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CHAPTER 1 - TRADING PARAMETERS

Authority

Trading in Mumbai Rainfall futures contracts may be conducted as specified in the Rules, Bye Laws and Regulations of the Exchange and as per the directions issued by the Exchange thereunder or the Securities and Exchange Board of India (SEBI) from time to time. A specimen of Mumbai Rainfall futures contract specifications is indicated in **Exhibit 1**.

Unit of Trading

The unit of trading shall be 1 lot. Bids and offers may be accepted in 1 lot or multiples thereof.

Months Traded In

Trading in Mumbai Rainfall futures may be conducted in the months as specified by the Exchange from time to time.

Tick Size

The tick size of the price of Mumbai Rainfall shall be 1 mm (1mm = Rs.50).

Basis Price

The basis price of Mumbai Rainfall futures shall be Mumbai.

Unit for Price Quotation

The unit of price quotation for Mumbai Rainfall shall be in millimeters (mm), basis Mumbai. Quotes shall not be made on any other price basis.

Hours of Trading

The hours of trading for futures in Mumbai Rainfall futures shall be as follows:

As notified by the Exchange from time to time, currently

Mondays through Fridays – 10:00 AM to 11:30/11:55 PM

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

Last Day of Trading

Last day of trading shall be the business day immediately preceding the last calendar day of the contract expiry month.

Mark to Market

The outstanding positions in Futures contract in Mumbai Rainfall would be marked to market daily based on the Daily Settlement Price (DSP) as determined by the Clearing Corporation.

Position limits

Member-wise: 4,00,000 lots or 20% of the market wide open interest in the commodity, whichever is higher.

Client-wise: 40,000 lots or 5% of the market wide open interest, whichever is higher.

Margin Requirements

National Commodity Clearing Limited (NCCL) will use risk based margin model which will generate initial margin requirements which will be adequate to cover at least 99% VaR (Value at Risk) and Margin Period of Risk (MPOR) will be 3 days**.**

NCCL reserves the right to change, reduce or levy any additional margins including any markup margins.

For further details, participants can refer to circular nos. NCCL/RISK-022/2026 dated April 29, 2026 on Master Circular - Risk Management and NCCL/RISK-011/2026 dated March 06, 2026 on Margin Framework for Commodity Derivatives Segment.

Additional/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/Clearing Corporation 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/Clearing Corporation.

Concentration Margin

The Clearing Corporation shall levy Concentration Margin, when the overall market wide Open Interest (OI) of a commodity exceeds the specified Threshold Level of Open Interest (OI) for that commodity.
For details, participants can refer to NCCL circular no. NCCL/RISK-026/2026 dated May 12, 2026 on Concentration Margin – Revision in Threshold Levels. The Threshold Limit is 37,200 Lots

The Threshold Levels, slabs and applicable margins are subject to change and participants are requested to refer to relevant Clearing Corporation circulars issued from time to time.

Dispute Resolution

Any disputes between members of the Exchange or the Clearing Corporation inter-se and/or between members and constituents, arising out of or pertaining to deals/transactions executed on the Exchange platform shall be settled through Online Dispute Resolution (ODR) mechanism or any other such

mechanism prescribed by the Regulator. The ODR mechanism shall facilitate conciliation/arbitration through online/digital process and shall be governed as per the Exchange Rules, Bye Laws and Regulations and/or SEBI directives/ guidelines issued from time to time.

Compliance of Laws

It is 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 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, Warehousing Development and Regulatory Authority (WDRA), Orders under Packaging and Labelling etc. and other State/ Central laws and authorities issuing such regulations in this behalf from time to time, including but not limited to compliance of provisions and rates relating to GST, APMC Tax, Mandi Tax, LBT, Stamp Duty, etc. as applicable from time to time on the underlying commodity of any contract offered for deposit / trading / delivery. It is the responsibility of the Buyer and Seller to comply with the applicable laws in regard to the deals carried out on the Exchange platform and the Exchange/Clearing Corporation shall not be responsible or liable on account of any non-compliance thereof.

CHAPTER 2 - DELIVERY PROCEDURES

Unit of Delivery

The contract would be settled in cash.

Duties & levies

All duties, levies, taxes etc. up to the point of sale will have to be fully borne by the Seller and shall be paid to the concerned authority as applicable.

Stamp Duty

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

Taxes

Goods and Services Tax (GST)

On services rendered by Members

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

All Members and / or their constituents are required to adhere to the requirements under the Central Goods and Services Tax Act, 2017 (**"CGST Act"**) and the Rules made thereunder including the notifications issued by the Central or State Government and must comply with such requirements. The buyer and seller shall be responsible for complying with the obligations under the tax laws as applicable to the commodity and services provided herein.

Commodity Transaction Tax (CTT)

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

CHAPTER 3 - CLEARING AND SETTLEMENT

Daily Settlement

All open positions of a Futures contract would be settled daily based on the Daily Settlement Price (DSP).

Daily Settlement Prices

The Daily Settlement Price (DSP) will be as disseminated by the Clearing Corporation at the end of every trading day. The DSP will be reckoned for marking to market all open positions.

Final Settlement Prices

FSP will be the underlying spot value arrived on due day/expiry day of the month.

For details, participants can refer to **Exhibit 2: Detailed Methodology for Mumbai Rainfall Spot Calculation.**

Spot Prices

For both contract settlement and daily spot value updation, NCDEX will use the methodology as mentioned in Exhibit 2 - **Detailed Methodology for Mumbai Rainfall Spot Calculation.**

Dissemination of Spot Prices

Spot prices for Mumbai Rainfall will be disseminated on a daily basis.

Pay in and Pay out for Daily Settlement / Final Settlement

The table below illustrates timings for pay in and pay out in case of daily settlement as well as cash settlement positions for final settlement. The buyer clients would have to deposit requisite funds with their respective Clearing Member before “pay in”. All fund debits and credits for the Member would be done in the Member’s Clearing and Settlement Account with the Clearing bank.”

All fund debits and credits for the Member would be done in the Member’s Clearing & Settlement Account with the Clearing bank.

Time (T/E+1)	Activity
On or before 8.30 hrs	PAYIN - Debit paying member Clearing and settlement a/c for funds
After 09.00 hrs	PAYOUT – Credit receiving member Clearing and settlement a/c for funds

Completion of Settlement

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

Exhibit 1: Contract Specifications for Mumbai Rainfall (Symbol: RAINMUMBAI) Futures Contract

(Applicable for contracts expiring in the month of June 2026 & thereafter)

Parameters	**Specifications**
Type of Contract	Futures Contract
Name of Commodity	Weather Derivatives (Mumbai Rainfall)
Ticker Symbol	RAINMUMBAI
Trading System	NCDEX Trading System
Basis	Mumbai
Unit of Trading	1 Lot 1mm = Rs.50.00
Delivery Unit	N/A
Maximum Order Size	50 Lots
Quotation/Base Value	mm (millimeter)
Tick Size	1 mm
Quality Specification	N/A
Quantity Variation	N/A
No. of Active Contracts	As per launch calendar
Delivery Centers	N/A
Delivery Logic	Cash Settled
Trading Hours	As notified by the Exchange from time to time, Mondays through Fridays: 10:00 a.m. to 11.30 p.m. /11:55 p.m. The Exchange may vary the above timing with due notice
Daily Price Limit (DPL)	Initial Slab: 6% Enhanced Slab: 3% Aggregate DPL: 9%

	Once the initial slab limit is breached in any contract, the DPL for that contract shall be relaxed further by the 'Enhanced Slab' after the cooling off period of 15 minutes in the trading. During the cooling off period, trading shall continue to be permitted within the previous slab of DPL. 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.
Opening of Contracts	As per launch calendar
Last Trading Day	Business day immediately preceding the last calendar day of the contract expiry month.
Due Day/Expiry Day	The calendar day immediately following the last trading day of the expiry month.
Delivery Specification	N/A
Tender Period	N/A
Closing of Contract	Clearing and settlement of contracts shall commence upon the expiry of the contract. All open positions outstanding at the close of trading on the last trading day shall be settled in cash on a T+2 basis, at the Final Settlement Price as published by the Exchange. Upon expiry of the contract, all outstanding open positions shall be automatically closed, and no physical delivery or tender obligations shall arise.
Position Limits	Member-wise: 4,00,000 lots or 20% of the market wide open interest in the commodity, whichever is higher. Client-wise: 40,000 lots or 5% of the market wide open interest, whichever is higher.
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/Clearing Corporation, 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/Clearing Corporation.
Final Settlement Price	FSP will be the underlying spot value arrived on due day/expiry day of the month as mentioned above.
Minimum Initial Margin	10%

Contract Launch Calendar

Launch Date	Expiry Date
May 29, 2026	June 2026 July 2026 August 2026 September 2026

Disclaimer

Member(s) and market participant(s) by entering into any such buy and sell transaction(s), shall ensure that such member(s) and/or market participant(s) is aware of all the trading and clearing mechanism, as well as the Exchange and/or Clearing Corporation Rules, Bye Laws, Regulations, Product Notes, Circulars, Directives, Notifications issued in connection thereto. The member(s) and market participants shall be bound by the above Rules, Bye Laws, Regulations and the applicable statutory prescription as laid down from time to time.

Exhibit 2: Detailed Methodology for Mumbai Rainfall Spot Calculation

1. **Summary**

This note outlines the complete methodology, data sources, spot-price construction process, and contract mechanics for the proposed Mumbai rainfall-based weather derivative. The contract settles on the monthly cumulative deviation from the Long Period Average (LPA), calculated using daily rainfall observations from IMD's Colaba and Santacruz stations, obtained through an authenticated API feed.

The product is designed as a cash-settled futures contract, where settlement is based on the spot value - cumulative deviation for the relevant month - arrived from actual rainfall value provided by IMD. The last trading day of the futures contract is the business day immediately preceding the last calendar day of the month. The expiry day of the futures contract will be on the calendar day immediately following the last trading day.

2. **Parameter for proposed derivative**
   - The proposed weather parameter for the contract is Rainfall.
3. **How rainfall is defined on any particular day**

- Rainfall is measured using rain gauges or automatic weather stations (AWS) installed at specific locations; therefore, rainfall represents the precipitation recorded at that exact location. For example, "rainfall at Colaba Station or rainfall over Colaba Station" refers to the measurement captured by the Colaba rain gauge installed at Colaba station of Indian meteorological department (IMD) or any other exchange specified agency.
- The standard unit of rainfall measurement is millimeters (mm), which basically represents the depth of water collected in the gauge.
- Rainfall for any given day is defined as the total cumulative rainfall measured during the 24 hour period ending at 8:30 am on that day. For instance, the rainfall for June 5, 2025 is the accumulated rainfall recorded from 8:30 am on June 4, 2025 up to 8:30 am on June 5, 2025.
- Note: Even if a portion of the 24-hour period falls on the previous calendar day, the entire 8:30 am–to–8:30 am measurement is attributed to the current day's rainfall value as per IMD standards.

4. **Details of Basis Centre**

• Basis Centre – Mumbai
• Stations used for Spot calculation – Colaba and Santacruz

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5. Data types used and definition

- **Surface Rainfall Observation:** Rainfall is measured following World Meteorological Organization (WMO) standards and recorded manually by IMD officials using calibrated, standardized instruments. Observations are taken every three hours during the synoptic hours between 08:30

AM and 08:30 AM of the next day (total of eight observations), which are then aggregated to arrive at the daily rainfall total as defined earlier *(refer point no. 3).*

- **Automatic Weather Stations (AWS) Observations**: Rainfall intensity is captured automatically through AWS instruments. Measurements are recorded at 15-minute intervals (96 observations per day) and subsequently cumulated to derive the daily rainfall amount.
- **Data Used for Contract Settlement and Spot Construction**: For both contract settlement and daily spot-value updation, NCDEX will use Surface Rainfall Observation data, given its higher reliability, longer historical availability, and recognized acceptance in meteorological and research standards.
- **Use of AWS Observations for Transparency**: AWS rainfall data will be displayed on the NCDEX website as part of the real-time information dissemination process, helping participants track intra-day rainfall trends.
- **Fallback Mechanism**: AWS data will serve as a fallback input in situations where Surface data is delayed, temporarily unavailable, shows discrepancies or requiring validation. Exchange may also onboard additional agency/ agencies for rainfall data to be used as additional fallback mechanism in case both surface and AWS data is delayed, temporarily unavailable, shows discrepancies or requiring validation. Exchange will inform the trade participants regarding onboarding of any such additional agency/ agencies for obtaining rainfall related data.
- **Data Acquisition and Frequency:** Both Surface and AWS observations will be fetched through API feeds from the IMD data server. Surface data will be accessed once daily, whereas AWS data will be fetched at 15-minute intervals or higher frequency in line with its measurement frequency.

1. **Long Period Average (LPA) or Normal**
   - **Long Period Average (LPA)** refers to IMD's climatological normal computed over a **30-year reference period (currently 1991–2020)**. LPA is calculated **separately for each station/location** and also for each day which denotes the **expected or climatologically normal rainfall for each calendar day at that location**, expressed in millimeters.
   - **For example**, the **LPA for 1 June at IMD Colaba** is derived by averaging the rainfall recorded on **1 June for each year from 1991, 1992, … up to 2020**. This approach ensures consistency in long-term climate comparison.
2. **Mumbai Rainfall Spot Calculation**
   - Mumbai rainfall spot is calculated using the following inputs:
     - Daily Long period average (LPA) rainfall for Mumbai location
     - Daily actual rainfall for Mumbai location during current year
     - Calculation of daily Rainfall deviation during Monsoon season (1 June to 30 September**)

a. Calculation of Mumbai Daily Long Period Average (LPA_Mumbai_Date1)

- For Mumbai rainfall daily spot calculation, Long Period Average (LPA) of both Colaba and Santacruz Stations will be used.
- Mumbai Daily LPA (LPA_Mumbai_Date1) for particular date (say Date1) = (LPA_Colaba_date1 + LPA_Santacruz_date1) / 2 i.e. average LPA of these two stations. The Mumbai daily LPA will be used for defining normal rainfall/ LPA on particular date for Mumbai location spot calculation.
- Mumbai Monthly LPA = Sum of Mumbai daily LPA for that month. For example: Monthly LPA for June month will be sum of Daily LPA from 1 June to 30 June.
- Mumbai Monsoon Season LPA = Sum of Mumbai daily LPA from 1 June to 30 September**.
- Based on IMD data, Mumbai Monsoon Season LPA is **2206.7 mm.**

b. Calculation of Mumbai Daily Rainfall (Rain_Mumbai_Date1)

- Mumbai Daily Rainfall (Rain_Mumbai_Date1) for a particular date (say Date1) = (Rain_Colaba_date1 + Rain_Santacruz_date1) / 2 i.e average Rainfall of these two stations.

c. Mumbai Daily Deviation calculation (Deviation_Mumbai_Date1)

- Mumbai Daily Deviation (Deviation_Mumbai_Date1) = Rain_Mumbai_Date1 – LPA_Mumbai_Date1
- Positive deviation = excess rainfall then LPA on that day; Negative deviation= deficit rainfall than LPA on that day)

d. Spot Calculation – Daily Deviation Model

- Mumbai rainfall Spot will measure the deviation of actual rainfall on a given day with the LPA rainfall on that day. The deviation will be calculated starting from June 01 every year.
- The starting point (also known as anchor point) on day zero for Mumbai rainfall spot will be the Mumbai Monsoon Season LPA (i.e 2206.7)**.
- ***This anchor point will remain unchanged in case the last trading day futures contract of September month is immediate preceding to the last calendar day in a particular year. In case, last trading day is not immediate preceding to the last calendar day, then LPA (anchor point) will be revised based on LPA values from June 01 till calendar day immediately following the last trading day of the September month futures contract.*

Example

	30-Sep	29-Sep	28-Sep	27-Sep	Last Trading Day	Due Day / Expiry Day	LPA Period
Case 1	Holiday	Trading Day	Trading Day	Trading Day	29-Sep	30-Sep	1 Jun - 30 Sep
Case 2	Trading Day	Holiday	Trading Day	Trading Day	28-Sep	29-Sep	1 Jun - 29 Sep
Case 3	Trading Day	Trading Day	Holiday	Trading Day	29-Sep	30-Sep	1 Jun - 30 Sep
Case 4	Holiday	Holiday	Trading Day	Trading Day	28-Sep	29-Sep	1 Jun - 29 Sep
Case 5	Trading Day	Holiday	Holiday	Trading Day	27-Sep	28-Sep	1 Jun - 28 Sep
Case 6	Trading Day	Trading Day	Holiday	Holiday	29-Sep	30-Sep	1 Jun - 30 Sep
Case 7	Holiday	Holiday	Holiday	Trading Day	27-Sep	28-Sep	1 Jun - 28 Sep

- From June 01, daily spot will be calculated by adding the Mumbai daily rainfall deviation to the starting point. Subsequently, each day's deviation will be added to the previous days value.

Illustration of Spot updation - daily

Date	Mumbai Daily LPA (mm)	Mumbai Daily Rainfall (in mm)	Mumbai Daily Deviation (mm)	Spot for the day
	-	-	-	2,206.70
1-Jun	8.7	0.00	-8.7	2,198.00
2-Jun	3.7	0.00	-3.70	2,194.30
3-Jun	6.0	0.00	-6.00	2,188.30
4-Jun	4.8	5.22	0.42	2,188.72
5-Jun	8.9	0.47	-8.43	2,180.29
6-Jun	5.1	0.65	-4.40	2,175.88
7-Jun	7.1	0.73	-6.32	2,169.56
8-Jun	12.7	5.87	-6.78	2,162.78
9-Jun	18.4	14.12	-4.23	2,158.54

-	-	-	-	-
-	-	-	-	-
28-Jun	22.8	66.66	43.91	2,119.54
29-Jun	24.2	53.13	28.93	2,148.48
30-Jun	***26.3***	***22.44***	***-3.81***	***2,144.67 - Used as FSP for June expiry contract***
1-Jul	***25.6***	***23.59***	***-2.01***	***2,142.66***
2-Jul	37.0	36.76	-0.24	2,142.42
3-Jul	30.3	4.64	-25.66	2,116.76
4-Jul	44.3	5.66	-38.64	2,078.12
5-Jul	38.6	16.17	-22.38	2,055.74
6-Jul	19.9	23.24	3.39	2,059.14

Spot behavior on change of month

- During the transition from one month to the next (e.g., June to July), the cumulative rainfall deviation up to the last calendar day of the previous month will be carried forward. Accordingly, the closing spot value on 30 June becomes the opening spot value for 1 July, ensuring continuity in the cumulative deviation series. (Refer above illustrative table)

Spot updation cycle

- As per IMD and WMO standards, the daily rainfall for any given day is defined as the total precipitation recorded over the preceding 24 hours ending at 08:30 AM. Accordingly, the actual rainfall data for both stations will be made available to the Exchange through the API feed at approximately 09:00 AM each day, prior to the commencement of trading.
- Consequently, the daily spot value will be updated by around 09:15 AM on every trading day, based on the latest rainfall data received through the official API mechanism from IMD.
- The spot value will be updated only once per day on the trading platform, and the same value will remain unchanged for the entire trading session.

Since the rainfall deviation is calculated for each calendar day of the month, the cumulative deviation for non-trading days will be incorporated into the spot value during the next spot-update cycle. Accordingly, the spot published on the next business day will reflect the aggregated deviation for all intervening non-trading days.