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## **Chapter 1- Trading Conditions**

### **Authority**

Trading in Options on Futures on Jeera may be conducted under such terms and conditions as specified in the Rules, Byelaws and Regulations of the Exchange and as per the circulars and notifications issued by the Exchange thereunder or the Securities Exchange Board of India (SEBI) from time to time. The contract specifications for trading Options on Futures on **Jeera** is attached as **Exhibit 1**.

### **Underlying**

JEERAUNJHA

Option on Commodity Futures contract shall have Commodity Futures contract (of a specified month) traded on the Exchange as the underlying. The underlying commodity specifications on devolvement into Futures will be the same as that mentioned in the contract specifications of underlying Futures.

### **Option Symbol Descriptor**

<UNDERLYING SYMBOL><OPTIONS EXPIRY DATE- DDMMYY><CE/PE><STRIKE PRICE><UNDERLYINGTYPE- F/S><UNDERLYINGEXPIRY-MMMYY>

Example:

For a Jeera Futures contract expiring on May 20, 2024, with a staggered delivery period starting on May 14, 2024, the corresponding Futures contract symbol is JEERAUNJHA, and the corresponding Options on Futures contract symbol is JEERAUNJHA10MAY20CE24000FMAY24, which expires 4 trading days before the start of the staggered delivery period i.e., on May 10, 2024.

For option instruments Underlying: JEERAUNJHA Market type: N (Normal) Instrument Type: OPTFUT

### **Unit of Trading**

The unit of trading for Jeera shall be 3 Metric Tons (MT). Bids and offers may be accepted in lots of 3 MT or in multiples thereof.

### **Months Traded In**

Trading in Options on Futures on Jeera may be conducted in the months as specified by the Exchange from time to time.

### **Number of Strikes**

**10-1-10**

Each option expiry shall have minimum twenty one strikes available viz., ten each for In the Money (ITM), Out of the Money (OTM) and one At the Money (ATM).

### **Tick Size**

The tick size of the price of Jeera shall be **Re. 2 per Quintal**

### **Base Price**

Base Price on launch date of Option contract shall be theoretical price computed as per Black76 option pricing model.

The base price of the contracts on all subsequent trading days will be the closing price of the option contracts on the previous trading day.

**Unit for Premium Quotation / Base Value**

The unit for premium quotation / base value shall be Rs. per quintal.

**Daily Price Range**

Daily price range will be computed based on Daily Price Range (DPR) of the underlying Futures contract and the volatility. The DPR (minimum / maximum operating price range) shall be applicable for the trading day. Orders submitted beyond the price range will be rejected by the Exchange. Daily price range for each option contract shall be available daily on extranet common folder.

**Hours of Trading**

The hours of trading for Options on Futures on Jeera shall be as follows:

**Mondays through Fridays – 10:00 a.m. to 05.00 p.m.**

Or as determined by the Exchange from time to time. All timings are as per Indian Standard Timings (IST)

**Last Day of Trading**

The expiry of the Options on Futures contract shall be 4 trading days prior to the start of the staggered delivery period of the underlying Futures contract.

However, launch calendar with exact date of expirations shall be notified in advance.

**Position limits**

The Exchange vide Circular nos. NCDEX/RISK-037/2016/244 dated September 28, 2016, NCDEX/TRADING-053/2017/144 dated June 15, 2017, NCDEX/RISK- 014/2017/184 dated July 27, 2017 and NCDEX/ TRADING- 028/2025 dated July 31, 2025 prescribed norms for position limits for commodity Futures, Options on Commodity Futures- Product Design and Risk Management Framework, clubbing of open positions, penalties for violation of position limits. Position limits for options shall follow the same norms as provided in the said circular for Futures.

Position limits for 'Options on Futures' shall remain separate from position limits of futures contracts on the same underlying.

Numerical value for client level/member level limits in Options shall be twice of corresponding numbers applicable for Futures contracts.

**Jeera: 72,000 MT and 7,200 MT for member and client, respectively.**

**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: 9,000 MT or One-eighth of the member's overall position limit in that commodity, whichever is higher.

Client-wise: 900 MT

Due to separate position limits for options, there is a possibility that post exercise of options i.e. after devolvement of options into corresponding futures positions open positions for clients/members may exceed their permissible position limits for future contracts. Such clients/members shall be permitted maximum up to two trading days post option expiry day to reduce their futures positions to bring them within the permissible position limits.

**Margin Requirement:**

**Initial Margin:** National Commodity Clearing Limited (NCCL) shall adopt appropriate initial margin model and parameters that are risk based and generate margin requirements sufficient to cover potential future exposure to participants/clients.

The initial margin shall be imposed at the level of portfolio of individual client comprising of his positions in Futures and Options contracts on each commodity.

Margins shall be adequate to cover at least 99% VaR (Value at Risk) and Margin Period of Risk (MPOR) shall be at least four days.

For buyer of the Option, buy premium shall be charged as margins and blocked from the collaterals.

On computation of settlement obligation at the end of day, the premium blocked shall be released and collected as pay-in as per process notified.

NCCL shall levy appropriate Short Option Minimum Margin (SOMM) for sellers / writers of the Options contract.

NCCL shall fix prudent price scan range and volatility scan range based on the volatility in the price of the underlying commodity.

The Volatility Scan Range (VSR) shall be 8% and Short Option Minimum Margin (SOMM) is 12%.

**Extreme Loss Margin (ELM)**

NCCL shall levy appropriate extreme loss margin on short option contracts as applicable.

**Calendar Spread Charge**

The calendar spread charge shall be calculated on the basis of delta of the portfolio of futures and options. A calendar spread charge of 25% on each leg of the positions shall be charged.

**Mark to Market (MTM)**

NCCL shall mark to market the options positions by deducting/adding the current market value of options (positive for long options and negative for short options) times the number of long/short options in the portfolio from/to the margin requirement. Thus, mark to market gains and losses would not be settled in cash for options positions.

**Pre Expiry Margin**

Pre expiry margin would be levied as 33.33%(Expiry-2), 66.66%(Expiry-1) and 100%(Expiry) of the initial margins of underlying futures contracts three days prior to the expiry (including the day of expiry) of the options contracts respectively.

Pre expiry margin will be charged only on At the Money (ATM) and In the Money (ITM) long and short option positions. Further, during intraday if any Out of the Money (OTM) contract becomes ATM or ITM, per expiry margin would be levied intraday after volatility computation.

Further, Pre expiry margin shall be charged at end of the day (EOD). For short option positions, actual Short Option Minimum Margin (SOMM) charged shall be reduced from total pre expiry margin to be charged.

#### **Additional Lean Period Margin**

During lean period (i.e. the period before the arrival of new crop) there is often uncertainty about the arrivals of new crop. This may lead to higher volatility in prices of commodities during this period. Therefore, NCCL shall levy additional lean period margin of 2% on options contracts whose underlying contracts are expiring during lean period.

#### **Other Margins**

Other margins like additional margins and special margins shall be applicable as and when they are levied by the Exchange/Clearing Corporation/Regulator.

#### **Margining at Client Level**

NCCL shall impose initial margins at the level of portfolio of individual client comprising of his positions in futures and options contracts on each commodity.

#### **Duties & levies**

All duties, levies etc. up to the point of sale will have to be fully borne by the seller and shall be paid to the concerned authority. All related documentation should be completed before delivery of Jeera into the NCCL Approved Warehouse.

#### **Stamp Duty**

Stamp duty is payable on all contract notes issued as may be applicable in the State from where the contract note is issued or as per the Stamp Act of the State in which such contract note is received by the client, if such client is located in other state.

#### **Taxes**

##### **Goods and Services Tax (GST)**

##### **On services rendered by Members**

GST shall be payable by the members of the Clearing Corporation on the gross amount charged by them, from their clients on account of dealing in commodities.

##### **Commodity Transaction Tax (CTT)**

Commodity Transaction Tax, if and as applicable, will be collected as per the prescribed process. Accordingly, members are advised to update themselves with the change in rate of applicable CTT from time to time.

**Dispute Resolution**

Any Disputes, between members of the Exchange or Clearing Corporation inter-se and/or between members and constituents, arising out of or pertaining to deals/transactions executed on the Exchange platform shall be settled through Online Dispute Resolution (ODR) mechanism or any other such mechanism prescribed by the Regulator. The ODR mechanism shall facilitate conciliation/arbitration through online/digital process and shall be governed as per the Exchange Rules, Bye Laws and Regulations and/or SEBI directives/ guidelines issued from time to time.

**Compliance of Laws**

It is hereby 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 (FSSAI), AGMARK, BIS, Orders under packaging and labelling, Warehousing Development and Regulatory Authority (WDRA) etc. and 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 non-compliance thereof.

It is further clarified that upon the devolvement of an option contracts into futures positions, it shall be the responsibility of the parties to ensure that the underlying commodity specifications on devolvement into futures will be the same as mentioned in the contract specification of the underlying Jeera futures contract and it shall be the responsibility of the parties to ensure compliance of all applicable laws including those as stated above.

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## **Chapter 2 - Clearing and Settlement**

### **Premium Settlement for Option Contracts**

- a. Premium settlement in respect of trades in options contracts shall be settled in cash by debit/ credit of the clearing & settlement accounts of clearing members with the respective clearing bank.
- b. The premium payable or receivable value of clearing members shall be computed after netting the premium payable or receivable positions at trading member level, for each option contract, at the end of each trading day.
- c. The premium pay-in shall be effected before the start of trading on T+1 day along with pay-in of daily mark to market losses in respect of trades / positions in Futures contracts. ('T' is the trade date)
- d. The Clearing Members should make the amount of funds available in their clearing & settlement account before 8:30 AM on T+1 day
- e. The pay-out of funds (Options Premium + Futures MTM) shall be done after 9.30 AM, or as declared by the Clearing Corporation from time to time
- f. The Premium Pay-in / Pay-out obligation of the clearing member for trades in option contracts will be netted with daily MTM Pay-in / Pay-out obligation of trades / positions in Futures contracts.

### **Mark to Market**

The options positions shall be marked to market by deducting / adding the current market value of options (positive for long options and negative for short options) times the number of long/short options in the portfolio from/to the margin requirement. Thus, mark to market gains and losses would not be settled in cash for options positions.

### **Exercise Style**

European Options to be exercised only on the day of Expiration of the Options contracts

### **Final Settlement Price (FSP)**

Daily Settlement Price (DSP) of the underlying Futures contract on the Options Expiration day shall be the Final Settlement Price.

### **Settlement Method**

On exercise, Option position shall devolve into underlying Futures position as follows:

- long call position shall devolve into long position in the underlying Futures contract
- long put position shall devolve into short position in the underlying Futures contract
- short call position shall devolve into short position in the underlying Futures contract
- short put position shall devolve into long position in the underlying Futures contract

All such devolved futures positions shall be opened at the strike price of the exercised options.

### **Exercise / Devolvement Mechanism**

On expiry, following mechanism shall be adopted for exercise / devolvement of the options contracts:

- i. All In the money (ITM) option contracts shall be exercised automatically, unless 'contrary instruction' has been given by long position holders of such contracts for not doing so.
- ii. All Out of the money (OTM) option contracts shall expire worthless.

- iii. All exercised contracts within an option series shall be assigned to short positions in that series in a fair and non-preferential manner.

**Example:**

The following are the examples for identification of ITM and OTM strikes as per the Final Settlement price.

**Where Strike is equal to the FSP it is an OTM contract for Call or Put**

|                               |                    |  |                               |                    |  |                               |                    |
|-------------------------------|--------------------|--|-------------------------------|--------------------|--|-------------------------------|--------------------|
| <b>Strike Interval</b>        | <b>400</b>         |  | <b>Strike Interval</b>        | <b>400</b>         |  | <b>Strike Interval</b>        | <b>400</b>         |
| <b>Final Settlement Price</b> | <b>10,400</b>      |  | <b>Final Settlement Price</b> | <b>10,600</b>      |  | <b>Final Settlement Price</b> | <b>10,800</b>      |
| <b>For CALL Options</b>       |                    |  | <b>For CALL Options</b>       |                    |  | <b>For CALL Options</b>       |                    |
| <b>Strike Price</b>           | <b>Strike Type</b> |  | <b>Strike Price</b>           | <b>Strike Type</b> |  | <b>Strike Price</b>           | <b>Strike Type</b> |
| 8,800                         | ITM                |  | 9,000                         | ITM                |  | 9,200                         | ITM                |
| 9,200                         | ITM                |  | 9,400                         | ITM                |  | 9,600                         | ITM                |
| 9,600                         | ITM                |  | 9,800                         | ITM                |  | 10,000                        | ITM                |
| 10,000                        | ITM                |  | 10,200                        | ITM                |  | 10,400                        | ITM                |
| 10,400                        | OTM                |  | 10,600                        | OTM                |  | 10,800                        | OTM                |
| 10,800                        | OTM                |  | 11,000                        | OTM                |  | 11,200                        | OTM                |
| 11,200                        | OTM                |  | 11,400                        | OTM                |  | 11,600                        | OTM                |
| 11,600                        | OTM                |  | 11,800                        | OTM                |  | 12,000                        | OTM                |
| 12,000                        | OTM                |  | 12,200                        | OTM                |  | 12,400                        | OTM                |
| 12,400                        | OTM                |  | 12,600                        | OTM                |  | 12,800                        | OTM                |

|                        |                    |  |                        |                    |  |                        |                    |
|------------------------|--------------------|--|------------------------|--------------------|--|------------------------|--------------------|
|                        |                    |  |                        |                    |  |                        |                    |
| <b>For PUT Options</b> |                    |  | <b>For PUT Options</b> |                    |  | <b>For PUT Options</b> |                    |
| <b>Strike Price</b>    | <b>Strike Type</b> |  | <b>Strike Price</b>    | <b>Strike Type</b> |  | <b>Strike Price</b>    | <b>Strike Type</b> |
| 8,800                  | OTM                |  | 9,000                  | OTM                |  | 9,200                  | OTM                |
| 9,200                  | OTM                |  | 9,400                  | OTM                |  | 9,600                  | OTM                |
| 9,600                  | OTM                |  | 9,800                  | OTM                |  | 10,000                 | OTM                |
| 10,000                 | OTM                |  | 10,200                 | OTM                |  | 10,400                 | OTM                |
| 10,400                 | OTM                |  | 10,600                 | OTM                |  | 10,800                 | OTM                |
| 10,800                 | ITM                |  | 11,000                 | ITM                |  | 11,200                 | ITM                |

|        |     |  |        |     |  |        |     |
|--------|-----|--|--------|-----|--|--------|-----|
| 11,200 | ITM |  | 11,400 | ITM |  | 11,600 | ITM |
| 11,600 | ITM |  | 11,800 | ITM |  | 12,000 | ITM |
| 12,000 | ITM |  | 12,200 | ITM |  | 12,400 | ITM |
| 12,400 | ITM |  | 12,600 | ITM |  | 12,800 | ITM |

A table giving gist of devolvement procedure under different option series is given below:

| Series | Devolvement procedure                                  | Effect                                                                                                                                                                                                                                                                                 |
|--------|--------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ITM    | Positions shall devolve automatically                  | <ul style="list-style-type: none"> <li>Positions would get devolved into Futures contract at strike price</li> <li>Difference between settlement price and strike price shall be cash settled on T+1 day and form part of the MTM pay-in and payout under Futures position.</li> </ul> |
|        | ITM long position holder can give contrary instruction | <ul style="list-style-type: none"> <li>No positions will get devolved into Futures contract</li> <li>Expire worthless</li> </ul>                                                                                                                                                       |
| OTM    | Positions shall not devolve into Futures               | <ul style="list-style-type: none"> <li>All positions will expire worthless</li> </ul>                                                                                                                                                                                                  |

Marking Instruction for devolvement of positions

- The members can mark the instruction to not devolve through NCFE post close of trading session of option contract on expiry day
- Instruction can be marked by holder of the options contract i.e. long position holder
- For ITM option series, members shall give instruction for the quantity which is **not intended to be** devolved.

| Option Status | Position | Contrary instruction (Instruction to not exercise) | Effect                                                                                    |
|---------------|----------|----------------------------------------------------|-------------------------------------------------------------------------------------------|
| ITM           | 100      | 30                                                 | Partial Instruction – Balance 70 quantity shall devolve into underlying Futures Contract. |

|     |     |     |                                                                                      |
|-----|-----|-----|--------------------------------------------------------------------------------------|
| ITM | 100 | -   | No Instruction – 100 quantity shall devolve into underlying Futures Contract.        |
| ITM | 100 | 100 | Full Instruction – No positions shall get devolved into underlying Futures Contract. |

### **Assignment Process**

- The long positions in options contracts shall be assigned to short positions in the same contract.
- The total quantity to be exercised shall be computed as per exercise mechanism
- The total quantity to exercise in an options contract will be divided by the total long open positions in the options contract to determine the "exercise ratio".
- The short position of each client in the options contract of same series will be multiplied by the exercise ratio to determine the pro-rata quantity for assignment.
- Quantity equal to the pro-rata quantity rounded down to the nearest multiple of Futures lot size will be assigned to short position holders in the first round of assignments.
- If the total long quantity to be exercised has not been assigned in this first assignment round then a second assignment round will be carried out to assign the remaining quantity (i.e., the quantity remaining after subtracting the quantity assigned in the first round from the total long quantity to be exercised).
- The remaining quantity will be assigned one lot at a time in descending order from the short positions with the largest remaining pro-rata quantity to the short position with the smallest remaining pro-rata quantity.
- In the event that two or more short positions has equal remaining pro-rata quantity, and there is an insufficient quantity to assign to all such short positions, then a random number will be used by systems to determine assignment.

### **Completion of Settlement on NCCL Platform**

The settlement obligations on NCCL platform shall be deemed to be completed as per the provisions of the Rules, Bye-laws and Regulations of the Clearing Corporation and the circulars issued by the Clearing Corporation thereunder from time to time.

**Exhibit 1: Contract Specifications of Options on Futures on Jeera**

(Applicable for contracts expiring in the months of November 2025 and thereafter)

|                                              |                                                                                                                                                                                                                                                                                                                                                                  |
|----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Type of Contract</b>                      | Options on Futures                                                                                                                                                                                                                                                                                                                                               |
| <b>Underlying</b>                            | JEERAUNJHA<br>The underlying commodity specifications on devolvement into Futures will be the same as that mentioned in the contract specifications of underlying Futures.                                                                                                                                                                                       |
| <b>Symbol</b>                                | <UNDERLYING SYMBOL><OPTIONS EXPIRY DATE-<br>DDMMYY><CE/PE><STRIKE PRICE><UNDERLYINGTYPE-<br>F/S><UNDERLYINGEXPIRY-MMMYY><br>Example: JEERAUNJHA10MAY20CE24000FMAY24                                                                                                                                                                                              |
| <b>Unit of trading</b>                       | 3 MT                                                                                                                                                                                                                                                                                                                                                             |
| <b>Delivery Unit</b>                         | 3 MT                                                                                                                                                                                                                                                                                                                                                             |
| <b>Maximum Order Size</b>                    | 150 MT                                                                                                                                                                                                                                                                                                                                                           |
| <b>Settlement Type</b>                       | Devolvement into Corresponding Futures                                                                                                                                                                                                                                                                                                                           |
| <b>Opening of Contracts</b>                  | Options contract shall be launched on the next trading day following the day on which the Futures contract with the same underlying is launched                                                                                                                                                                                                                  |
| <b>Closing of Contract</b>                   | Upon the expiry of the contract all the outstanding open position shall result in devolvement into Futures.                                                                                                                                                                                                                                                      |
| <b>Final Settlement Price</b>                | Daily Settlement Price (DSP) of the underlying Futures contract on the Options Expiration day.                                                                                                                                                                                                                                                                   |
| <b>Options Type</b>                          | European                                                                                                                                                                                                                                                                                                                                                         |
| <b>Premium Quotation/base value</b>          | Rs. Per Quintal                                                                                                                                                                                                                                                                                                                                                  |
| <b>Tick Size</b>                             | Rs. 2 per Quintal                                                                                                                                                                                                                                                                                                                                                |
| <b>Due Date/ Expiry Date</b>                 | The expiry of the Options on Futures contract shall be 4 trading days prior to the start of the staggered delivery period of the underlying Futures contract.                                                                                                                                                                                                    |
| <b>Strike Interval</b>                       | 400                                                                                                                                                                                                                                                                                                                                                              |
| <b>Number of Strikes</b>                     | 10-1-10                                                                                                                                                                                                                                                                                                                                                          |
| <b>Quality Parameters</b>                    | Same as corresponding Futures contract                                                                                                                                                                                                                                                                                                                           |
| <b>Quality Premium/Discount</b>              | Same as corresponding Futures contract                                                                                                                                                                                                                                                                                                                           |
| <b>Tolerance limit for outbound delivery</b> | Same as corresponding Futures contract                                                                                                                                                                                                                                                                                                                           |
| <b>Quantity Variation</b>                    | Same as corresponding Futures contract                                                                                                                                                                                                                                                                                                                           |
| <b>Quality Allowance</b>                     | Same as corresponding Futures contract                                                                                                                                                                                                                                                                                                                           |
| <b>Trading Hours</b>                         | Same as corresponding Futures contract                                                                                                                                                                                                                                                                                                                           |
| <b>Daily Price Range (DPR)</b>               | Based on the factors of Daily Price Range (DPR) of Futures contract and volatility.                                                                                                                                                                                                                                                                              |
| <b>Position Limits</b>                       | Position limits for 'option on Futures' shall remain separate from position limits of futures contracts on the same underlying.<br><br>Numerical value for client level/member level limits in Options shall be twice of corresponding numbers applicable for Futures contracts.<br><br><b>Jeera:</b> 72,000 MT and 7,200 MT for member and client respectively. |

|                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|--------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                | <p><b>For near month contracts:</b></p> <p>The following limits would be applicable from 1<sup>st</sup> of every month in which the contract is due to expire. If 1<sup>st</sup> happens to be a non-trading day, the near month limits would start from the next trading day.</p> <p>Member-wise: 9,000 MT or One-eighth of the member's overall position limit in that commodity, whichever is higher.<br/>         Client-wise: 900 MT</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Exercise of Options</b>     | European Options to be exercised only on the day of Expiration of the Options contracts                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Mechanism of Exercise</b>   | <p>a. All In the money (ITM) option contracts shall be exercised automatically, unless 'contrary instruction has been given by long position holders of such contracts for not doing so.</p> <p>b. All Out of the money (OTM) option contracts shall expire worthless.</p> <p>c. All exercised contracts within an option series shall be assigned to short positions in that series in a fair and non-preferential manner.</p> <p>In the event contrary instruction are given by ITM option position holders, the positions shall expire worthless.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Final Settlement Method</b> | <p>On exercise, Option position shall devolve into underlying Futures position as follows:</p> <ul style="list-style-type: none"> <li>• long call position shall devolve into long position in the underlying Futures contract</li> <li>• long put position shall devolve into short position in the underlying Futures contract</li> <li>• short call position shall devolve into short position in the underlying Futures contract</li> <li>• short put position shall devolve into long position in the underlying Futures contract</li> </ul> <p>All such devolved futures positions shall be opened at the strike price of the exercised options.</p>                                                                                                                                                                                                                                                                                                                                                |
| <b>Initial Margin</b>          | <p>NCCL shall adopt appropriate initial margin model and parameters that are risk-based and generate margin requirements sufficient to cover potential future exposure to participants/clients.</p> <p>The initial margin shall be imposed at the level of portfolio of individual client comprising of his positions in futures and options contracts on each commodity.</p> <p>Margins shall be adequate to cover atleast 99% VaR (Value at Risk) and Margin Period of Risk (MPOR) shall be at least four days.</p> <p>For buyer of the option, buy premium shall be charged as margins and blocked from the collaterals.</p> <p>On computation of settlement obligation at the end of day, the premium blocked shall be released and collected as pay-in as per process notified.</p> <p>NCCL shall fix prudent price scan range and volatility scan range based on the volatility in the price of the underlying commodity.</p> <p>Appropriate Short Option Minimum Margin (SOMM) shall be fixed.</p> |

|                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
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| <b>Other Margins</b> | <ul style="list-style-type: none"> <li>• <b>Extreme loss margin:</b> NCCL shall levy appropriate Extreme loss margin as applicable.</li> <li>• <b>Calendar spread charge:</b> The calendar spread charge shall be calculated on the basis of delta of the portfolio of futures and options. A calendar spread charge of 25% on each leg of the positions shall be charged.</li> <li>• <b>Mark to Market:</b> NCCL shall mark to market the options positions by deducting/adding the current market value of options (positive for long options and negative for short options) times the number of long/short options in the portfolio from/to the margin requirement. Thus, mark to market gains and losses would not be settled in cash for options positions.</li> <li>• <b>Pre expiry margin:</b> Pre expiry margin would be levied as 33.33%(Expiry-2), 66.66%(Expiry-1) and 100%(Expiry) of the initial margins of underlying futures contracts three days prior to the expiry (including the day of expiry) of the options contracts respectively.<br/><br/>Pre expiry margin will be charged only on At the Money (ATM) and In the Money (ITM) long and short option positions. Further, during intraday if any Out of the Money (OTM) contract becomes ATM or ITM, per expiry margin would be levied intraday after volatility computation.</li> </ul> <p>For short option positions, actual Short Option Minimum Margin (SOMM) charged shall be reduced from total pre expiry margin to be charged.</p> <ul style="list-style-type: none"> <li>• <b>Additional Lean Period Margin:</b> During lean period (i.e. the period before the arrival of new crop) there is often uncertainty about the arrivals of new crop. This may lead to higher volatility in prices of commodities during this period. Therefore, NCCL shall levy additional lean period margin of 2% on the options contract whose underlying futures contracts will expire during lean period.</li> <li>• <b>Margining at client level:</b> NCCL shall impose initial margins at the level of portfolio of individual client comprising of his positions in futures and options contracts on each commodity.</li> <li>• <b>Other margins:</b> Other margins like additional margins and special margins shall be applicable as and when they are levied by the Exchange/Clearing Corporation/Regulator.</li> </ul> |
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**Contract Launch Calendar:**

| <b>Contract Launch Month</b> | <b>Options Expiry Month</b> |
|------------------------------|-----------------------------|
| July 2025                    | November 2025               |
| August 2025                  | December 2025               |
| September 2025               | January 2026                |
| October 2025                 | No Launch                   |
| November 2025                | March 2026                  |
| December 2025                | April 2026                  |
| January 2026                 | May 2026                    |
| February 2026                | June 2026                   |
| March 2026                   | July 2026                   |
| April-2026                   | August-2026                 |
| May 2026                     | September 2026              |
| June 2026                    | October 2026                |
| July 2026                    | November 2026               |
| August 2026                  | December 2026               |

**Disclaimer:**

Members and market participants who enter into buy and sell transactions may please note that they need to be aware of all the factors that go into the mechanism of trading and clearing, as well as all provisions of the Exchange's and/or Clearing Corporation's Rules, Bye Laws and Regulations, Product Notes, circulars, directives, notifications of the Exchange as well as of the Regulators, Governments and other authorities.

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 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, BIS, orders under packaging and labelling, Warehousing Development and Regulatory Authority (WDRA) etc. and 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 non-compliance thereof.

It is further clarified that upon the exercise of an option contract, it shall be the responsibility of the parties to ensure that the commodity specifications on exercise will be the same as mentioned in the contract specification of the Options on Futures on Jeera and it shall be the responsibility of the parties to ensure compliance of all applicable laws including those as stated above.