

**Contract Specifications of Options in Goods on Maize – Feed / Industrial Grade**

(Applicable for contracts expiring in the month of September 2023, October 2023, November 2023 and December 2023 till August 31, 2023)

Field	Description
<b>Underlying</b>	MAIZE
<b>Symbol</b>	<UNDERLYING SYMBOL><OPTIONS EXPIRY DATE-DDMMYY><CE/PE><STRIKE PRICE><UNDERLYINGTYPE-F/S>  Example: MAIZE20MAY20CE2100S
<b>Unit of Trading</b>	10 MT
<b>Delivery Unit</b>	10 MT
<b>Settlement Type</b>	Compulsory Delivery
<b>Opening of Contracts</b>	Options contract shall be launched on the 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 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
<b>Final Settlement Price</b>	Same as Corresponding Futures Contract
<b>Options Type</b>	European
<b>Premium Quotation/base value</b>	Rs. Per Quintal
<b>Tick Size</b>	Rs.0.50 per Quintal
<b>Expiry Date</b>	Same as Futures Expiry Date
<b>Strike Interval</b>	25
<b>Number of Strikes</b>	7-1-7
<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>	At the time of Inbound: +/-3.5% Outbound +/- 5%
<b>Basis</b>	Ex-warehouse Gulabbagh exclusive of GST (From April to September)  Ex-warehouse Chhindwara exclusive of GST (From October to March)
<b>Delivery Center</b>	Gulabbagh (Within 75 km radius from the municipal limits) (From April to September) Chhindwara (Within 75 km radius from the municipal limits) (From October to March)
<b>Additional Delivery Centers</b>	Chhindwara, Nizamabad and Sangli (Within 75 km radius from the municipal limits) (From April to September), with location Premium/Discount as notified by the Exchange from time to time.  Gulabbagh, Nizamabad and Sangli (Within 75 km radius from the municipal limits) (From October to March), with location Premium/Discount as notified by the Exchange from time to time

<b>Options Launch Calendar</b>	Same as corresponding Futures Contract.
<b>Trading Hours</b>	Same as corresponding Futures Contract.
<b>Daily Price Range</b>	Based on the factors of Daily Price Range (DPR) of Futures contract and volatility.
<b>Position Limits</b>	<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>Maize – Feed/Industrial Grade: 60,00,000 MT and 6,00,000 MT for member and client respectively.</p> <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: 7,50,000 MT or One-eighth of the member's overall position limit in that commodity, whichever is higher.</p> <p>Client-wise: 75,000 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 option contracts belonging to 'CTM' option series shall be exercised only on 'explicit instruction' for exercise by the long position holders of such contracts.</p> <p>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.</p> <p>c) All Out of the money (OTM) option contracts, except those belonging to 'CTM' option series, shall expire worthless.</p> <p>d) All exercised contracts within an option series shall be assigned to short positions in that series in a fair and non-preferential manner.</p>
<b>Final Settlement Method</b>	<p>On exercise, Option position shall result in physical Delivery of underlying commodity:</p> <ul style="list-style-type: none"> <li>• long call position shall result into a buy (commodity receivable) position</li> <li>• long put position shall result into a sell (commodity deliverable) position</li> <li>• short call position shall result into a sell (commodity deliverable) position</li> <li>• short put position shall result into a buy (commodity receivable) Position</li> </ul>
<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 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</p>

	<p>blocked shall be released and collected as pay-in as per process notified. NCCL shall fix prudent price scan range and volatility scan range based on the volatility in the price of the underlying commodity. Appropriate Short Option Minimum Margin (SOMM) shall be fixed.</p>
<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> 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.</li> <li>• <b>Delivery Margin</b>  Appropriate Delivery Margin will be charged on the long and short positions resulting into physical delivery.</li> <li>• <b>Margining at client level:</b> Clearing Corporation 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/CC/Regulator.</li> </ul>

**Contract Launch Calendar:**

Contract Launch Month	Contract Expiry Month
May-2023	September-2023
June-2023	October-2023
July-2023	November-2023
August-2023	December-2023

## **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 Bye Laws, Rules, 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 the NCCL either on their own or on their behalf by any third party 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 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 specifications of the Options in Goods on Maize – Feed/Industrial Grade and it shall be the responsibility of the parties to ensure compliance of all applicable laws including those as stated above

**Contract Specifications of Options in Goods on Maize – Feed / Industrial Grade**

(Applicable for contracts expiring in the month of September 2023 and thereafter with effect from September 01, 2023)

Field	Description
<b>Underlying</b>	MAIZE
<b>Symbol</b>	<UNDERLYING SYMBOL><OPTIONS EXPIRY DATE-DDMMYY><CE/PE><STRIKE PRICE><UNDERLYINGTYPE-F/S>  Example: MAIZE20MAY20CE2100S
<b>Unit of Trading</b>	10 MT
<b>Delivery Unit</b>	10 MT
<b>Settlement Type</b>	Compulsory Delivery
<b>Opening Contracts of</b>	Options contract shall be launched on the trading day following the day on which the Futures contract with the same underlying is launched
<b>Closing Contract of</b>	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
<b>Final Settlement Price</b>	Same as Corresponding Futures Contract
<b>Options Type</b>	European
<b>Premium Quotation/base value</b>	Rs. Per Quintal
<b>Tick Size</b>	Rs.0.50 per Quintal
<b>Expiry Date</b>	Same as Futures Expiry Date
<b>Strike Interval</b>	25
<b>Number of Strikes</b>	7-1-7
<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>	At the time of Inbound: +/-3.5% Outbound +/- 5%
<b>Basis</b>	Ex-warehouse Gulabbagh exclusive of GST (From April to September)  Ex-warehouse Chhindwara exclusive of GST (From October to March)
<b>Delivery Center</b>	Gulabbagh (Within 75 km radius from the municipal limits) (From April to September) Chhindwara (Within 75 km radius from the municipal limits) (From October to March)
<b>Additional Delivery Centers</b>	Chhindwara, Nizamabad and Sangli (Within 75 km radius from the municipal limits) (From April to September), with location Premium/Discount as notified by the Exchange from time to time.  Gulabbagh, Nizamabad and Sangli (Within 75 km radius from the municipal limits) (From October to March), with location Premium/Discount as notified by the Exchange from time to time

<b>Options Launch Calendar</b>	Same as corresponding Futures Contract.
<b>Trading Hours</b>	Same as corresponding Futures Contract.
<b>Daily Price Range</b>	Based on the factors of Daily Price Range (DPR) of Futures contract and volatility.
<b>Position Limits</b>	<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>Maize – Feed/Industrial Grade: 70,00,000 MT and 7,00,000 MT for member and client respectively.</p> <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: 8,75,000 MT or One-eighth of the member's overall position limit in that commodity, whichever is higher.</p> <p>Client-wise: 87,500 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>e) 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.</p> <p>f) 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.</p> <p>g) All Out of the money (OTM) option contracts, except those belonging to 'CTM' option series, shall expire worthless.</p> <p>h) All exercised contracts within an option series shall be assigned to short positions in that series in a fair and non-preferential manner.</p>
<b>Final Settlement Method</b>	<p>On exercise, Option position shall result in physical Delivery of underlying commodity:</p> <ul style="list-style-type: none"> <li>• long call position shall result into a buy (commodity receivable) position</li> <li>• long put position shall result into a sell (commodity deliverable) position</li> <li>• short call position shall result into a sell (commodity deliverable) position</li> <li>• short put position shall result into a buy (commodity receivable) Position</li> </ul>
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	<p>blocked shall be released and collected as pay-in as per process notified. 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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**Contract Launch Calendar:**

Contract Launch Month	Contract Expiry Month
May-2023	September-2023
June-2023	October-2023
July-2023	November-2023
August-2023	December-2023
September-2023	January-2024
October-2023	February-2024
November-2023	March-2024
December-2023	April-2024
January-2024	May-2024
February-2024	June-2024
March-2024	July-2024



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