
NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED

Circular to all members of the Exchange

Circular No : NCDEX/TRADING-054/2020

Date : October 30, 2020

Subject : Modification in contract specifications – Desi Unprocessed Whole Raw Chana (Not for Direct Human Consumption) (CHANA) Futures Contract and Options contract

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 has modified the contract specifications of Desi Unprocessed Whole Raw Chana (Not for Direct Human Consumption) (Symbol: CHANA) futures and options contract expiring in the month of April 2021 and thereafter with effect from November 30, 2020.

Currently, Desi Unprocessed Whole Raw Chana (Not for Direct Human Consumption) (Symbol: CHANA) futures and options contracts expiring in the months of November 2020, December 2020, January 2021 and March 2021 are available for trading and would continue to be traded as per existing contract specifications. Also, Desi Unprocessed Whole Raw Chana (Not for Direct Human Consumption) (Symbol: CHANA) futures and options contract expiring in the month of April 2021 is going to be available for trading with effect from November 02, 2020 and November 03, 2020 respectively as per the existing contract specification till November 27, 2020. The changes will be applicable for Desi Unprocessed Whole Raw Chana (Not for Direct Human Consumption) (Symbol: CHANA) futures and options contracts expiring in the month of April 2021 and thereafter from the beginning of day November 30, 2020.

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 Desi Unprocessed Whole Raw Chana (Not for Direct Human Consumption) (Symbol: CHANA) futures and options contracts expiring in the month of April 2021 and thereafter, applicable with effect from November 30, 2020 is given in **Annexure I**.
2. Existing contract specifications applicable for Desi Unprocessed Whole Raw Chana (Not for Direct Human Consumption) (Symbol: CHANA) futures and options contracts expiring in the month of November 2020, December 2020, January 2021 and March 2021 and in case of contract expiring in the month of April 2021 till November 27, 2020, is given in **Annexure II**.
3. Modified contract specifications for Desi Unprocessed Whole Raw Chana (Not for Direct Human Consumption) (Symbol: CHANA) futures and options contracts applicable for contracts expiring in the month of April 2021 and thereafter with effect from November 30, 2020 is given in **Annexure III**.
4. Premium/discount for delivery location difference for contract expiring in the month of April 2021 (with effect from November 30, 2020) 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 and Standards Authority of 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

Kapil Dev

Executive Vice President –Business

Encl: Annexure

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

Annexure I: Summary of modifications in contract specifications of Desi Unprocessed Whole Raw Chana (Not for Direct Human Consumption) (Symbol: CHANA) Futures and Options Contracts

Parameters	Existing contract specifications	Modified contract specifications	Rationale
Additional Delivery Centre	Desi Unprocessed Whole Raw Chana (Not for direct human consumption) can also be delivered at Akola and Jaipur (Upto the radius of 60 KMs from municipal limit). Vishal Chana (Unprocessed whole Raw Chana) can also be delivered at Indore (Upto the radius of 60 KMs from municipal limit).	Akola, Jaipur and Indore (Upto the radius of 60 KMs from municipal limit)	As deliverable varieties are mentioned as a separate parameter, there is no need to mention the same here.
Deliverable Varieties	Only “Vishal” variety (Unprocessed Whole Raw Chana) will be accepted at Indore location. At Indore any other varieties like Desi Chana, Kantawalla Chana, etc. will be treated as varietal admixture. Only Desi Chana (Unprocessed Whole Raw Chana) will be accepted at locations of Bikaner, Jaipur and Akola. Any other varieties like Vishal, etc. will be treated as varietal admixture.	Only Desi Chana (Unprocessed Whole Raw Chana) will be accepted at locations of Bikaner, Jaipur, Indore and Akola. Kantawalla Chana will be treated as varietal admixture.	In order to align with the current physical market practices.

5 / 31

Parameters	Existing contract specifications			Modified contract specifications			Rationale
	Damaged		4% max			max	
	Weevilled		1% max	Damaged		4% max	
	White egg spot		1% max	Weevilled		1% max	
	Moisture		11% max	White egg spot		1% max	
	Varietal admixture		4% Max	Moisture		11% max	
				Varietal admixture		4% Max	
Tolerance Limit	Commodity Specifications	Basis	Permissible Tolerance	Commodity Specifications	Basis	Permissible Tolerance	In order to better align the contract with the physical market
	Desi Unprocessed Whole Raw Chana (Not for direct human consumption)			Desi Unprocessed Whole Raw Chana (Not for direct human consumption)			

Parameters	Existing contract specifications			Modified contract specifications			Rationale
	Moisture	11% max	+/- 0.50%	Moisture	11% max	+/- 0.50%	
	Green (Cotyledon Color), Immature, Shrunken, Shriveled Seeds	4% max	+/- 0.25%	Green (Cotyledon Color), Immature, Shrunken, Shriveled Seeds	4% max	+/- 0.25%	
	Broken, Splits	3% max	+/- 0.25%	Khesari	0.1% max	None	
	Damaged Seeds	4% max	+/- 0.50%	Broken, Splits	3% max	+/- 0.25%	
	Varietal admixture	4% max	+/- 0.25%	Damaged Seeds	4% max	+/- 0.50%	
	Weevilled seeds	1% max	+/- 0.50%	Varietal admixture	4% max	+/- 0.25%	
	White egg spot	1% max	+/- 0.50%	Weevilled seeds	1% max	+/- 0.50%	
	Max Tolerance (for all		+/- 2.00%	White egg spot	1%	+/- 0.50%	

Parameters	Existing contract specifications	Modified contract specifications	Rationale								
	<table><tr><td>characteristics)</td><td></td></tr></table>	characteristics)		<table><tr><td></td><td>max</td><td></td></tr><tr><td colspan="2">Max Tolerance (for all characteristics)</td><td>+/- 2.00%</td></tr></table>		max		Max Tolerance (for all characteristics)		+/- 2.00%	
characteristics)											
	max										
Max Tolerance (for all characteristics)		+/- 2.00%									

Annexure II: Existing Contract Specifications for Desi Unprocessed Whole Raw Chana (Not for Direct Human Consumption) (Symbol: CHANA) Futures Contracts

(Applicable for contracts expiring in the months of November 2020, December 2020, January 2021, March 2021 and in case of contract expiring in the month of April 2021 applicable till November 27, 2020)

Type of Contract	Futures Contract	
Trading system	NCDEX Trading System	
Ticker symbol	CHANA	
Basis	Desi Unprocessed Whole Raw Chana (Not for direct human consumption) ex-warehouse Bikaner exclusive of GST	
Unit of trading	10 MT	
Delivery Unit	10 MT	
Maximum Order Size	500 MT	
Quotation/Base Value	Rs. Per Quintal	
Tick size	Re. 1	
Quality specification	Desi Unprocessed Whole Raw Chana (Not for direct human consumption)	
	Desi Unprocessed Whole Raw Chana (Not for direct human consumption) shall be sound, clean and shall be free from Mathara, Khesari and live infestation	
	Foreign matter (other than varietal admixture) Chana with foreign matter not more than 1% by weight of which not more than 0.25% by weight shall be mineral matter and not more than 0.10% by weight shall be impurities of animal origin.	1% max
	Green (Cotyledon color), Immature, Shrunken, Shriveled Seeds	4% max
	Broken, Splits;	3% max
	Damaged	4% max
	Weevilled	1% max

	White egg spot	1% max
	Moisture	11% max
	Varietal admixture	4% Max
Quantity Variation	+/-5%	
Delivery center	Desi Unprocessed Whole Raw Chana (Not for direct human consumption) to be delivered at Bikaner (Upto the radius of 60 KMs from the municipal limits)	
Additional Delivery Centers	Desi Unprocessed Whole Raw Chana (Not for direct human consumption) can also be delivered at Akola and Jaipur (Upto the radius of 60 KMs from municipal limit). Vishal Chana (Unprocessed whole Raw Chana) can also be delivered at Indore (Upto the radius of 60 KMs from municipal limit).	
Deliverable Varieties	Only "Vishal" variety (Unprocessed Whole Raw Chana) will be accepted at Indore location. At Indore any other varieties like Desi Chana, Kantawalla Chana, etc. will be treated as varietal admixture. Only Desi Chana (Unprocessed Whole Raw Chana) will be accepted at locations of Bikaner, Jaipur and Akola. Any other varieties like Vishal, etc. will be treated as varietal admixture.	
Hours of Trading	As notified by the Exchange from time to time, currently: - Mondays through Fridays: 09:00 a.m. to 5:00 p.m. The Exchange may vary the above timing with due notice.	
Delivery Logic	Compulsory delivery	
No. of active contracts	As per launch calendar	
Opening of contracts	Trading in any contract month will open on the 1 st day of the month. If 1 st day of the month happens to be a non-trading day, contracts would open on the next trading day.	

Tender Period	<p>Tender Period – T</p> <p>Tender Period: The tender period would be the last 5 trading days (including expiry day) of the contracts.</p> <p>Pay-in and Pay-out:</p> <p>On a T+2 basis. If the tender date is T, then pay-in and pay-out 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.</p>
Closing of contract	<p>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.</p> <p>Upon the expiry of the contract all the outstanding open position shall result in compulsory delivery.</p>
Due date/Expiry date	<p>Expiry date of the contract:</p> <p>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.</p> <p>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.</p>
Delivery Specification	<p>Upon expiry of the contracts all the outstanding open positions shall result in compulsory delivery.</p> <p>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.</p> <p>The penalty structure for failure to meet delivery obligations will be as per circular no. NCDEX/CLEARING-020/2016/247 dated September 28, 2016.</p>
Daily Price Limit (DPL)	<p>Daily price limit is (+/-) 3%. Once the 3% limit is reached, then after a period of 15 minutes this limit shall be increased further by 1%. The</p>

	<p>trading shall be permitted during the 15 minutes period within the 3% limit. After the DPL is enhanced, trades shall be permitted throughout the day within the enhanced total DPL of 4%.</p> <p>The DPL on the launch (first) day of new contract shall be as per the circular no. NCDEX/RISK-034/2016/209 dated September 08, 2016.</p>
Position limits	<p>The following limits will be applicable for positions grossed across all Chana contracts on the Exchange</p> <p>Member-wise: 2,80,000 MT or 15% of market-wide open interest in the commodity, whichever is higher.</p> <p>Client-wise: 28,000 MT</p> <p>Bona fide hedger 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.</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: 70,000 MT or one-fourth of the member's overall position limit in that commodity, whichever is higher.</p> <p>Client-wise: 7,000 MT.</p>
Premium / Discount	<p>Premium/Discount for Chana delivery at additional delivery centers.</p> <p>The Premium and discount for different locations shall be announced by the Exchange before launching of contract.</p>
Special margins	<p>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.</p>
Final Settlement Price	<p>FSP shall be arrived at by taking the simple average of the last polled</p>

	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:				
	Scenario	Polled spot price availability on			
		E0	E-1	E-2	E-3
	1	Yes	Yes	Yes	Yes/No
	2	Yes	Yes	No	Yes
	3	Yes	No	Yes	Yes
	4	Yes	No	No	Yes
	5	Yes	Yes	No	No
	6	Yes	No	Yes	No
	7	Yes	No	No	No
Minimum Initial margin	12%				

Tolerance limit for outbound deliveries in Chana

Commodity Specifications	Basis	Permissible Tolerance
Desi Unprocessed Whole Raw Chana (Not for direct human consumption)		
Moisture	11% max	+/- 0.50%
Green (Cotyledon Color), Immature, Shrunken, Shriveled Seeds	4% max	+/- 0.25%
Broken, Splits	3% max	+/- 0.25%
Damaged Seeds	4% max	+/- 0.50%
Varietal admixture	4% max	+/- 0.25%
Weevilled seeds	1% max	+/- 0.50%

White egg spot	1% max	+/- 0.50%
Max Tolerance (for all characteristics)		+/- 2.00%

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
June 2020	November 2020
July 2020	December 2020
August 2020	January 2021
September 2020	No Launch
October 2020	March 2021
November 2020	April 2021

Existing Contract Specifications of Options in Goods on Chana (Desi Unprocessed Whole Raw Chana – Not for Direct Human Consumption)

(Applicable for contracts expiring in the months of November 2020, December 2020, January 2021, March 2021 and in case of contract expiring in the month of April 2021 applicable till November 27, 2020)

Type of Contract	Options in Goods
Underlying	CHANA
Symbol	<UNDERLYING SYMBOL><OPTIONS EXPIRY DATE-DDMMYY><CE/PE><STRIKE PRICE><UNDERLYINGTYPE-F/S> Example: CHANA20MAY20CE2100S
Unit of Trading	10 MT
Delivery Unit	10 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-002/2020 dated April 07, 2020.
Final Settlement Price	Same as Corresponding Futures Contract
Options Type	European
Premium Quotation/base value	Rs. Per Quintal
Tick Size	Rs. 0.50 per Quintal
Expiry Date	Same as Corresponding Futures Contract
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	+/- 5%
Basis	Desi Unprocessed Whole Raw Chana (Not for direct human consumption) Ex-warehouse Bikaner, exclusive of GST
Delivery Center	Desi Unprocessed Whole Raw Chana (Not for direct human consumption) to be delivered at Bikaner (up to the radius of 60 Kms from the municipal limits)
Additional Delivery Centers	Desi Unprocessed Whole Raw Chana (Not for direct human consumption) can also be delivered at Akola and Jaipur (Upto the radius of 60 KMs from municipal limit). Vishal Chana (Unprocessed whole Raw Chana) can also be delivered at Indore (Upto the radius of 60 KMs from municipal limit) Location Premium/Discount as notified by the Exchange from time to time
Deliverable Varieties	Only "Vishal" variety (Unprocessed Whole Raw Chana) will be accepted at Indore location. At Indore any other varieties like Desi Chana, Kantawalla Chana, etc. will be treated as varietal admixture. Only Desi Chana (Unprocessed Whole Raw Chana) will be accepted at locations of Bikaner, Jaipur and Akola. Any other varieties like Vishal, etc. will be treated as varietal admixture
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. Desi Unprocessed Whole Raw Chana (Not for Direct Human

	<p>Consumption): 5,60,000 MT and 56,000 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: 70,000 MT or One-eighth of the member's overall position limit in that commodity, whichever is higher.</p> <p>Client-wise: 7,000 MT</p>
Exercise of Options	European Options to be exercised only on the day of Expiration of the Options contracts
Mechanism of Exercise	<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>
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
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</p>

	<p>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 three 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>
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

	<p>futures and options contracts on each commodity.</p> <ul style="list-style-type: none"> 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
September 02, 2020	November 2020 December 2020 January 2021
October 2020	March 2021
November 2020	April 2021

Annexure III: Modified Contract Specifications for Desi Unprocessed Whole Raw Chana (Not for Direct Human Consumption) (Symbol: CHANA) Futures Contracts

(Applicable for contracts expiring in the month of April 2021 and thereafter) – with effect from November 30, 2020

Type of Contract	Futures Contract	
Name of Commodity	Desi Unprocessed Whole Raw Chana (Not for Direct Human Consumption)	
Trading system	NCDEX Trading System	
Ticker symbol	CHANA	
Basis	Desi Unprocessed Whole Raw Chana (Not for direct human consumption) ex-warehouse Bikaner exclusive of GST	
Unit of trading	10 MT	
Delivery Unit	10 MT	
Maximum Order Size	500 MT	
Quotation/Base Value	Rs. Per Quintal	
Tick size	Re. 1	
Quality specification	Desi Unprocessed Whole Raw Chana (Not for direct human consumption)	
	Desi Unprocessed Whole Raw Chana (Not for direct human consumption) shall be sound, clean and shall be free from Mathara and live infestation	
	Foreign matter (other than varietal admixture) Chana with foreign matter not more than 1% by weight of which not more than 0.25% by weight shall be mineral matter and not more than 0.10% by weight shall be impurities of animal origin.	1% max
	Green (Cotyledon color), Immature, Shrunken, Shriveled Seeds	4% max
	Khesari	0.1% max

	Broken, Splits;	3% max
	Damaged	4% max
	Weevilled	1% max
	White egg spot	1% max
	Moisture	11% max
	Varietal admixture	4% Max
Quantity Variation	+/-5%	
Delivery center	Desi Unprocessed Whole Raw Chana (Not for direct human consumption) to be delivered at Bikaner (Upto the radius of 60 KMs from the municipal limits)	
Additional Delivery Centers	Akola, Jaipur and Indore (Upto the radius of 60 KMs from municipal limit).	
Deliverable Varieties	Only Desi Chana (Unprocessed Whole Raw Chana) will be accepted at locations of Bikaner, Jaipur, Indore and Akola. Kantawalla Chana will be treated as varietal admixture.	
Hours of Trading	As notified by the Exchange from time to time, currently: - Mondays through Fridays: 09:00 a.m. to 5:00 p.m. The Exchange may vary the above timing with due notice.	
Delivery Logic	Compulsory delivery	
No. of active contracts	As per launch calendar	
Opening of contracts	Trading in any contract month will open on the 1 st day of the month. If 1 st day of the month happens to be a non-trading day, contracts would open on the next trading day.	
Tender Period	Tender Period – 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 pay-out 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	

	<p>effected on the next working day.</p>
Closing of contract	<p>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.</p> <p>Upon the expiry of the contract all the outstanding open position shall result in compulsory delivery.</p>
Due date/Expiry date	<p>Expiry date of the contract: 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.</p> <p>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.</p>
Delivery Specification	<p>Upon expiry of the contracts all the outstanding open positions shall result in compulsory delivery.</p> <p>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.</p> <p>The penalty structure for failure to meet delivery obligations will be as per circular no. NCDEX/CLEARING-020/2016/247 dated September 28, 2016.</p>
Daily Price Limit (DPL)	<p>Daily price limit is (+/-) 3%. Once the 3% limit is reached, then after a period of 15 minutes this limit shall be increased further by 1%. The trading shall be permitted during the 15 minutes period within the 3% limit. After the DPL is enhanced, trades shall be permitted throughout the day within the enhanced total DPL of 4%.</p>

	The DPL on the launch (first) day of new contract shall be as per the circular no. NCDEX/RISK-034/2016/209 dated September 08, 2016.
Position limits	<p>The following limits will be applicable for positions grossed across all Chana contracts on the Exchange</p> <p>Member-wise: 2,80,000 MT or 15% of market-wide open interest in the commodity, whichever is higher.</p> <p>Client-wise: 28,000 MT</p> <p>Bona fide hedger 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.</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: 70,000 MT or one-fourth of the member's overall position limit in that commodity, whichever is higher.</p> <p>Client-wise: 7,000 MT.</p>
Premium / Discount	Premium/Discount for Chana delivery at additional delivery centers. The Premium and discount for different locations shall be announced by the Exchange before launching of contract.
Special margins	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.
Final Settlement Price	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:					
	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
Minimum Initial margin	12%					

Tolerance limit for outbound deliveries in Chana

Commodity Specifications	Basis	Permissible Tolerance
Desi Unprocessed Whole Raw Chana (Not for direct human consumption)		
Moisture	11% max	+/- 0.50%
Green (Cotyledon Color), Immature, Shrunken, Shriveled Seeds	4% max	+/- 0.25%
Khesari	0.1% max	None
Broken, Splits	3% max	+/- 0.25%
Damaged Seeds	4% max	+/- 0.50%
Varietal admixture	4% max	+/- 0.25%
Weevilled seeds	1% max	+/- 0.50%
White egg spot	1% max	+/- 0.50%
Max Tolerance (for all characteristics)		+/- 2.00%

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
November 2020	April 2021
December 2020	May 2021
January 2021	June 2021
February 2021	July 2021
March 2021	August 2021
April 2021	September 2021
May 2021	October 2021
June 2021	November 2021
July 2021	December 2021

Modified Contract Specifications of Options in Goods on Chana (Desi Unprocessed Whole Raw Chana – Not for Direct Human Consumption)

(Applicable for contracts expiring in the month of April 2021 and thereafter) – with effect from November 30, 2020

Type of Contract	Options in Goods
Underlying	CHANA
Symbol	<UNDERLYING SYMBOL><OPTIONS EXPIRY DATE-DDMMYY><CE/PE><STRIKE PRICE><UNDERLYINGTYPE-F/S> Example: CHANA20MAY20CE2100S
Unit of Trading	10 MT
Delivery Unit	10 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-002/2020 dated April 07, 2020.
Final Settlement Price	Same as Corresponding Futures Contract
Options Type	European
Premium Quotation/base value	Rs. Per Quintal
Tick Size	Rs. 0.50 per Quintal
Expiry Date	Same as Corresponding Futures Contract
Strike Interval	50
Number of Strikes	7-1-7
Quality	Same as corresponding Futures Contract.

Parameters	
Quality Premium/ Discount	Same as corresponding Futures Contract.
Tolerance limit for Outbound delivery	Same as corresponding Futures Contract.
Quantity Variation	+/- 5%
Basis	Desi Unprocessed Whole Raw Chana (Not for direct human consumption) Ex-warehouse Bikaner, exclusive of GST
Delivery Center	Desi Unprocessed Whole Raw Chana (Not for direct human consumption) to be delivered at Bikaner (up to the radius of 60 Kms from the municipal limits)
Additional Delivery Centers	Akola, Jaipur and Indore (Upto the radius of 60 KMs from municipal limit).
Deliverable Varieties	Only Desi Chana (Unprocessed Whole Raw Chana) will be accepted at locations of Bikaner, Jaipur, Indore and Akola. Kantawalla Chana will be treated as varietal admixture.
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	<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>Desi Unprocessed Whole Raw Chana (Not for Direct Human Consumption): 5,60,000 MT and 56,000 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: 70,000 MT or One-eighth of the member's overall</p>

	position limit in that commodity, whichever is higher. Client-wise: 7,000 MT
Exercise of Options	European Options to be exercised only on the day of Expiration of the Options contracts
Mechanism of Exercise	<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>
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
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 three 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</p>

	<p>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>
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. • 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
November 2020	April 2021
December 2020	May 2021
January 2021	June 2021
February 2021	July 2021
March 2021	August 2021
April 2021	September 2021
May 2021	October 2021
June 2021	November 2021
July 2021	December 2021

Annexure IV: Premium/Discount for location difference for Futures contract expiring in month of April 2021 (Applicable with effect from November 30, 2020)

Commodity (Basis)	Delivery Centres	(+) Premium / (-) Discount
Desi Unprocessed Whole Raw Chana (Not for Direct Human Consumption) (Bikaner)	Akola	(-) Rs. 100 per quintal
	Jaipur	(-) Rs. 25 per quintal
	Indore	(-) Rs. 50 per quintal