



Circular No: MCX/TRD/503/2019

September 13, 2019

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### **Commencement of Futures Trading in Cardamom February 2020 Contract**

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In terms of the provisions of the Rules, Bye-Laws and Business Rules of the Exchange, the Members of the Exchange are notified as under:

Cardamom February 2020 Futures contract will be available for trading with effect from Monday, September 16, 2019.

The contract specification of Cardamom Futures contract is revised with regards to Due Date Rate (Final Settlement Price). The revised contract specification are specified in Annexure.

The contract specifications and trading parameters of the contract as specified in Annexure herewith, shall be binding on all the Members of the Exchange and constituents trading through them.

The Delivery and Settlement procedure is separately intimated by Multi Commodity Exchange Clearing Corporation Limited (MCXCCL) vide MCXCCL Circular No. MCXCCL/C&S/185/2019 dated August 14, 2019.

Members are further requested to refer to MCXCCL Circular No. MCXCCL/WHL/021/2018 dated September 14, 2018 regarding "Revised Procedure for deposit of Cardamom at MCXCCL designated delivery centre for 2018-19".

Members are requested to take note of the same.

Sanjiv Kapur  
Asst. Vice President

Encl: As above

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Kindly contact Customer Support on 022 – 6649 4040 or send an email at [customersupport@mcxindia.com](mailto:customersupport@mcxindia.com) for further clarification.

----- Corporate office -----  
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## Contract Specifications of Cardamom

<b>Symbol</b>	CARDAMOM
<b>Description</b>	CARDAMOMMMYY
<b>Contract Listing</b>	Contracts are available as per the Contract Launch Calendar.
<b>Contract Start Day</b>	Contract launch date shall be the 16 <sup>th</sup> day of contract launch month. If 16 <sup>th</sup> day is a holiday then the following working day.
<b>Last Trading Day</b>	15 <sup>th</sup> of the contract expiry month. If 15 <sup>th</sup> is a holiday then preceding working day.
<b>Trading</b>	
<b>Trading Period</b>	Mondays through Fridays
<b>Trading Session</b>	Mondays through Fridays: 9.00 am to 5.00 pm
<b>Trading Unit</b>	100 KG (1 quintal)
<b>Quotation/Base Value</b>	Rs. per Kg
<b>Price Quote</b>	Ex- Vandanmedu, Dist. Idukki, Kerala (exclusive of all tax and levies)
<b>Maximum Order Size</b>	5000 KG (50 quintals)
<b>Tick Size (Minimum Price Movement)</b>	10 paisa per Kg
<b>Daily Price Limits</b>	DPL shall have two slabs - Initial and Enhanced Slab. Once the initial slab limit of 3% is reached in any contract, then after a period of 15 minutes, this limit shall be increased further by enhanced slab of 1%, 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%.
<b>Initial Margin*</b>	Minimum 4% or based on SPAN whichever is higher.
<b>Extreme Loss Margin</b>	Minimum 1%
<b>Additional and/ or Special Margin</b>	In case of additional volatility, an additional margin (on both buy & sell side) and/ or special margin (on either buy or sell side) at such percentage, as deemed fit; will be imposed in respect of all outstanding positions.
<b>Maximum Allowable Open Position</b>	For individual clients: 100 MT For a member collectively for all clients: 1000 MT or 15% of the market wide open interest, whichever is higher.  Near Month Limits For individual clients: 25 MT Near month member level position limit shall be equivalent to the one fourth of the overall member level position limit.
<b>Delivery</b>	
<b>Delivery Unit</b>	100 Kg, and direct multiples thereof.
<b>Delivery Period Margin Tender period**</b>	Delivery period margins shall be higher of: a. 3% + 5 day 99% VaR of spot price volatility Or b. 35%
<b>Delivery Centre(s)</b>	At Exchange designated warehouse at Vandanmedu in Idukki Dist of Kerala State

<b>Quality Certification</b>	<p><b>Cardamom 6.5 mm bold bulk</b></p> <ol style="list-style-type: none"> <li>1. Size of the capsules: Entire quantity of cardamom delivered shall remain on a sieve of 6.5 mm. However, 8% droppings by count will be allowed. 40% of the quantity delivered should be 7 mm and above.</li> <li>2. The Entire stock delivered shall be crop of current season.</li> <li>3. Density of stock delivered shall be 360 gms per litre [360 gm l/w] minimum.</li> <li>4. The cardamom delivered shall be free from blacks.</li> <li>5. Split and thrips capsules. 3% max by count.</li> <li>6. The colour of cardamom delivered shall be green, as per prevailing market available quality in the particular crop year.</li> <li>7. It shall not be discoloured capsules. However, 2 side and 1 side discoloured capsule together will be allowed upto 30% by count.</li> <li>8. Tips Open: 5% max by count allowed.</li> <li>9. Shriveled Capsules: 2% max by count allowed.</li> <li>10. Fruits (Yellow): 2% max by count allowed.</li> </ol>												
<b>Tolerance Limits for Outbound Deliveries</b>	<table border="1" data-bbox="536 786 1386 1055"> <thead> <tr> <th>Specifications</th> <th>Basis</th> <th>Tolerance Limit</th> </tr> </thead> <tbody> <tr> <td colspan="3">Cardamom bold bulk</td> </tr> <tr> <td>Density of stock delivered shall be 360 gms per litre [360 gm l/w] minimum.</td> <td>360 gm l/w min</td> <td>+/- 3.60 gm l/w</td> </tr> <tr> <td>Delivery Unit</td> <td>100 Kg</td> <td>+/- 0.5%</td> </tr> </tbody> </table> <p>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 MCX approved assayer.</p>	Specifications	Basis	Tolerance Limit	Cardamom bold bulk			Density of stock delivered shall be 360 gms per litre [360 gm l/w] minimum.	360 gm l/w min	+/- 3.60 gm l/w	Delivery Unit	100 Kg	+/- 0.5%
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<b>Packing</b>	<p>Delivery would be accepted only if the stock is packed in double jute bag with inner black polyethelene lining containing 50 kg net weight of cardamom of specified quality.</p>												
<b>Staggered Delivery Tender Period</b>	<p>The staggered delivery tender period would be the last 5 trading days (including expiry day) of the contracts.</p> <p>The seller/buyer having open position shall have an option, of submitting an intention of giving/taking delivery, on any day during the staggered delivery period.</p> <p>On expiry of the contract, all the open positions shall be marked for compulsory delivery.</p>												
<b>Delivery allocation</b>	<p>Allocation of intentions received to give delivery during the day to buyers having open long position shall be as per random allocation methodology to ensure that all buyers have an equal opportunity of being selected to receive delivery irrespective of the size or value of the position. However, preference may be given to buyers who have marked an intention of taking delivery.</p> <p>Funds pay-in of the delivery allocated to the buyer will be on T+2 working days i.e. excluding Saturday, Sunday &amp; Public Holiday.</p>												

	The buyer to whom the delivery is allocated will not be allowed to refuse taking delivery. If the seller fails to deliver, the penal provisions as specified for seller default shall be applicable.																																																				
<b>Delivery order rate</b>	On Tender Days: The delivery order rate (the rate at which delivery will be allocated) shall be the closing price (weighted average price of last half an hour) on the respective tender day except on the expiry date. On Expiry: On expiry date, the delivery order rate or final settlement price shall be the Due Date Rate (DDR) and not the closing prices.																																																				
<b>Due Date Rate (Final Settlement Price)</b>	For contracts where Final Settlement Price (FSP) is determined by polling, unless specifically approved otherwise, the 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" data-bbox="534 824 1332 1332"> <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> <p><b>In case of non-availability of polled spot price on expiry day (E0) due to sudden closure of physical market under any emergency situations noticed at the basis centre, Exchange shall decide further course of action for determining FSP and which shall be in accordance with MCXCCL circular no. MCXCCL/SPOT/187/2019 dated August 16, 2019.</b></p>	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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<b>Delivery Logic</b>	Compulsory																																																				

\* The Margin Period of Risk (MPOR) shall be 2 days in accordance with Circular No MCX/MCXCCL/374/2019 dated July 19, 2019 accordingly, the initial margin shall be scaled up by root 2.

\*\* As per SEBI directive SEBI/HO/CDMRD/DRMP/CIR/P/2016/77 dated Sep. 01, 2016.

**Contract Launch Calendar for Cardamom contracts expiring during the year 2020**

<b>Contract Launch Months</b>	<b>Contract Expiry Months</b>
August 2019	January 2020
September 2019	February 2020
October 2019	March 2020
November 2019	April 2020
December 2019	May 2020
January 2020	June 2020
February 2020	July 2020
March 2020	August 2020
April 2020	September 2020
May 2020	October 2020
June 2020	November 2020
July 2020	December 2020