wise: 87500 MT or One-fourth of the member's overall position limit in that commodity, whichever is higher. Client-wise: 8750 MT.</p>
Premium/Discount	None
Delivery option	Intention Matching
Special margin	In case of unidirectional price movement/ increased volatility, an additional/ special margin at such other percentage, as deemed fit by the Regulator/Exchange, may be imposed on the buy and the sell side or on either of the buy or sell sides in respect of all outstanding positions. Reduction/ removal of such

	additional/ special margins shall be at the discretion of the Regulator/Exchange																																																				
Final Settlement Price	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 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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6	Yes	No	Yes	No	E0, E-2																																																
7	Yes	No	No	No	E0																																																
Minimum Initial Margin	4%																																																				

Contract Launch Calendar

Contract Launch Month	Contract Expiry Month
June 12, 2017	July 2017, August 2017, September 2017, October 2017, November 2017, December 2017 and January 2018
July 2017	February 2018
August 2017	March 2018
September 2017	April 2018
October 2017	May 2018
November 2017	June 2018
December 2017	July 2018
January 2018	August 2018
February 2018	September 2018
March 2018	October 2018
April 2018	November 2018
May 2018	December 2018