

Contract Specification of Options in Goods on Jeera Contract

(Applicable for contracts expiring in the month of December 2023 and thereafter)

Type of Contract	Options in Goods
Underlying	JEERAUNJHA
Symbol	<UNDERLYING SYMBOL><OPTIONS EXPIRY DATE- DDMMYY><CE/PE><STRIKE PRICE><UNDERLYINGTYPE-F/S> Example: JEERAUNJHA20MAY20CE4100S
Unit of trading	3 MT
Delivery Unit	3 MT
Maximum OrderSize	150 MT
Settlement Type	Compulsory Delivery
Opening of Contracts	Options contract shall be launched on the trading day following the day on which the Futures contract with the same underlying is launched.
Closing of Contract	Upon the expiry of the contract all the outstanding open position shall result in compulsory delivery. The penalty structure for failure to meet delivery obligations will be as per circular no. NCCL/CLEARING-035/2023 dated May 29, 2023.
Options Type	European
Premium Quotation/base value	Rs. Per Quintal
Tick Size	Rs. 1 per Quintal
Due Date/ ExpiryDate	Expiry date of the contract: 20 th day of the delivery month. If 20 th 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.

Strike Interval	400	
Number of Strikes	10-1-10	
Quality Parameters	Jeera of Indian Origin with the following specifications. Jeera to be necessarily machine cleaned	
	Foreign Matter*	1.0 % Max
	Seeds with Stalks	8.0 % Max
	Damaged, Discolored, Shrivelled and Immature seeds	4.5% Max
	Insect damaged matter	Should not be more than 0.5%
	Test Weight (on count basis)	Maximum 300 seeds per gram
	Moisture	8% Basis, 9.5% Maximum
	*Foreign matter includes anything other than Jeera seeds e.g. sand, silica, pebbles and other edible/non edible seeds	
Quantity Variation	+/- 2%	
Basis	Ex-warehouse Unjha exclusive of GST	
Delivery Centre	At the approved warehouse(s) in Unjha (up to the radius of 60 km from the municipal limits)	
Additional Delivery Centres	At the approved warehouse(s) in Jodhpur (up to the radius of 60 km from the municipal limits) with location wise premium/discount as announced by the Exchange prior to launch of contract	
Options Launch Calendar	As per the Options Launch Calendar	
Trading Hours	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.	
Daily Price Range(DPR)	Based on the factors of Daily Price Range (DPR) of Futures contract and volatility.	

Position Limits	<p>Position limits for 'option in goods' shall be clubbed with position limits of 'options on commodity futures' on the same underlying goods but shall remain separate from position limits of futures contracts on the same underlying.</p> <p>Numerical value for client level/member level limits in Options shall be twice of corresponding numbers applicable for Futures contracts.</p> <p>Jeera: 62,640 MT and 6,264 MT for member and client respectively.</p> <p>For near month contracts:</p> <p>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.</p> <p>Member-wise: 7,830 MT or One-eighth of the member's overall position limit in that commodity, whichever is higher.</p> <p>Client-wise: 783 MT</p>
Exercise of Options	<p>European Options to be exercised only on the day of Expiration of the Options contracts</p>
Mechanism of Exercise	<ul style="list-style-type: none"> a) All option contracts belonging to 'CTM' option series shall be exercised only on 'explicit instruction' for exercise by the long position holders of such contracts. b) All In the money (ITM) option contracts, except those belonging to 'CTM' option series, shall be exercised automatically, unless 'contrary instruction' has been given by long position holders of such contracts for not doing so. c) All Out of the money (OTM) option contracts, except those belonging to 'CTM' option series, shall expire worthless. d) All exercised contracts within an option series shall be assigned to short positions in that series in a fair and non-preferential manner.

Final Settlement Method	<p>On exercise, Option position shall result in physical Delivery of underlying commodity:</p> <ul style="list-style-type: none">• long call position shall result into a buy (commodity receivable) position• long put position shall result into a sell (commodity deliverable) position• short call position shall result into a sell (commodity deliverable) position• short put position shall result into a buy (commodity receivable) position																																																						
Final Settlement Price	<p>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:</p> <table><tr><th>Scenario</th><th colspan="4">Polled spot price availability on</th><th>FSP shall be simple average of last polled spot prices on:</th></tr><tr><th></th><th>E0</th><th>E-1</th><th>E-2</th><th>E-3</th><th></th></tr><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></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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Initial Margin	<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</p>																																																						

	<p>on the volatility in the price of the underlying commodity.</p> <p>Appropriate Short Option Minimum Margin (SOMM) shall be fixed.</p>
Other Margins	<ul style="list-style-type: none"> • Extreme loss margin: NCCL shall levy appropriate Extreme loss margin 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: 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 will be charged on potential in the money long and short option positions. The pre expiry margin will be increased gradually every day beginning from the pre-determined number of days before the expiry of the contract as applicable. • Delivery Margin: Appropriate Delivery Margin will be charged on the long and short positions resulting into physical delivery. • 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. <p>Other margins: Other margins like additional margins and special margins shall be applicable as and when they are levied by the Exchange/CC/Regulator.</p>
Minimum InitialMargin	12%
Extreme LossMargin (ELM)	1%

Tolerance limit for Outbound delivery:

Specification	Basis	Tolerance Limit
Foreign Matter	1.0 % max	+/- 0.25%
Seeds with Stalks	8.0 % max	+/- 0.4%
Damaged, Discolored, Shriveled and Immature seeds	4.5% max	+/- 0.5%
Insect damaged matter	Should not be more than 0.5%	
Test Weight (on count basis)	300 seeds max per 1 gram	+/- 10 seeds per 1 gram
Upper limit on the total of all tolerances		+/- 1.0%

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
August 2023	December 2023
September 2023	January 2024
October 2023	No Launch
November 2023	March 2024
December 2023	April 2024
January 2024	May 2024
February 2024	June 2024
March 2024	July 2024
April 2024	August 2024
May 2024	September 2024
June 2024	October 2024

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/ Clearing Corporation's Rules, Bye Laws, Regulations, Product Notes, circulars, directives, notifications of the Exchange/Clearing Corporation 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 warehouse 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, BIS, Warehousing Development and Regulatory Authority (WDRA) , Orders under Packaging and Labelling 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.