NCDEX
Pragati ka Solid Exchange

NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED

Circular to all trading and clearing members of the Exchange
Circular No. : NCDEX/OPTIONS-018/2018
Date : October 06, 2018
Subject : Launch of Options on Refined Soy Oil Futures

The Exchange is pleased to announce that the Securities and Exchange Board of India (SEBI) has approved the launch of Options on Refined Soy Oil Futures.

Options contracts expiring in the months of December 2018, January 2019, February 2019, March 2019, April 2019 and May 2019 would be available for trading w.e.f. October 09, 2018. Contracts for further expiries will be launched as per the enclosed contract launch calendar in Annexure.

The approved Contract Specifications and Contract Launch Calendar of Options are given in Annexure.

The contracts and the transactions therein will be subject to Rules, Bye Laws, Regulations of the Exchange and circulars issued by the Exchange as well as directives, if any, issued from time to time by SEBI.

Reference is also drawn to Exchange circular no. NCDEX/OPTIONS-011/2018/085 dated April 02, 2018. As stated in the circular, the CTT on options on commodity derivatives will be the same as that is applicable on sale of commodity derivative contracts. Therefore, for option on Refined Soy Oil derivative contract, CTT will be applicable at the following rate:

S.No	Taxable Commodities Transaction	Rate	Payable by
1.	Sale of an option on commodity derivative*	0.05 per cent	Seller
2.	Sale of an option on commodity derivative, where option is exercised**	0.0001 per cent	Purchaser

**Applicable on Option premium*
*** Applicable on the Settlement price*

Members are requested to note the above.

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. Mr. Rameshwar Rai on Mobile Phone (+91) 8889912120
2. Customer Service Group on toll free number: 1800 26 62339
3. Customer Service Group by E-mail to : askus@ncdex.com

Registered Office: 1st Floor, Akruti Corporate Park, Near G.E. Garden, LBS Road, Kanjurmarg West, Mumbai 400 078, India. CIN No. U51909MH2003PLC140116
Phone: +91-22-6640 6789, Fax +91-22-6640 6899, Website: www.ncdex.com

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Annexure

Contract Specifications of Options on Refined Soy Oil Futures

Underlying	1 lot of SYOREF contract traded on NCDEX The underlying commodity specifications on devolvement into Futures will be the same as that mentioned in the contract specifications of underlying Futures.
Symbol	<UNDERLYING SYMBOL><OPTIONS EXPIRY DATE-DDMMMYY><CE/PE><STRIKE PRICE><UNDERLYINGTYPE-F/S><UNDERLYINGEXPIRY-MMMYY> Example: SYOREF10OCT2018CE700FOCT2018
Options Type	European
Premium Quotation/base value	Rs. per 10 Kg
Tick Size	Rs 0.05 per 10 Kg
Expiry Date	10^{th} of the month of expiry of the underlying Futures contract. If 10th happens to be a holiday, a Saturday or a Sunday then the due date shall be the immediately preceding trading day of the Exchange. In case of missing Futures expiry in a particular month, the underlying shall be the nearest available Futures month.
Options Launch Calendar	Same as Futures launch Calendar. Options contracts shall be launched on the trading day following the day on which the underlying Futures contracts are launched.
Strike Interval	5
Number of Strikes	10-1-10
Trading Hours	Same as underlying Futures contracts.
Daily Price Range	Based on the factors of Daily Price Range (DPR) of the underlying Futures contract and volatility.
Position Limits	Numerical value for client level/member level limits in Options shall be twice of corresponding numbers applicable for Futures contracts. Refined Soy oil: 1,00,000 MT and 10,00,000 MT for clients and members 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: 1,25,000 MT or one-eighth of the member's overall position limit in that commodity, whichever is higher. Client-wise: 12,500 MT.
Final Settlement Price	Daily Settlement Price (DSP) of the underlying Futures contract on the Options Expiration day.
Exercise of Options	European Options to be exercised only on the day of Expiration of the Options contracts.
Mechanism of Exercise	Option series having strike price closest to the Daily Settlement Price (DSP) of Futures shall be termed as At-the-Money (ATM) option series. This ATM option series and two option series having strike prices immediately above this ATM strike and two option series having strike prices immediately below this ATM strike shall be referred as 'Close to the money' (CTM) option series. In case the DSP is exactly midway between two strike prices, then immediate two option series having strike prices just above DSP and immediate two option

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	series having strike prices just below DSP shall be referred as 'Close to the money' (CTM) option series. 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. 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. All Out of the money (OTM) option contracts, except those belonging to 'CTM' option series, shall expire worthless.
Final Settlement Method	On exercise, Option position shall devolve into underlying Futures position as follows: • long call position shall devolve into long position in the underlying Futures contract • long put position shall devolve into short position in the underlying Futures contract • short call position shall devolve into short position in the underlying Futures contract • short put position shall devolve into long position in the underlying Futures contract All such devolved futures positions shall be opened at the strike price of the exercised options.
Initial Margin	• **Initial Margin:** The Exchange 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 99% VaR (Value at Risk) and Margin Period of Risk (MPOR) shall be at least two 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. The Exchange shall levy appropriate Short Option Minimum Margin (SOMM) for sellers/ writers of the option contracts. The Exchange shall fix prudent volatility scan range based on the volatility in the price of the underlying commodity.

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Other Margins	• **Extreme loss margin:** Extreme loss margin is the margin levied to cover the losses that could occur outside the coverage of VaR margin. • **Calendar spread charge:** The calendar spread margin shall be calculated on the basis of delta of the portfolio of futures and options. A calendar spread margin of 25% on each leg of the positions shall be charged. • **Net Option Value :** Net option value is computed as the difference between the long option positions and the short option positions, valued at the last available options price and shall be updated intraday at the current market value of the relevant option contracts at the time of generation of risk parameters. Thus the mark to market gains and losses would not be settled in cash for options positions but it shall be adjusted against the margins/collaterals of the client. • **Margining at client level:** Exchanges 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 • **Pre Expiry margin**: Pre expiry margin on options shall be levied at **1/3 * Futures margin % * Underlying Futures price * weightage** (if any) for three days before expiry of the option contract. Pre expiry margin on options shall be levied on options buyers (holders) and options sellers (writers). The pre-expiry margin on options shall be apart from other margins like Initial margin, additional margins, spread margins etc. Pre-expiry margins shall not be included in standard client margin reporting and hence no penalty shall be levied on short collection/non-collection of the same by the CMs from their clients.

Contract Launch Calendar

Contract Launch Month	Options Expiry Month	Underlying Contract Expiry Month
October 09, 2018	December 2018	December 2018
	January 2019	January 2019
	February 2019	February 2019
	March 2019	March 2019
	April 2019	April 2019
	May 2019	May 2019
November 2018	June 2019	June 2019
December 2018	July 2019	July 2019
January 2019	August 2019	August 2019
February 2019	September 2019	September 2019

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March 2019	October 2019	October 2019
April 2019	November 2019	November 2019
May 2019	December 2019	December 2019

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NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED

Circular to all trading and clearing members of the Exchange
Circular No. : NCDEX/OPTIONS-019/2018
Date : October 06, 2018
Subject : Launch of Options on Soybean Futures

The Exchange is pleased to announce that the Securities and Exchange Board of India (SEBI) has approved the launch of Options on Soybean Futures.

Options contracts expiring in the months of November 2018, December 2018, January 2019, February 2019 and March 2019 would be available for trading w.e.f. October 09, 2018. Contracts for further expiries will be launched as per the enclosed contract launch calendar in Annexure.

The approved Contract Specifications and Contract Launch Calendar of Options are given in Annexure.

The contracts and the transactions therein will be subject to Rules, Bye Laws, Regulations of the Exchange and circulars issued by the Exchange as well as directives, if any, issued from time to time by SEBI.

Reference is also drawn to Exchange circular no. NCDEX/OPTIONS-011/2018/085 dated April 02, 2018. As stated in the circular, the CTT on options on commodity derivatives will be the same as that is applicable on sale of commodity derivative contracts. Therefore, for option on Soybean derivative contract, CTT will be applicable at NIL rate.

Members are requested to note the above.

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. Mr. Rameshwar Rai on Mobile Phone (+91) 8889912120
2. Customer Service Group on toll free number: 1800 26 62339
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Annexure

Contract Specifications of Options on Soybean Futures

Field	Description
Underlying	1 lot of SYBEANIDR contract traded on NCDEX The underlying commodity specifications on devolvement into Futures will be the same as that mentioned in the contract specifications of underlying Futures.
Symbol	<UNDERLYING SYMBOL><OPTIONS EXPIRY DATE-DDMMMYY><CE/PE><STRIKE PRICE><UNDERLYINGTYPE-F/S><UNDERLYINGEXPIRY-MMMYY> Example: SYBEANIDR10OCT2018CE9000FOCT2018
Options Type	European
Premium Quotation / Base Value	Rs. Per quintal
Tick Size	Re. 0.5 per quintal
Expiry Date	10th of the month of expiry of the underlying Futures contract. If 10th happens to be a holiday, a Saturday or a Sunday then the due date shall be the immediately preceding trading day of the Exchange. In case of missing Futures expiry in a particular month, the underlying shall be the nearest available Futures month.
Options Launch Calendar	Same as Futures launch Calendar. Options contracts shall be launched on the trading day following the day on which the underlying Futures contracts are launched.
Strike Interval	50
Number of Strikes	5-1-5
Trading Hours	Same as underlying Futures contracts.
Daily Price Range	Based on the factors of Daily Price Range (DPR) of the underlying Futures contract and volatility.
Position Limits	Numerical value for client level/member level limits in Options shall be twice of corresponding numbers applicable for Futures contracts. Soybean: 2,20,000 MT and 22,00,000 MT for clients and members 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: 2,75,000 MT or one-eighth of the member's overall position limit in that commodity, whichever is higher. Client-wise: 27,500 MT.
Final Settlement Price	Daily Settlement Price (DSP) of the underlying Futures contract on the Options Expiration day.
Exercise of Options	European Options to be exercised only on the day of Expiration of the Options contracts.
Mechanism of Exercise	Option series having strike price closest to the Daily Settlement Price (DSP) of Futures shall be termed as At-the-Money (ATM) option series. This ATM option series and two option series having strike prices immediately above this ATM strike and two option series having strike prices immediately below this ATM strike shall be referred as 'Close to the money' (CTM) option

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	series. In case the DSP is exactly midway between two strike prices, then immediate two option series having strike prices just above DSP and immediate two option series having strike prices just below DSP shall be referred as 'Close to the money' (CTM) option series. 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. 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. All Out of the money (OTM) option contracts, except those belonging to 'CTM' option series, shall expire worthless.
Final Settlement Method	On exercise, Option position shall devolve into underlying Futures position as follows: • long call position shall devolve into long position in the underlying Futures contract • long put position shall devolve into short position in the underlying Futures contract • short call position shall devolve into short position in the underlying Futures contract • short put position shall devolve into long position in the underlying Futures contract All such devolved futures positions shall be opened at the strike price of the exercised options.
Initial Margin	• **Initial Margin:** The Exchange 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 99% VaR (Value at Risk) and Margin Period of Risk (MPOR) shall be at least two 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. The Exchange shall levy appropriate Short Option Minimum Margin (SOMM) for sellers/ writers of the option contracts. The Exchange shall fix prudent volatility scan range based on the volatility in the price of the underlying commodity.
Other Margins	• **Extreme loss margin:** Extreme loss margin is the margin levied to cover the losses that could occur outside the coverage of VaR margin. • **Calendar spread charge:** The calendar spread margin shall be calculated on the basis of delta of the portfolio of futures and options. A calendar spread margin of 25% on each leg of the positions shall be charged.

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	• **Net Option Value :** Net option value is computed as the difference between the long option positions and the short option positions, valued at the last available options price and shall be updated intraday at the current market value of the relevant option contracts at the time of generation of risk parameters. Thus the mark to market gains and losses would not be settled in cash for options positions but it shall be adjusted against the margins/collaterals of the client. • **Margining at client level:** Exchanges 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 • **Pre Expiry margin**: Pre expiry margin on options shall be levied at **1/3 * Futures margin % * Underlying Futures price * weightage** (if any) for three days before expiry of the option contract. Pre expiry margin on options shall be levied on options buyers (holders) and options sellers (writers). The pre-expiry margin on options shall be apart from other margins like Initial margin, additional margins, spread margins etc. Pre-expiry margins shall not be included in standard client margin reporting and hence no penalty shall be levied on short collection/non-collection of the same by the CMs from their clients.

Contract Launch Calendar

Contract Launch Month	Options Expiry Month	Underlying Contract Expiry Month
October 09, 2018	November 2018	November 2018
	December 2018,	December 2018
	January 2019	January 2019
	February 2019	February 2019
	March 2019	March 2019
November 2018	April 2019	April 2019
December 2018	May 2019	May 2019
January 2019	June 2019	June 2019
February 2019	July 2019	July 2019
March 2019	October 2019	October 2019
April 2019	November 2019	November 2019
May 2019	December 2019	December 2019

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NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED

Circular to all trading and clearing members of the Exchange
Circular No. : NCDEX/OPTIONS-016/2018
Date : October 06, 2018
Subject : Launch of Options on Chana Futures

The Exchange is pleased to announce that the Securities and Exchange Board of India (SEBI) has approved the launch of Options on Chana Futures.

Options contracts expiring in the months of November 2018, December 2018, January 2019 and March 2019 would be available for trading w.e.f. October 09, 2018. Contracts for further expiries will be launched as per the enclosed contract launch calendar in Annexure.

The approved Contract Specifications and Contract Launch Calendar of Options are given in Annexure.

The contracts and the transactions therein will be subject to Rules, Bye Laws, Regulations of the Exchange and circulars issued by the Exchange as well as directives, if any, issued from time to time by SEBI.

Reference is also drawn to Exchange circular no. NCDEX/OPTIONS-011/2018/085 dated April 02, 2018. As stated in the circular, the CTT on options on commodity derivatives will be the same as that is applicable on sale of commodity derivative contracts. Therefore, for option on Chana derivative contract, CTT will be applicable at NIL rate.

Members are requested to note the above.

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. Mr. Mukesh Kumar on Mobile Phone (+91) 9860966033
2. Customer Service Group on toll free number: 1800 26 62339
3. Customer Service Group by E-mail to : askus@ncdex.com

Annexure

Contract Specifications of Options on Chana Futures

Underlying	1 lot of CHANA contract traded on NCDEX The underlying commodity specifications on devolvement into Futures will be the same as that mentioned in the contract specifications of underlying Futures.
Symbol	<UNDERLYING SYMBOL><OPTIONS EXPIRY DATE-DDMMMYY><CE/PE><STRIKE PRICE><UNDERLYINGTYPE-F/S><UNDERLYINGEXPIRY-MMMYY> Example: CHANA10OCT2018CE700FOCT2018
Options Type	European
Premium Quotation/base value	Rs. Per Quintal
Tick Size	Rs. 0.50 per quintal
Expiry Date	10th of the month of expiry of the underlying Futures contract. If 10th happens to be a holiday, a Saturday or a Sunday then the due date shall be the immediately preceding trading day of the Exchange. In case of missing Futures expiry in a particular month, the underlying shall be the nearest available Futures month.
Options Launch Calendar	Same as Futures launch Calendar. Options contracts shall be launched on the trading day following the day on which the underlying Futures contracts are launched.
Strike Interval	50
Number of Strikes	7-1-7
Trading Hours	Same as underlying Futures contracts.
Daily Price Range	Based on the factors of Daily Price Range (DPR) of the underlying Futures contract and volatility.
Position Limits	Numerical value for client level/member level limits in Options shall be twice of corresponding numbers applicable for Futures contracts. Chana: 60,000 MT and 6,00,000 MT for clients and members respectively. **For near month contracts:**

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	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: 75,000 MT or one-eighth of the member's overall position limit in that commodity, whichever is higher. Client-wise: 7,500 MT.
Final Settlement Price	Daily Settlement Price (DSP) of the underlying Futures contract on the Options Expiration day.
Exercise of Options	European Options to be exercised only on the day of Expiration of the Options contracts.
Mechanism of Exercise	Option series having strike price closest to the Daily Settlement Price (DSP) of Futures shall be termed as At-the-Money (ATM) option series. This ATM option series and two option series having strike prices immediately above this ATM strike and two option series having strike prices immediately below this ATM strike shall be referred as 'Close to the money' (CTM) option series. In case the DSP is exactly midway between two strike prices, then immediate two option series having strike prices just above DSP and immediate two option series having strike prices just below DSP shall be referred as 'Close to the money' (CTM) option series. 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. 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. All Out of the money (OTM) option contracts, except those belonging to 'CTM' option series, shall expire worthless.
Final Settlement Method	On exercise, Option position shall devolve into underlying Futures position as follows: • long call position shall devolve into long position in the underlying Futures contract • long put position shall devolve into short position in the underlying Futures contract • short call position shall devolve into short position in the

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	underlying Futures contract • short put position shall devolve into long position in the underlying Futures contract All such devolved futures positions shall be opened at the strike price of the exercised options.
Initial Margin	• **Initial Margin:** The Exchange 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 99% VaR (Value at Risk) and Margin Period of Risk (MPOR) shall be at least two 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. The Exchange shall levy appropriate Short Option Minimum Margin (SOMM) for sellers/ writers of the option contracts. The Exchange shall fix prudent volatility scan range based on the volatility in the price of the underlying commodity.
Other Margins	• **Extreme loss margin:** Extreme loss margin is the margin levied to cover the losses that could occur outside the coverage of VaR margin. • **Calendar spread charge:** The calendar spread margin shall be calculated on the basis of delta of the portfolio of futures and options. A calendar spread margin of 25% on each leg of the positions shall be charged. • **Net Option Value :** Net option value is computed as the difference between the long option positions and the short option positions, valued at the last available options price and shall be updated intraday at the current market value of the relevant option contracts at the time of generation of risk parameters. Thus the mark to market gains and losses would not be settled in cash for options positions but it shall be adjusted against the margins/collaterals of the client. • **Margining at client level:** Exchanges 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 • **Pre Expiry margin**: Pre expiry margin on options shall be levied at **1/3 * Futures margin % * Underlying Futures price * weightage** (if any) for three days before expiry of the option contract. Pre expiry margin on options shall be levied on options buyers (holders) and options sellers (writers). The pre-expiry margin on options shall be apart from other margins like initial margin, additional margins, spread margins etc. Pre-expiry margins shall not be included in standard client margin reporting and hence no penalty shall be levied on short collection/non-collection of the same by the CMs from their clients.

Contract Launch Calendar

Options Contract Launch Month	Options Expiry Month	Underlying Contract Expiry Month
October 09, 2018	November 2018	November 2018
	December 2018	December 2018
	January 2019	January 2019
	March 2019	March 2019
November 2018	April 2019	April 2019
December 2018	May 2019	May 2019
January 2019	June 2019	June 2019
February 2019	July 2019	July 2019
March 2019	August 2019	August 2019
April 2019	September 2019	September 2019
May 2019	October 2019	October 2019
June 2019	November 2019	November 2019
July 2019	December 2019	December 2019

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NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED

Circular to all trading and clearing members of the Exchange
Circular No. : NCDEX/OPTIONS-017/2018
Date : October 06, 2018
Subject : Launch of Options on Guar Gum Futures

The Exchange is pleased to announce that the Securities and Exchange Board of India (SEBI) has approved the launch of Options on Guar Gum Futures.

Options contracts expiring in the months of November 2018, December 2018, January 2019 and February 2019 would be available for trading w.e.f. October 09, 2018. Contracts for further expiries will be launched as per the enclosed contract launch calendar in Annexure.

The approved Contract Specifications and Contract Launch Calendar of Options are given in Annexure.

The contracts and the transactions therein will be subject to Rules, Bye Laws, Regulations of the Exchange and circulars issued by the Exchange as well as directives, if any, issued from time to time by SEBI.

Reference is also drawn to Exchange circular no. NCDEX/OPTIONS-011/2018/085 dated April 02, 2018. As stated in the circular, the CTT on options on commodity derivatives will be the same as that is applicable on sale of commodity derivative contracts. Therefore, for option on Guar Gum derivative contract, CTT will be applicable at the following rate:

S.No	Taxable Commodities Transaction	Rate	Payable by
1.	Sale of an option on commodity derivative*	0.05 per cent	Seller
2.	Sale of an option on commodity derivative, where option is exercised**	0.0001 per cent	Purchaser

**Applicable on Option premium*
*** Applicable on the Settlement price*

Members are requested to note the above.

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. Mr. Arun Yadav on Mobile Phone (+91) 8156006791
2. Customer Service Group on toll free number: 1800 26 62339
3. Customer Service Group by E-mail to : askus@ncdex.com

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Annexure

Contract Specifications of Options on Guar gum 5 MT Futures

Underlying	1 lot of GUARGUM5 contract traded on NCDEX The underlying commodity specifications on devolvement into Futures will be the same as that mentioned in the contract specifications of underlying Futures.
Symbol	<UNDERLYING SYMBOL><OPTIONS EXPIRY DATE-DDMMMYY><CE/PE><STRIKE PRICE><UNDERLYINGTYPE-F/S><UNDERLYINGEXPIRY-MMMYY> Example: GUARGUM510OCT2018CE9000FOCT2018
Options Type	European
Premium Quotation / Base Value	Rs. per quintal
Tick Size	Re. 0.5 per quintal
Expiry Date	10th of the month of expiry of the underlying Futures contract. If 10th happens to be a holiday, a Saturday or a Sunday then the due date shall be the immediately preceding trading day of the Exchange. In case of missing Futures expiry in a particular month, the underlying shall be the nearest available Futures month.
Options Launch Calendar	Same as Futures launch Calendar. Options contracts shall be launched on the trading day following the day on which the underlying Futures contracts are launched.
Strike Interval	100
Number of Strikes	8-1-8
Trading Hours	Same as underlying Futures contracts.
Daily Price Range	Based on the factors of Daily Price Range (DPR) of the underlying Futures contract and volatility.
Position	Numerical value for client level/member level limits in Options shall be twice of

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Limits	corresponding numbers applicable for Futures contracts. Guargum: 4,800 MT and 48,000 MT for clients and members 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: 6,000 MT or one-eighth of the member's overall position limit in that commodity, whichever is higher. Client-wise: 600 MT.
Final Settlement Price	Daily Settlement Price (DSP) of the underlying Futures contract on the Options Expiration day.
Exercise of Options	European Options to be exercised only on the day of Expiration of the Options contracts.
Mechanism of Exercise	Option series having strike price closest to the Daily Settlement Price (DSP) of Futures shall be termed as At-the-Money (ATM) option series. This ATM option series and two option series having strike prices immediately above this ATM strike and two option series having strike prices immediately below this ATM strike shall be referred as 'Close to the money' (CTM) option series. In case the DSP is exactly midway between two strike prices, then immediate two option series having strike prices just above DSP and immediate two option series having strike prices just below DSP shall be referred as 'Close to the money' (CTM) option series. 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. 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. All Out of the money (OTM) option contracts, except those belonging to 'CTM' option series, shall expire worthless.
Final Settlement Method	On exercise, Option position shall devolve into underlying Futures position as follows: • long call position shall devolve into long position in the underlying Futures contract • long put position shall devolve into short position in the underlying Futures

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	contract • short call position shall devolve into short position in the underlying Futures contract • short put position shall devolve into long position in the underlying Futures contract All such devolved futures positions shall be opened at the strike price of the exercised options.
Initial Margin	• **Initial Margin:** The Exchange 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 99% VaR (Value at Risk) and Margin Period of Risk (MPOR) shall be at least 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. The Exchange shall levy appropriate Short Option Minimum Margin (SOMM) for sellers/ writers of the option contracts. The Exchange shall fix prudent volatility scan range based on the volatility in the price of the underlying commodity.
Other Margins	• **Extreme loss margin:** Extreme loss margin is the margin levied to cover the losses that could occur outside the coverage of VaR margin. • **Calendar spread charge:** The calendar spread margin shall be calculated on the basis of delta of the portfolio of futures and options. A calendar spread margin of 25% on each leg of the positions shall be charged. • **Net Option Value :** Net option value is computed as the difference between the long option positions and the short option positions, valued at the last available options price and shall be updated intraday at the current market value of the relevant option contracts at the time of generation of risk parameters. Thus the mark to market gains and losses would not be settled in cash for options positions but it shall be adjusted against the margins/collaterals of the client. • **Margining at client level:** Exchanges 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

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	shall be applicable as and when they are levied by the Exchange • **Pre Expiry margin**: Pre expiry margin on options shall be levied at **1/3 * Futures margin % * Underlying Futures price * weightage** (if any) for three days before expiry of the option contract. Pre expiry margin on options shall be levied on options buyers (holders) and options sellers (writers). The pre-expiry margin on options shall be apart from other margins like initial margin, additional margins, spread margins etc. Pre-expiry margins shall not be included in standard client margin reporting and hence no penalty shall be levied on short collection/non-collection of the same by the CMs from their clients.

Contract Launch Calendar

Contract Launch Month	Options Expiry Month	Underlying Contract Expiry Month
October 09, 2018	November 2018	November 2018
	December 2018	December 2018
	January 2019	January 2019
	February 2019	February 2019
November 2018	March 2019	March 2019
December 2018	April 2019	April 2019
January 2019	May 2019	May 2019
February 2019	June 2019	June 2019
March 2019	July 2019	July 2019
April 2019	October 2019	October 2019
May 2019	November 2019	November 2019
June 2019	December 2019	December 2019

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