



MCX Circular No : MCX/MCXCCL/337/2025

July 08, 2025

MCXCCL Circular No : MCXCCL/C&S/134/2025

Settlement procedure for Electricity Futures (Monthly Base Load) Contracts

In terms of the provisions of the Rules, Bye-Laws and Regulations of the Multi Commodity Exchange Clearing Corporation Limited (MCXCCL) and MCXCCL Circular no. MCXCCL/COMP/085/2025 dated April 30, 2025, Clearing Members of the MCXCCL are notified as under:

MCX, vide its circular no. MCX/TRD/332/2025 dated July 03, 2025, has announced the launch of Electricity Futures (Monthly Base Load) Contract. MCX Electricity Futures (Symbol: ELECDMBL) shall be available for trading w.e.f. Thursday, July 10, 2025.

- The settlement procedure for electricity futures contracts is provided as **Annexure 1** to this Circular.
- The margin details for risk management under electricity futures contracts is provided as **Annexure 2** to this Circular.

Members and market participants are requested to take note of the same.

Soundararajan V.

Chief Operating Officer

Kindly contact Customer Support on 022 – 6649 4040 or send an email at customersupport@mcxindia.com for any clarification.

-----Corporate office -----

Multi Commodity Exchange Clearing Corporation Limited Exchange Square, CTS No.

255, Suren Road, Chakala, Andheri (East), Mumbai –400093

Tel.: 022 – 68646000 Fax: 022- 6649 4151 CIN: U74999MH2008PLC185349

www.mcxcl.com email: customersupport@mcxindia.com



Annexure 1

Settlement procedure for Electricity (Monthly Base Load) Futures Contracts

A. Daily Settlement

1. Daily mark to market settlement of electricity futures contracts shall be conducted in the manner similar to the daily settlement of the commodity futures contracts on a T+1 day at the scheduled timelines.
2. Accordingly, all outstanding positions in electricity futures contracts would be marked to market daily based on the Daily Settlement Price (DSP) as determined by MCX as prescribed under SEBI's Master Circulars issued time to time.
3. The mark to market daily settlement of electricity futures contracts shall form part of the daily obligation report exported to the members.
4. In the scenario of no trades in the electricity futures contract, settlement prices shall be computed theoretically as under:

$$F = S * e^{rt}$$

Where,

F = futures price,

S = UMCP (Unconstrained Market Clearing Price) of India Energy Exchange (IEX),

r = 30 day MIBOR rate and

T = time remaining till maturity,

e = the exponential factor

5. MCXCCL may arrive at the close price through any other method, which MCXCCL in its absolute discretion considers appropriate, in order to reflect a fair close price of the illiquid contract.



B. Final Settlement

1. At expiry, electricity futures contracts shall be cash settled at the Due Date Rate/ Final Settlement Price computed in the manner specified by MCX i.e. DDR based on Volume Weighted Average of the DAM (Day Ahead Market) - UMCPs (Unconstrained Market Clearing Price) of India Energy Exchange (IEX) of all the calendar days of the expiry month.
2. An example for DDR computation is provided separately as Annexure 1.1. Members are requested to refer the same.
3. In case the last calendar day of the expiry month falls on Sunday, following methodology shall be adopted by MCXCCL to process the final settlement:
 - MCXCCL shall conduct provisional settlement based on Saturday's DAM – UMCPs which shall be available on Friday (i.e. expiry date).
 - The provisional settlement shall form part of Friday's obligation and collected from the members' as per the scheduled timelines.
 - The final settlement based on Sunday's DAM – UMCPs shall form part of Monday's obligation and collected from the members' as per the scheduled timelines.
 - As a risk management measure, the obligation derived based on Sunday's DAM – UMCPs shall be blocked from the clearing member margin limits with MCXCCL before the start of the market on Monday.

An example for above mentioned methodology is provided separately as **Annexure 1.2**. Members are requested to refer the same.

- For ease of members, the details of final settlement shall be shared with the members in a back-office file with nomenclature as 'MCXCCL_FS_MemberID_DDMMYYYY.xlsx'. The file format for the same is provided separately as **Annexure 1.3**.



Annexure 1.1 - Example for DDR computation

Step 1. DAM (Day Ahead Market) - UMCPs (Unconstrained Market Clearing Price) of India Energy Exchange (IEX) of all the calendar days of the expiry month

‘MCP (Rs/MWh)’ i.e. UMCP (Unconstrained Market Clearing Price) at IEX for each date for the ‘Day Ahead Market’ as disseminated by IEX shall be termed as **DAM** (IEX, Di) .

Where, Di = Day i of the contract month

- i = 1 to 31 days for Jan, March, May, July, Aug, October, December
- i = 1 to 30 days for Apr, Jun, Sept, Nov
- i = 1 to 28/29 for Feb (leap year)

Step 2. Computation of monthly DDR

Monthly DDR shall be based on Volume Weighted Average of above disseminated DAM UMCPs of IEX of all the calendar days of the expiry month.

$$DDR(m) = \frac{\sum (DAM_{(IEX, Di)} \times MCV_{(IEX, Di)})}{\sum (MCV_{(IEX, Di)})}$$

Where, m = contract expiry month

$DAM_{(IEX, Di)}$ = As specified in Step 1

$MCV_{(IEX, Di)}$ = Market Cleared Volume (Unconstrained) at IEX for Day i of the contract month

- i = 1 to 31 days for Jan, March, May, July, Aug, October, December
- i = 1 to 30 days for Apr, Jun, Sept, Nov
- i = 1 to 28/29 for Feb (leap year)



For example, DDR for June 2025 contract expiry month shall be calculated as follows:

Date	MCV (MWh)	UMCP (Rs/MWh)	MCV x UMCP
01-06-2025	1,38,273	1,996	27,60,00,161
02-06-2025	1,47,868	2,874	42,49,29,565
03-06-2025	1,71,033	3,332	56,99,35,687
04-06-2025	1,84,732	4,023	74,31,37,201
05-06-2025	1,71,876	4,223	72,58,21,879
06-06-2025	1,54,589	4,466	69,04,69,329
07-06-2025	1,34,571	4,909	66,05,45,378
08-06-2025	1,50,831	4,212	63,53,44,031
09-06-2025	1,43,824	5,066	72,86,00,118
10-06-2025	1,56,351	5,185	81,06,77,586
11-06-2025	1,65,637	5,314	88,02,27,330
12-06-2025	1,54,544	5,171	79,91,62,059
13-06-2025	1,51,077	5,534	83,60,31,541
14-06-2025	1,47,161	5,899	86,80,91,317
15-06-2025	1,43,353	4,623	66,26,89,612
16-06-2025	1,56,523	4,585	71,76,46,809
17-06-2025	1,66,696	4,516	75,28,14,003
18-06-2025	1,11,276	2,810	31,26,65,828
19-06-2025	1,33,277	2,390	31,85,60,658
20-06-2025	1,46,129	2,651	38,74,10,591
21-06-2025	1,57,665	3,267	51,51,57,783
22-06-2025	1,65,043	2,304	38,02,12,353
23-06-2025	1,53,026	3,409	52,17,04,671
24-06-2025	1,56,708	3,274	51,30,54,058
25-06-2025	1,55,907	3,638	56,72,53,473
26-06-2025	1,62,142	3,932	63,75,83,164
27-06-2025	1,72,287	4,444	76,56,39,627
28-06-2025	1,58,894	4,196	66,66,97,026
29-06-2025	1,25,678	2,243	28,19,28,520
30-06-2025	1,44,003	2,639	37,99,54,769
Sum	45,80,973		18,02,99,46,126

DDR for MCX Electricity June 2025 Futures Contract	
DDR Formula	$Sum\ of\ (MCV\ x\ UMCP) \div Sum\ of\ MCV$
Sum of (MCV x UMCP) for June 2025	18,02,99,46,126
Sum of MCV for June 2025	45,80,973
DDR for June 2025	3,936



Annexure 1.2 - Example for DDR computation in case the last calendar day of the expiry month falls on Sunday

Parameter	Particulars
Commodity Name	Electricity
Commodity Symbol	ELECDMBL
Contract Description	ELECDMBLAUG25
Contract Expiry Date	Friday, 29-Aug-2025
Last Calendar Date	Sunday, 31-Aug-2025
Provisional Settlement by MCXCCL	Provisional computation on Friday, 29-Aug-2025 based on Volume Weighted Average of DAM – UMCPs from 01-Aug-2025 to 30-Aug-2025. (as DAM – UMCP of Saturday, 30-Aug-2025 shall be available on Friday, 29-Aug-2025). The provisional settlement shall form part of Friday, 29-Aug-2025 obligation and collected from the members as per the scheduled timelines, i.e. on T+1 basis on Monday, 01-Sep-2025.
Final Settlement by MCXCCL	Final computation on Monday, 01-Sep-2025 based on Volume Weighted Average of DAM – UMCPs from 01-Aug-2025 to 31-Aug-2025. (as DAM – UMCP of Sunday, 31-Aug-2025 shall be available on Saturday, 30-Aug-2025). The final settlement (based on difference between provisional computation and final computation) shall form part of Monday, 01-Sep-2025 obligation and collected from the members as per the scheduled timelines, i.e. on T+1 basis on Tuesday, 02-Sep-2025. As a risk management measure, the final settlement shall remain blocked from the clearing member margin limits with MCXCCL before the start of the market on Monday, 01-Sep-2025.



Annexure 1.3 – File format for ‘MCXCCL_FS_MemberID_DDMMYYYY.xlsx’

File Name - MCXCCL_FS_MemberID_DDMMYYYY.xls			File Type: xlsx Mode: SFTP
File Path - SFTP Root path\Member ID\Date Folder\			
Sr. No.	Field Name	Field Type & Size	Remarks
1.	Segment Indicator	Varchar (5)	Default Value is CO
2.	Source	Varchar (10)	Default value is MCXCCL
3.	Business Date	YYYY-MM-DD	Business Date (yyyy-mm-dd)
4.	Clearing Member (CM) Code	Varchar (6)	CM ID
5.	Trading Member (TM) Code / CP code	Varchar (15)	Trading Member ID For CP accepted trades, CP ID
7.	UCC Code	Varchar (11)	UCC code
8.	Instrument Type	Varchar (5)	If existing value is FUTCOM then COF
9.	Instrument Symbol	Varchar (12)	e.g ELECDMBL
10.	Instrument Original Expiry Date	YYYY-MM-DD	YYYY-MM-DD
11.	Long Quantity	Numeric (12)	e.g 100
12.	Long Value	Numeric (25,6)	Value can be in positive, negative or '0'
13.	Short Quantity	Numeric (12)	e.g 100
14.	Short Value	Numeric (25,6)	Value can be in positive, negative or '0'
15.	Expiry Long Quantity	Numeric (12)	e.g 100
16.	Expiry Long Value	Numeric (25,6)	Value can be in positive, negative or '0'
17.	Expiry Short Quantity	Numeric (12)	e.g 100
18.	Expiry Short Value	Numeric (25,6)	Value can be in positive, negative or '0'
19.	Settlement Price	Numeric (25,6)	e.g 240.00
20.	Daily MTM Settlement Value	Numeric (25,6)	MTM Profit/Loss value The value is provided with the appropriate sign convention Payable (-) / Receivable (+). Positive Value represents Mark to Market Profit and Negative value represents Mark to Market Loss.



Annexure 2

Margin details for Electricity (Monthly Base Load) Futures Contracts

Commodity	ELECTRICITY
Applicable Minimum IM %	10% or based on SPAN whichever is higher *
Applicable Minimum ELM %	1%
Additional/Special Margin (If Applicable)	In case of additional volatility, an additional margin (on both buy & sell side) and/ or special margin (on either buy or sell side) at such percentage, as deemed fit, will be imposed in respect of all outstanding positions
Concentration Margin (If Applicable)	As per circular issued from time to time.
Applicable Minimum MPOR	As per volatility category of Commodity *

* The applicable minimum Initial Margin and minimum MPOR for Electricity derivatives will be as per SEBI circular no SEBI/HO/CDMRD/DRMP/CIR/P/2020/15 dated January 27, 2020.