NCDEX
Pragati ka Solid Exchange

NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED

Circular to all members of the Exchange
Circular No : NCDEX/TRADING-020/2021
Date : July 27, 2021
Subject : Modification in contract specifications – Soybean (SYBEANIDR) Futures and Options Contracts

Members are requested to note that the Exchange, as per SEBI circular no. SEBI/HO/CDMRD/DOP/CIR/P/2019/135 dated November 14, 2019 and SEBI/HO/CDMRD_DOP/P/CIR/2021/592 dated July 08, 2021 has modified the contract specifications of Soybean (SYBEANIDR) futures and options contracts expiring in the month of January 2022 and thereafter with effect from August 06, 2021.

Currently, Soybean (Symbol: SYBEANIDR) futures and options contracts expiring in the months of August 2021, September 2021, October 2021, November 2021, December 2021, January 2022 and February 2022 are available for trading and would continue to be traded as per existing contract specifications. However, Soybean (Symbol: SYBEANIDR) futures and options contracts expiring in the month of January 2022 and February 2022 would continue to be traded as per the existing contract specification till August 05, 2021.

Similarly, Soybean (Symbol: SYBEANIDR) futures and options contract expiring in the month of March 2022 shall be available for trading with effect from August 02, 2021 and August 03, 2021 respectively and would continue to be traded as per the existing contract specification till August 05, 2021. The changes will be applicable for Soybean (Symbol: SYBEANIDR) futures and options contracts expiring in the month of January 2022 and thereafter from the beginning of day August 06, 2021.

The running futures contracts and contracts to be launched further shall be additionally governed by the Product Note as is notified on the Exchange Website under the Tab – "Products". Similarly, the running options contracts and contracts to be launched further shall be additionally governed by the Product Note as is notified on the Exchange website under the tab – "Options -> Products". Members and Participants are requested to kindly go through the same and get acquainted with the product launched and its trading and related process put in place by the Exchange.

Members are requested to take note of the following:

1. Summary of modifications in contract specifications for Soybean (Symbol: SYBEANIDR) futures and options contracts expiring in the month of January 2022 and thereafter with effect from August 06, 2021 is given in **Annexure I.**

2. Existing contract specifications applicable for Soybean (Symbol: SYBEANIDR) futures and options contracts expiring in the month of August 2021, September 2021, October 2021, November 2021, December 2021 and in case of contracts expiring in the month of January 2022, February 2022 and March 2022 till August 05, 2021, is given in **Annexure II.**

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3. Modified contract specifications for Soybean (Symbol: SYBEANIDR) futures and options contracts applicable for contracts expiring in the month of January 2022 and thereafter with effect from August 06, 2021 is given in **Annexure III**.

4. Premium/Discount for delivery location difference for contracts expiring in the month of January 2022 (with effect from August 06, 2021) is given in **Annexure IV**.

The contracts and the transactions therein will be subject to Rules, Bye Laws and Regulations of the Exchange and circulars issued by the Exchange as well as directives, if any, issued from time to time by SEBI. 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 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 Standard Authority of India, AGMARK, Warehousing Development and Regulatory Authority (WDRA), Orders under Packaging and Labelling etc., as also 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 noncompliance thereof.

For and on behalf of
National Commodity & Derivatives Exchange Limited

Arun Yadav
Senior Vice President - Products

Encl: Annexures

For further information / clarifications, please contact

1. Customer Service Group on toll free number: 1800 26 62339
2. Customer Service Group by e-mail to: askus@ncdex.com

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Annexure I: Summary of modifications in contract specifications of Soy Bean (Symbol: SYBEANIDR) Futures and Options Contracts

Parameters	Existing contract specifications	Modified contract specifications	Rationale
Quality specification	Moisture: 9% basis, 11% Maximum Foreign Matter: 2 % Damaged: 2 % Green Seed : 7 %	Moisture: 9% basis, 11% Maximum Foreign Matter: **2 % basis, 5% Maximum** **Damaged: 2 % basis, 10% Maximum** Green Seed : 7 %	• Damaged seed parameter has been modified as per the market feedback and in order to align with the current physical market practices • Foreign matter has been updated to make it more comprehensive and for better understanding of market participants.
Quality Allowance(for Delivery)	Quality delivery with variation shall be acceptable with discount as under: • Foreign Matter: From 2-4% accepted at discount of 1:1, from 4-5% accepted with a discount of 1:2. Above 5% rejected (The term 'foreign matter' would, in-general, mean anything other than Soy Bean e.g. sand, silica, pebbles, stalks and other seeds) • Damaged Seed: From 2-5% accepted at 2:1. Above 5% rejected • Green Seed: Above 7% rejected	Quality delivery with variation shall be acceptable with discount as under: • Foreign Matter: From 2-4% accepted at discount of 1:1, from 4-5% accepted with a discount of 1:2. Above 5% rejected (The term 'foreign matter' would, in-general, mean anything other than Soy Bean e.g. sand, silica, pebbles, stalks and other seeds) • **Damaged Seed: From 2-7% accepted at 1:0.5 discount, from 7% to 10% at 1:0.75 discount and Above 10% rejected** • Green Seed: Above 7% rejected	As per the market feedback and in order to align with the current physical market practices

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<table>
<tr><th>Parameters</th><th>Existing contract specifications</th><th>Modified contract specifications</th><th>Rationale</th></tr>
<tr><td></td><td>Free from non-edible seeds such as Mahua, Castor and Neem and any toxic substances. Should be free from any foul odour and live infestation.</td><td>Free from non-edible seeds such as Mahua, Castor and Neem and any toxic substances. Should be free from any foul odour and live infestation.</td><td></td></tr>
<tr><td>Tolerance Limit</td><td>
<table>
<tr><td>Commodity Specifications</td><td>Basis</td><td>Acceptable quality range as per contract specification</td><td>Permissible Tolerance</td></tr>
<tr><td>Foreign Matter</td><td>2% Basis</td><td>From 2-4% accepted at 1:1 discount
From 4-5% accepted at discount of 1:2.
Above 5% rejected</td><td>0.25%</td></tr>
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<tr><td>Green Seed</td><td>7% Max</td><td></td><td>0.5%</td></tr>
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Annexure II: Existing Contract Specifications for Soybean (Symbol: SYBEANIDR) Futures Contracts

(Applicable for contracts expiring in the month of August 2021, September 2021, October 2021, November 2021, December 2021 and in case of contracts expiring in the month of January 2022, February 2022 and March 2022 till August 05, 2021)

Type of Contract	Futures Contract
Name of commodity	Soy Bean
Ticker symbol	SYBEANIDR
Trading System	NCDEX Trading System
Basis	Ex-Warehouse Indore exclusive of GST
Unit of trading	5 MT
Delivery unit	5 MT
Maximum Order Size	500 MT
Quotation/base value	Rs per quintal
Tick size	Re. 1.00
Quality specification	Moisture: 9% basis, 11% Maximum Foreign Matter: 2 % Damaged: 2 % Green Seed : 7 %
Quantity variation	+/- 2%
Delivery center	Indore (within a radius of 50 km from the municipal limits)
Additional delivery center	Akola, Latur (Maharashtra); Mandsaur (MP) and Kota (Rajasthan) Location Premium/Discount as notified by the Exchange from time to time.
Trading hours	As notified by the Exchange from time to time, currently: **Mondays through Fridays**: 9:00 AM to 05:00 PM The Exchange may vary the above timing with due notice
Due date/Expiry date	20th day of the delivery month. If 20th 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 not 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.

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Tender Period	Tender Date –T Tender Period: The tender period would be the last 5 trading days (including expiry day) of the contracts. Pay-in and Pay-out: On a T+2 basis. If the tender date is T, then pay-in and payout would happen on T+2 day. If such a T+2 day happens to be a Saturday, a Sunday or a holiday at the Exchange, Clearing Corporation, clearing banks or any of the service providers, pay-in and pay-out would be effected on the next working day.
Delivery specification	Upon expiry of the contracts all the outstanding open positions shall result in compulsory delivery. During the Tender period, if any delivery is tendered by seller, the corresponding buyer having open position and matched as per process put in place by the Exchange, shall be bound to settle by taking delivery on T + 2 day from the delivery center where the seller has delivered same. The penalty structure for failure to meet delivery obligations will be as per circular no. NCCL/CLEARING-010/2021 dated March 24, 2021
Delivery Logic	Compulsory Delivery
Closing of contract	Clearing and settlement of contracts will commence with the commencement of Tender Period by compulsory delivery of each open position tendered by the seller on T + 2 to the corresponding buyer matched by the process put in place by the Exchange. Upon the expiry of the contract all the outstanding open position shall result in compulsory delivery.
Opening of contracts	Trading in any contract month will open on the 1st day of the month. If the 1st day happens to be a non-trading day, contracts would open on next trading day
No. of active contracts	As per launch calendar
Price limit	Daily price limit is (+/-) 4%. Once the 4% limit is reached, then after a period of 15 minutes this limit shall be increased further by 2%. The trading shall be permitted during the 15 minutes period within the 4% limit. After the DPL is enhanced, trades shall be permitted throughout the day within the enhanced total DPL of 6%. The DPL on the launch (first) day of new contract shall be as per the circular no. NCDEX/TRADING-010/2021 dated March 22, 2021.

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Position limits	The position limits will be applicable on Exchange wise basis. Member-wise: 12,00,000 MT or 15% of market wide open interest in the commodity, whichever is higher. Client-wise:1,20,000 MT. Bona fide hedger/EFE clients may seek exemption as per approved Hedge Policy of the Exchange notified vide Circular No. NCDEX/CLEARING-019/2016/246 dated September 28, 2016 and Circular No: NCDEX/TRADING-072/2018 dated November 28, 2018. 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: 3,00,000 MT or one-fourth of the member's overall position limit in that commodity, whichever is higher. Client-wise: 30,000 MT
Quality Allowance (for Delivery)	Quality delivery with variation shall be acceptable with discount as under: • Foreign Matter: From 2-4% accepted at discount of 1:1, from 4-5% accepted with a discount of 1:2. Above 5% rejected (The term 'foreign matter' would, in-general, mean anything other than Soy Bean e.g. sand, silica, pebbles, stalks and other seeds) • Damaged Seed: From 2-5% accepted at 2:1. Above 5% rejected • Green Seed: Above 7% rejected • Free from non-edible seeds such as Mahua, Castor and Neem and any toxic substances. Should be free from any foul odour and live infestation.
Special Margin	In case of unidirectional price movement/ increased volatility, an additional/ special margin at such other percentage, as deemed fit by the Regulator/ Exchange, may be imposed on the buy and the sell side or on either of the buy or sell sides in respect of all outstanding positions. Reduction/ removal of such additional/ special margins shall be at the discretion of the Regulator/Exchange.

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<tr>
<td>Final Settlement Price</td>
<td>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>
<tr><td rowspan="2">Scenario</td><td colspan="4">Polled spot price availability on</td><td rowspan="2">FSP shall be simple average of last polled spot prices on:</td></tr>
<tr><td>E0</td><td>E-1</td><td>E-2</td><td>E-3</td></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>
</td>
</tr>
<tr>
<td>Minimum Initial Margin</td>
<td>10%</td>
</tr>
</table>

<u>Tolerance limit of Commodity:</u>

Commodity Specifications	**Basis**	**Acceptable quality range as per contract specification**	**Permissible Tolerance**
Foreign Matter	2% Basis	From 2-4% accepted at 1:1 discount From 4-5% accepted at discount of 1:2. Above 5% rejected	0.25%
Damaged	2% Basis	From 2-5% accepted at 2:1 discount. Above 5% rejected	0.25%
Green Seed	7% Max		0.5%
Max Tolerance (for all characteristics)			0.5%

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

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Contract Launch Calendar:

Contract Launch Month	Contract Expiry Month
January 2021	August 2021
February 2021	September 2021
March 2021	October 2021
April 2021	November 2021
May 2021	December 2021
June 2021	January 2022
July 2021	February 2022
August 2021	March 2022

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Existing Contract Specifications for Options on Goods on Soybean

(Applicable for contracts expiring in the month of August 2021, September 2021, October 2021, November 2021, December 2021 and in case of contracts expiring in the month of January 2022, February 2022 and March 2022 till August 05, 2021)

Type of Contract	Options in Goods
Underlying	SYBEANIDR
Symbol	<UNDERLYING SYMBOL><OPTIONS EXPIRY DATE-DDMMMYY><CE/PE><STRIKE PRICE><UNDERLYINGTYPE-F/S> Example: SYBEANIDR20MAY20CE2100S
Unit of Trading	5 MT
Delivery Unit	5 MT
Maximum Order Size	500 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-014/2021 dated April 27, 2021.
Final Settlement Price	Same as Corresponding Futures Contract
Options Type	European
Premium Quotation/base value	Rs. Per Quintal
Tick Size	Re.1 per Quintal
Expiry Date	Same as Futures Expiry Date
Strike Interval	50
Number of Strikes	7-1-7
Quality Parameters	Same as corresponding Futures Contract.
Quality Premium/ Discount	Same as corresponding Futures Contract.
Tolerance limit for Outbound delivery	Same as corresponding Futures Contract.
Quantity Variation	+/- 2%
Quality Allowance	Same as corresponding Futures Contract
Basis	Ex-warehouse Indore exclusive of GST
Delivery Center	Indore (within a radius of 50 km from the municipal limits)
Additional Delivery Centers	Akola, Latur (Maharashtra); Mandsaur (MP) and Kota (Rajasthan)

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	Location Premium/Discount as notified by the Exchange from time to time.
Options Launch Calendar	Same as corresponding Futures Contract Launch Calendar
Trading Hours	Same as corresponding Futures Contract.
Daily Price Range	Based on the factors of Daily Price Range (DPR) of Futures contract and volatility.
Position Limits	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. Numerical value for client level/member level limits in Options shall be twice of corresponding numbers applicable for Futures contracts. Soybean: 24,00,000 MT and 2,40,000 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: 3,00,000 MT or One-eighth of the member's overall position limit in that commodity, whichever is higher. Client-wise: 30,000 MT
Exercise of Options	European Options to be exercised only on the day of Expiration of the Options contracts
Mechanism of Exercise	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	On exercise, Option position shall result in physical Delivery of underlying commodity: • 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

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Initial Margin	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 atleast 99% VaR (Value at Risk) and Margin Period of Risk (MPOR) shall be three 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 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.
Other Margins	• **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.

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	• **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. • **Other margins**: Other margins like additional margins and special margins shall be applicable as and when they are levied by the Exchange/CC/Regulator.

Contract Launch Calendar

Contract Launch Month	Contract Expiry Month
January 2021	August 2021
February 2021	September 2021
March 2021	October 2021
April 2021	November 2021
May 2021	December 2021
June 2021	January 2022
July 2021	February 2022
August 2021	March 2022

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Annexure III: Modified Contract Specifications for Soybean (Symbol: SYBEANIDR) Futures Contract

(Applicable for contracts expiring in the month of January 2022 and thereafter) – with effect from August 06, 2021

Type of Contract	Futures Contract
Name of commodity	Soy Bean
Ticker symbol	SYBEANIDR
Trading System	NCDEX Trading System
Basis	Ex-Warehouse Indore exclusive of GST
Unit of trading	5 MT
Delivery unit	5 MT
Maximum Order Size	500 MT
Quotation/base value	Rs per quintal
Tick size	Re. 1.00
Quality specification	Moisture: 9% basis, 11% Maximum **Foreign Matter: 2 % basis, 5% Maximum** **Damaged: 2 % basis, 10% Maximum** Green Seed : 7 %
Quantity variation	+/- 2%
Delivery center	Indore (within a radius of 50 km from the municipal limits)
Additional delivery center	Akola, Latur (Maharashtra); Mandsaur (MP) and Kota (Rajasthan) Location Premium/Discount as notified by the Exchange from time to time.
Trading hours	As notified by the Exchange from time to time, currently: **Mondays through Fridays**: 9:00 AM to 05:00 PM The Exchange may vary the above timing with due notice

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Due date/Expiry date	20th day of the delivery month. If 20th 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 not 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.
Tender Period	Tender Date –T Tender Period: The tender period would be the last 5 trading days (including expiry day) of the contracts. Pay-in and Pay-out: On a T+2 basis. If the tender date is T, then pay-in and payout would happen on T+2 day. If such a T+2 day happens to be a Saturday, a Sunday or a holiday at the Exchange, Clearing Corporation, clearing banks or any of the service providers, pay-in and pay-out would be effected on the next working day.
Delivery specification	Upon expiry of the contracts all the outstanding open positions shall result in compulsory delivery. During the Tender period, if any delivery is tendered by seller, the corresponding buyer having open position and matched as per process put in place by the Exchange, shall be bound to settle by taking delivery on T + 2 day from the delivery center where the seller has delivered same. The penalty structure for failure to meet delivery obligations will be as per circular no. NCCL/CLEARING-010/2021 dated March 24, 2021
Delivery Logic	Compulsory Delivery
Closing of contract	Clearing and settlement of contracts will commence with the commencement of Tender Period by compulsory delivery of each open position tendered by the seller on T + 2 to the corresponding buyer matched by the process put in place by the Exchange. Upon the expiry of the contract all the outstanding open position shall result in compulsory delivery.
Opening of contracts	Trading in any contract month will open on the 1st day of the month. If the 1st day happens to be a non-trading day, contracts would open on next trading day
No. of active contracts	As per launch calendar
Price limit	Daily price limit is (+/-) 4%. Once the 4% limit is reached, then after a period of 15 minutes this limit shall be increased further by 2%. The trading shall be permitted during the 15 minutes' period within the 4% limit. After the DPL is enhanced, trades shall be permitted throughout the day within the enhanced total DPL of 6%. The DPL on the launch (first) day of new contract shall be as per the circular no. NCDEX/TRADING-010/2021 dated March 22, 2021.

Position limits	The position limits will be applicable on Exchange wise basis. Member-wise: 12,00,000 MT or 15% of market wide open interest in the commodity, whichever is higher. Client-wise:1,20,000 MT. Bona fide hedger/EFE clients may seek exemption as per approved Hedge Policy of the Exchange notified vide Circular No. NCDEX/CLEARING-019/2016/246 dated September 28, 2016 and Circular No: NCDEX/TRADING-072/2018 dated November 28, 2018. 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: 3,00,000 MT or one-fourth of the member's overall position limit in that commodity, whichever is higher. Client-wise: 30,000 MT
Quality Allowance (for Delivery)	Quality delivery with variation shall be acceptable with discount as under: • Foreign Matter: From 2-4% accepted at discount of 1:1, from 4-5% accepted with a discount of 1:2. Above 5% rejected (The term 'foreign matter' would, in-general, mean anything other than Soy Bean e.g. sand, silica, pebbles, stalks and other seeds) • **Damaged Seed: From 2-7% accepted at 1:0.5 discount, from 7% to 10% accepted at 1:0.75 discount and above 10% rejected** • Green Seed: Above 7% rejected • Free from non-edible seeds such as Mahua, Castor and Neem and any toxic substances. Should be free from any foul odour and live infestation.
Special Margin	In case of unidirectional price movement/ increased volatility, an additional/ special margin at such other percentage, as deemed fit by the Regulator/ Exchange, may be imposed on the buy and the sell side or on either of the buy or sell sides in respect of all outstanding positions. Reduction/ removal of such additional/ special margins shall be at the discretion of the Regulator/Exchange.

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<table>
<tr><td rowspan="9">Final Settlement Price</td><td colspan="6">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:</td></tr>
<tr><td>Scenario</td><td colspan="4">Polled spot price availability on
E0 | E-1 | E-2 | E-3</td><td>FSP shall be simple average of last polled spot prices on:</td></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>
<tr><td>Minimum Initial Margin</td><td colspan="6">10%</td></tr>
</table>

Tolerance limit of Commodity:

Commodity Specifications	Basis	Acceptable quality range as per contract specification	Permissible Tolerance
Foreign Matter	2% Basis	From 2-4% accepted at 1:1 discount From 4-5% accepted at discount of 1:2. Above 5% rejected	0.25%
Damaged	2% Basis	**From 2-7% accepted at 1:0.5 discount, from 7% to 10% accepted at 1:0.75 discount and Above 10% rejected**	0.25%
Green Seed	7% Max		0.5%
Max Tolerance (for all characteristics)			0.5%

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

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Contract Launch Calendar

Contract Launch Month	Contract Expiry Month
June 2021	January 2022
July 2021	February 2022
August 2021	March 2022
September 2021	April 2022
October 2021	May 2022
November 2021	June 2022
December 2021	July 2022
January 2022	August 2022
February 2022	September 2022
March 2022	October 2022
April 2022	November 2022
May 2022	December 2022

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Modified Contract Specifications for Options on Goods on Soybean

(Applicable for contracts expiring in the month of January 2022 and thereafter) – with effect from August 06 2021.

Type of Contract	Options in Goods
Underlying	SYBEANIDR
Symbol	<UNDERLYING SYMBOL><OPTIONS EXPIRY DATE-DDMMMYY><CE/PE><STRIKE PRICE><UNDERLYINGTYPE-F/S> Example: SYBEANIDR20MAY20CE2100S
Unit of Trading	5 MT
Delivery Unit	5 MT
Maximum Order Size	500 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-014/2021 dated April 27, 2021.
Final Settlement Price	Same as Corresponding Futures Contract
Options Type	European
Premium Quotation/base value	Rs. Per Quintal
Tick Size	Re.1 per Quintal
Expiry Date	Same as Futures Expiry Date
Strike Interval	50
Number of Strikes	7-1-7
Quality Parameters	Same as corresponding Futures Contract.
Quality Premium/ Discount	Same as corresponding Futures Contract.
Tolerance limit for Outbound delivery	Same as corresponding Futures Contract.
Quantity Variation	+/- 2%
Quality Allowance	Same as corresponding Futures Contract
Basis	Ex-warehouse Indore exclusive of GST
Delivery Center	Indore (within a radius of 50 km from the municipal limits)
Additional Delivery Centers	Akola, Latur (Maharashtra); Mandsaur (MP) and Kota (Rajasthan) Location Premium/Discount as notified by the Exchange from time to time.
Options Launch Calendar	Same as corresponding Futures Contract Launch Calendar

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Trading Hours	Same as corresponding Futures Contract.
Daily Price Range	Based on the factors of Daily Price Range (DPR) of Futures contract and volatility.
Position Limits	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. Numerical value for client level/member level limits in Options shall be twice of corresponding numbers applicable for Futures contracts. Soybean: 24,00,000 MT and 2,40,000 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: 3,00,000 MT or One-eighth of the member's overall position limit in that commodity, whichever is higher. Client-wise: 30,000 MT
Exercise of Options	European Options to be exercised only on the day of Expiration of the Options contracts
Mechanism of Exercise	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	On exercise, Option position shall result in physical Delivery of underlying commodity: • 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
Initial Margin	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.

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	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 atleast 99% VaR (Value at Risk) and Margin Period of Risk (MPOR) shall be three 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 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.
Other Margins	• **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.

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	• **Other margins**: Other margins like additional margins and special margins shall be applicable as and when they are levied by the Exchange/CC/Regulator.

Contract Launch Calendar

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Annexure IV: Premium/Discount for delivery location difference for contract expiring in the month of January 2022 (with effect from August 06, 2021)

Commodity (Base centre)	Additional delivery centre	(+) Premium/(-)Discount
Soybean (Indore)	Akola	No premium/discount
	Latur	No premium/discount
	Mandsaur	No premium/discount
	Kota	No premium/discount

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