
NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED

Circular to all Members of the Exchange

Circular No. : NCDEX/TRADING-040/2024

Date : September 13, 2024

Subject : Modifications in Contract Specifications of Turmeric (TMCFGRNZM) Futures 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 Contract expiring in the month of April 2025 and thereafter with effect from October 01, 2024.

Currently, Turmeric (TMCFGRNZM) Futures Contracts expiring in the months of October 2024 & December 2024 are available for trading and would continue to be traded as per the existing contract specification. The Futures contracts of Turmeric (TMCFGRNZM) expiring in the month of April 2025 and May 2025 shall be available for trading with effect from October 01, 2024 and the changes will be applicable for Turmeric (TMCFGRNZM) Futures Contracts expiring in the month of April 2025, May and thereafter from the beginning of day October 01, 2024.

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 Contract expiring in the month of April 2025, May 2025 and thereafter with effect from October 01, 2024 is given in **Annexure I**.
2. Existing contract specifications applicable for Turmeric (TMCFGRNZM) Futures Contract expiring in the months of October 2024 & December 2024 is given in **Annexure II**.
3. Modified contract specifications applicable for Turmeric (TMCFGRNZM) Futures Contract expiring in the month of April 2025, May 2025 and thereafter with effect from October 01, 2024 and is given in **Annexure III**.
4. Premium/Discount for Grade and Location Difference for Turmeric (TMCFGRNZM) Futures Contract expiring in the month of April 2025, May 2025 and thereafter with effect from October 01, 2024 is given in **Annexure IV**.

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
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Annexure I: Summary of modifications in contract specifications for Turmeric (TMCFGNRM) Futures Contract

1. Turmeric (TMCFGNRM) Futures Contract

Parameter	Earlier Quality Specification			Modified Quality Specification			Rationale
Quality Specification Farmer Polished Turmeric Fingers	Fingers that are broken/those less than 15mm should not be more than 3.0% Fingers less than or equal to 3 cms in length should not be more than 15%			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%. Further 30% of the Fingers should be 5 cm or above in Length			As per current contract specification minimum 85% of the finger should be 3 cm and above in length. As per market feedback exchange should strengthen this, as natural length of the Turmeric finger comprises of larger size also. Exchange has done the quality analysis of approx. 40 samples of demat material of Nizamabad & Sangli location and found that above feedback is correct. Hence, based on the discussions in product advisory committee and quality analysis the change is proposed.
Tolerance Limits for Outbound Deliveries Length	Specification	Basis	Tolerance Limit	Specification	Basis	Tolerance Limit	As per the feedback received from market participants during the Product Advisory Committee (PAC) meeting.
	Length	Fingers less than or equal to 3 cm in	+/- 3%	Length	Fingers less than or equal to 3 cm in	+/- 3%	

		length should not be more than 15%.			length should not be more than 15%. Further 30% of the Fingers should be 5 cm or above in Length		
Premium/Discount for Grade and Location Difference	Center	Deliverable Variety	Premium/Discount	Center	Deliverable Variety	Premium/Discount	As per the feedback received from market participants during the Product Advisory Committee (PAC) meeting.
	Basmat	Salem	-2%	Basmat	Salem	At par	
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			The following qualities will be acceptable at Exchange specified premium/discount • Unpolished Turmeric fingers of Nizamabad at Nizamabad • 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			As per the feedback received from market participants during the Product Advisory Committee (PAC) meeting.



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	• Only Farmer Polished Fingers of Salem at Basmat		
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Annexure II: Existing Contract Specifications of Turmeric (TMCFGRNZM) Futures Contract
 (Applicable for contracts expiring in the months of October 2024 & December 2024)

Type of Contract	Futures Contract
Name of commodity	Turmeric
Ticker symbol	TMCFGRNZM
Trading system	NCDEX Trading System
Basis	Farmer polished turmeric fingers Nizamabad quality ex warehouse 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 0.5% • 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/athu 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: 10:00 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 1 st day of the month. If 1 st 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 3 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, 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-018/2024 dated April 08, 2024 .
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: 1,08,000 MT or 15% of market wide open interest in the commodity, whichever is higher Client-wise: 10,800 MT Bona fide hedger may seek exemption as per approved Hedge Policy of the Exchange notified vide Circular No. NCDEX/TRADING-026/2021/ dated August 30, 2021. 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: 27,000 MT or one-fourth of the member's overall position limit in that commodity, whichever is higher. Client-wise: 2,700 MT
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.
	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,

Final Settlement Price	the FSP under various scenarios of non-availability of polled spot prices shall be as under:					
	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
Minimum Initial margin	12%					

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
April 2024	October 2024
May 2024	No Launch
June 2024	December 2024

Annexure III: Modified Contract Specifications of Turmeric (TMCFGRNZM) Futures Contract
 (Applicable for contracts expiring in the month of April 2025 and thereafter with effect from October 01, 2024)

Type of Contract	Futures Contract
Name of commodity	Turmeric
Ticker symbol	TMCFGRNZM
Trading system	NCDEX Trading System
Basis	Farmer polished turmeric fingers Nizamabad quality ex warehouse 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%. Further 30% of the Fingers should be 5 cm or above in Length • 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 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: 10:00 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. If 1st 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 3 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, 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-018/2024 dated April 08, 2024
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: 1,08,000 MT or 15% of market wide open interest in the commodity, whichever is higher Client-wise: 10,800 MT Bona fide hedger may seek exemption as per approved Hedge Policy of the Exchange notified vide Circular No. NCDEX/TRADING-026/2021/ dated August 30, 2021. 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: 27,000 MT or one-fourth of the member's overall position limit in that commodity, whichever is higher. Client-wise: 2,700 MT
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.
	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

Final Settlement 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:					
	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
Minimum Initial margin	12%					

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%. Further 30% of the Fingers should be 5 cm or above in Length	+/- 3%
Damage due to moisture (i.e. Lokhandi) or over boiling (i.e.	Upto 1.2%	+/- 0.2%

Kadh)		
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 2024	April 2025, May 2025
November 2024	No Launch
December 2024	June 2025
January 2025	No Launch
February 2025	August 2025
March 2025	No Launch
April 2025	October 2025
May 2025	No Launch
June 2025	December 2025

Annexure IV: Premium/Discount for Grade and Location Difference for Turmeric (TMCFGNRMZM) Futures Contract expiring in the month of April 2025 and thereafter with effect from October 01, 2024

Center	Deliverable Variety	Premium/Discount
Nizamabad	Nizamabad (Farmer Polished)	Basis
Nizamabad	Nizamabad (Unpolished)	-4%
Sangli	Rajapore	+4%
Erode	Erode	No Premium/Discount
Erode	Salem	+2%
Basmat	Salem	At par