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**NATIONAL COMMODITY CLEARING LIMITED**

Circular to all Members of the Clearing Corporation

Circular No. : NCCL/RISK-037/2020

Date : September 02, 2020

Subject : Margin Framework for Commodity Derivatives Segment

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This has reference to the SEBI circular No. SEBI/HO/CDMRD/DRMP/CIR/P/2020/15 dated January 27, 2020 on Review of Margin Framework for Commodity Derivatives Segment and our circular Nos. NCCL/RISK-005/2020 dated February 11, 2020 and NCCL/RISK-006/2020 dated February 18, 2020 on Margin Framework for Commodity Derivatives Segment.

In this context, Clearing Members are hereby informed that, the minimum Initial Margin (IM) and minimum Margin Period of Risk (MPOR) for commodity derivatives contracts stands revised according to the categorization of the commodities. The Short Option Minimum Margin (SOMM) for Options in Goods contracts shall be the minimum initial margin for the respective commodity.

The revised minimum Initial Margin (IM) and minimum Margin Period of Risk (MPOR) for commodity derivatives contracts is given in the table below.

**Categorization of commodities:**

| Commodity                         | Symbol     | Volatility Category of Commodity | Realized Annualized Volatility criteria | Minimum Initial Margin | Minimum MPOR |
|-----------------------------------|------------|----------------------------------|---|------------------------|--------------|
| BAJRA                             | BAJRA      | Low                              | 0 to 15%                                | 8%                     | 3            |
| BARLEY                            | BARLEYJPR  |                                  |   |                        |              |
| 29 MM COTTON                      | COTTON     |                                  |   |                        |              |
| KAPAS                             | KAPAS      |                                  |   |                        |              |
| RAPESEED-MUSTARD SEED             | RMSEED     |                                  |   |                        |              |
| REFINED SOY OIL                   | SYOREF     |                                  |   |                        |              |
| WHEAT                             | WHEATFAQ   |                                  |   |                        |              |
| CRUDE PALM OIL                    | CPO        | Medium                           | Above 15% to 20%                        | 10%                    | 3            |
| JEERA                             | JEERAUNJHA |                                  |   |                        |              |
| MAIZE - FEED/<br>INDUSTRIAL GRADE | MAIZE      |                                  |   |                        |              |
| UNPROCESSED<br>WHOLE RAW MOONG    | MOONG      |                                  |   |                        |              |
| NATURAL WHITISH<br>SESAME SEEDS   | SESAMESEED |                                  |   |                        |              |
| SOY BEAN                          | SYBEANIDR  |                                  |   |                        |              |

| Commodity   | Symbol     | Volatility Category of Commodity | Realized Annualized Volatility criteria | Minimum Initial Margin | Minimum MPOR |
|---|------------|----------------------------------|---|------------------------|--------------|
| CASTOR SEED   | CASTOR     | High                             | Above 20%                               | 12%                    | 4            |
| DESI UNPROCESSED WHOLE RAW CHANA (NOT FOR DIRECT HUMAN CONSUMPTION) | CHANA      |                                  |   |                        |              |
| UNDECORTICATED COTTON SEED OILCAKE                                  | COCUDAKL   |                                  |   |                        |              |
| CORIANDER   | DHANIYA    |                                  |   |                        |              |
| GUAR GUM REFINED SPLITS   | GUARGUM5   |                                  |   |                        |              |
| GUAR SEED   | GUARSEED10 |                                  |   |                        |              |
| PADDY (BASMATI) – PUSA 1121   | PADYPB1121 |                                  |   |                        |              |
| TURMERIC  | TMCFGRNZM  |                                  |   |                        |              |

#### Additional Lean Period Margin

NCCL shall levy lean period margin of 2% on contracts expiring during the lean period.

The circular shall be effective from Beginning of trading day October 01, 2020

For and on behalf of  
**National Commodity Clearing Limited**

Ruchit Chaturvedi  
 Head - Risk Management

For further information /clarifications, please contact

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