
NATIONAL MULTI-COMMODITY EXCHANGE OF INDIA LIMITED

CIRCULAR

Circular No :- NMCE/2016-17/0093

Date: -17-Oct-2016

For any Query/Clarification: -Mr. Aneesh Kumar DGM – Cochin - (☎) 0484-4052932 (M) 99950 18000
Mr. Rajesh Kadia (S & MW Dept) - (☎) 079-4008 6039.

Subject: - Modification of Pepper Contract and re-activation thereof

To,

All the Members,

In pursuance of the Rules, Regulation and the Bye Laws of the exchange and further to SEBI guidelines issued vide NMCE circular number NMCE/2016-17/0068 dated 22nd September, 2016, modifications in the existing Pepper Futures contract as recommended by the Trade Advisory Committee of the Exchange have been incorporated enabling all the stakeholders for their active participation.

A comparative view of existing specifications of Pepper contract and Proposed Modifications have been attached at Annexure – A. We have also attached herewith Modified Pepper Contract at Annexure-B for the clarity and information of the market participants which shall be in-force with effect from 28th October 2016.

Please note that all the existing running contracts of Pepper shall get expired at the end of day on 27th October 2016, and new contracts in Pepper with revised specifications shall be available w.e.f. 28th October 2016.

Members are requested to take a note of the above.

For and behalf of,

National Multi commodity Exchange of India Ltd

Dinesh Shukla

(Chief Compliance Officer)

Encl. as above

Comparative view of Existing and Modified Specification in PEPPER Contract - Annexure - A

Parameters	Existing Specification	Proposed Modifications in Specification
Asset Code	PEPPER	PEPPRM
Product Code	PEPPERF	PEPPRMF
Series Code	PEPMMYYYY	PPRMMYYYY
Trading System	NMCE's Derivatives Trading and Settlement System	No Change
Trading Hours	Monday to Friday :10:00 am to 5:00 pm	No Change
Unit of Trading	1 MT	100 Kg
Delivery Unit	1 MT	100 Kg
Quotation/Base Value	100 Kgs	No Change
Maximum order Size	50 MT	No Change
Tick Size	Rupee 1/-	No Change
Price Band *	The DPL shall have two slabs - 3% Initial and 1% Enhanced Slab. Once the initial slab limit is reached in any contract, then after a period of 15 minutes this limit shall be increased further by enhanced slab, only in that contract. The trading shall be permitted during the 15 minutes period within the initial slab limit. After the DPL is enhanced, trades shall be permitted throughout the day within the enhanced total DPL of 4%.	No Change
Quality Specification	Pepper Malabar Garbled 1 (MG1) Moisture- Max 11% (in monsoon 0.5% extra) Light Berries – Max 2% Extraneous Matter – Max 0.5% Mould- Free from mould Mineral oil- Free from oil wash	No Change
Packing	NOT MENTIONED	50.100 Kgs net 50.300 Kgs Gross in PP bag
Marking on the bag	NOT MENTIONED	(On One Side of the Bag) BLACK PEPPER MG1 NOT FOR DIRECT CONSUMPTION, CLEAN BEFORE USE. (On other Side of the Bag) Packing: 50.100 Kgs Net 50.300 Kgs Gross DEPOSITOR'S IDENTITY
Tolerance in weight loss for outbound deliveries	NOT MENTIONED	0.20%
Shelf life	NOT MENTIONED	4 Month from date of deposit

Comparative view of Existing and Modified Specification in PEPPER Contract - Annexure - A

Parameters	Existing Specification	Proposed Modifications in Specification
No. of delivery Contracts in a year	Maximum 12 monthly or minimum 2 monthly contracts running concurrently.	
Delivery Centers	CWC Warehouses located in Cochin/Ernakulam (basis center), Kottayam, Calicut, Malapuram, Vandanmedu & Trichur	CWC Kadvanthara - Cochin Basis Center
Opening of Contracts	Trading in any contract month will open on the 16th day of the month, as per approved calendar	No Change
Due Date	15th day of the delivery months if 15 th happens to be holiday then previous working day.	No Change
Due Date Rate	Due date rate for Pepper (basis variety) is calculated on the last day of contract maturity by way of taking the simple average of last 3 days spot price of the Cochin market for the basis variety.	No Change
Closing of Contract	Squaring up of positions will be permitted between 12 th and 15 th of delivery month. From 12 th to 15 th of delivery month, seller can tender Warehouse Receipt for settlement and Warehouse Receipt will be accepted for settlement at closing price of the previous day.	No Change
Delivery Logic	Compulsory Delivery	No Change
Initial margin	Minimum 5%	No Change
Additional and/ or Special margin	In case of additional volatility, an additional/special margin at such percentage, as deemed fit, will be imposed in respect of all outstanding positions and shall be notified separately.	No Change
Delivery period Margin	15%	20%
Limit on open position**	<u>Aggregate:</u> Member – 9,000 MT or 15% of total market open position in the commodity whichever is higher Client – 900 MT <u>Near Month Limit:</u> Member – 2,250 MT Client – 225	No Change

Modified Contract of PEPPER - Annexure - B	
Parameters	Specification
Asset Code	PEPPRM
Product Code	PEPPRMF
Series Code	PPRMMMYYYY
Trading System	NMCE's Derivatives Trading and Settlement System
Trading Hours	Monday to Friday :10:00 am to 5:00 pm
Unit of Trading	100 Kg
Delivery Unit	100 Kg
Quotation/Base Value	100 Kgs
Maximum order Size	50 MT
Tick Size	Rupee 1/-
Price Band *	The DPL shall have two slabs - 3% Initial and 1% Enhanced Slab. Once the initial slab limit is reached in any contract, then after a period of 15 minutes this limit shall be increased further by enhanced slab, only in that contract. The trading shall be permitted during the 15 minutes period within the initial slab limit. After the DPL is enhanced, trades shall be permitted throughout the day within the enhanced total DPL of 4%.
Quality Specification	Pepper Malabar Garbled 1 (MG1)
	Moisture- Max 11% (in monsoon 0.5% extra)
	Light Berries – Max 2%
	Extraneous Matter – Max 0.5%
	Mould- Free from mould Mineral oil - Free from oil wash
Packing	50.100 Kgs net
	50.300 Kgs Gross in PP bag
Marking on the bag	(On One Side of the Bag)
	BLACK PEPPER MG1
	NOT FOR DIRECT CONSUMPTION,
	CLEAN BEFORE USE.
	(On other Side of the Bag)
	Packing: 50.100 Kgs
	Net 50.300 Kgs Gross
DEPOSITOR'S IDENTITY	
Tolerance in weight loss for outbound deliveries	0.20%
Shelf life	4 Month from date of deposit

Modified Contract of PEPPER - Annexure - B	
Parameters	Specification
No. of delivery Contracts in a year	Maximum 12 monthly or minimum 2 monthly contracts running concurrently.
Delivery Centers	CWC Kadvanthara - Cochin Basis Center
Opening of Contracts	Trading in any contract month will open on the 16th day of the month, as per approved calendar
Due Date	15th day of the delivery months if 15 th happens to be holiday then previous working day.
Due Date Rate	Due date rate for Pepper (basis variety) is calculated on the last day of contract maturity by way of taking the simple average of last 3 days spot price of the Cochin market for the basis variety.
Closing of Contract	Squaring up of positions will be permitted between 12 th and 15 th of delivery month. From 12 th to 15 th of delivery month, seller can tender Warehouse Receipt for settlement and Warehouse Receipt will be accepted for settlement at closing price of the previous day.
Delivery Logic	Compulsory Delivery
Initial margin	Minimum 5%
Additional and/ or Special margin	In case of additional volatility, an additional/special margin at such percentage, as deemed fit, will be imposed in respect of all outstanding positions and shall be notified separately.
Delivery period Margin	20%
Limit on open position**	<u>Aggregate:</u>
	Member – 9,000 MT or 15% of total market open position in the commodity whichever is higher
	Client – 900 MT
	<u>Near Month Limit:</u>
	Member – 2,250 MT
	Client – 225

* As per NMCE circular no. NMCE/2015-16/0079 dated 18th January, 2016.

**As per NMCE circular no. NMCE/2015-16/0088 dated 18th February, 2016.