**Contract Specifications of Options on Futures on Guar Gum**

(Applicable for contracts expiring in the months of September 2026 and thereafter)

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| **Type of Contract** | Options on Futures |
| **Underlying** | GUARGUM5<br>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><br>Example: GUARGUM526JUL17CE3200FAUG17 |
| **Unit of trading** | 5 MT |
| **Delivery Unit** | 5 MT |
| **Maximum Order Size** | 250 MT |
| **Settlement Type** | Devolvement into Corresponding Futures |
| **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 devolvement into Futures. |
| **Final Settlement Price** | Daily Settlement Price (DSP) of the underlying Futures contract on the Options Expiration day. |
| **Options Type** | European |
| **Premium Quotation/base value** | Rs. Per Quintal |
| **Tick Size** | Rs.0.50 per Quintal |
| **Expiry Date** | Last Friday of the month preceding the expiration month of the underlying futures contract. If the last Friday is a holiday, then the preceding working day will be the expiry day for options. |
| **Strike Interval** | 200 |
| **Number of Strikes** | 10-1-10 |
| **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** | Same as corresponding Futures Contract. |
| **Quality Allowance** | Same as corresponding Futures Contract. |
| **Trading Hours** | Same as corresponding Futures Contract. |

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| **Daily Price Range** | Based on the factors of Daily Price Range (DPR) of Futures contract and volatility. |
| **Position Limits** | Position limits for 'option on futures' shall be clubbed with position limits of 'options in goods' on the same underlying goods but shall remain separate from position limits of futures contracts on the same underlying.<br>Numerical value for client level/member level limits in Options shall be twice of corresponding numbers applicable for Futures contracts.<br>**Guar Gum Refined Splits:** 1,29,200 MT and 12,920 MT for member and client respectively. |
| **Exercise of Options** | European Options to be exercised only on the day of Expiration of the Options contracts |
| **Mechanism of Exercise** | a). All In the money (ITM) option contracts shall be exercised automatically, unless 'contrary instruction has been given by long position holders of such contracts for not doing so.<br>b). All Out of the money (OTM) option contracts shall expire worthless.<br>c). All exercised contracts within an option series shall be assigned to short positions in that series in a fair and non-preferential manner.<br>d).In the event contrary instruction are given by ITM option position holders, the positions shall expire worthless. |
| **Final Settlement Method** | On exercise, Option position shall devolve into underlying Futures position as follows:<br>● long call position shall devolve into long position in the underlying Futures contract<br>● long put position shall devolve into short position in the underlying Futures contract<br>● short call position shall devolve into short position in the underlying Futures contract<br>● short put position shall devolve into long position in the underlying Futures contract<br><br>All such devolved futures positions shall be opened at the strike price of the exercised options. |
| **Initial Margin** | 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.<br>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.<br>Margins shall be adequate to cover atleast 99% VaR (Value at Risk) and Margin Period of Risk (MPOR) shall be at least four days.<br>For buyer of the option, buy premium shall be charged as margins and |

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| | blocked from the collaterals.<br>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.<br>NCCL shall fix prudent price scan range and volatility scan range based on the volatility in the price of the underlying commodity.<br>Appropriate Short Option Minimum Margin (SOMM) shall be fixed. |
| **Other Margins** | • **Extreme loss margin:** NCCL shall levy appropriate Extreme loss margin as applicable.<br>• **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.<br>• **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.<br>• **Pre expiry margin:** Pre expiry margin will be charged only on At the Money (ATM) and In the Money (ITM) long and short option positions. Further, during intraday if any Out of the Money (OTM) contract becomes ATM or ITM, per expiry margin would be levied intraday after volatility computation. 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.<br>• **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.<br>• **Other margins**: Other margins like additional margins and special margins shall be applicable as and when they are levied by the Exchange/Clearing Corporation/Regulator. |

**Contract Launch Calendar:**

| Contract Launch Month | Options Expiry Month | Underlying Contract Expiry Month |
|---|---|---|
| April 2026 | September 2026 | October 2026 |
| May 2026 | October 2026 | November 2026 |
| June 2026 | November 2026 | December 2026 |
| July 2026 | December 2026 | January 2027 |
| August 2026 | January 2027 | February 2027 |
| September 2026 | February 2027 | March 2027 |
| October 2026 | March 2027 | April 2027 |
| November 2026 | April 2027 | May 2027 |
| December 2026 | May 2027 | June 2027 |
| January 2027 | June 2027 | July 2027 |
| February 2027 | July 2027 | August 2027 |
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| May 2027 | October 2027 | November 2027 |
| June 2027 | November 2027 | December 2027 |

**Disclaimer:**

Members and market participants who enter into buy and sell transactions may please note that they need to be aware of all the factors that go into the mechanism of trading and clearing, as well as all provisions of the Exchange's Bye Laws, Rules, Regulations, Product Notes, circulars, directives, notifications of the Exchange as well as of the Regulators, Governments and other authorities.

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 India (FSSAI), AGMARK, Warehousing Development and Regulatory Authority (WDRA) 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, storage 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 responsible or liable on account of any non-compliance thereof.