
NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED

Circular to all members of the Exchange

Circular No : NCDEX/TRADING-060/2020

Date : December 09, 2020

Subject : Re-Launch of Futures contracts – Gur (Feed Grade) (GUR)

The Exchange is pleased to inform the members of the Exchange that as per its Bye-laws, Rules and Regulations, and with the approval received from Securities and Exchange Board of India, Future contracts in Gur (Feed Grade) (Symbol: GUR) expiring in the months of January 2021, February 2021, March 2021, April 2021 and June 2021 would be available for trading w.e.f. **December 15, 2020.**

The Futures contracts to be launched shall be additionally governed by the Product Note as is notified on the Exchange website under the tab- “Products”. Members and Participants are requested to kindly go through the same and get acquainted with the launched product, its trading and related process put in place by the Exchange.

Members are requested to take note of the following:

1. Summary of modifications in contract specifications for Gur (Feed Grade) (Symbol: GUR) Futures contracts expiring in the months of January 2021, February 2021, March 2021, April 2021 and June 2021 is given in Annexure I.
2. Modified contract specifications applicable for Futures contracts expiring in the months of January 2021, February 2021, March 2021, April 2021, June 2021 and thereafter is given in Annexure II.

The transaction charges applicable on Gur (Feed Grade) futures contract (Symbol: GUR) will be as per Other category commodities as mentioned below, till further notice from the Exchange.

Transaction charges shall be at the flat rate of Re. 1 per lakh of trade

With reference to circular nos. NCCL/RISK-001/2018 dated September 26, 2018 and NCCL/RISK-008/2019 dated June 12, 2019, members and participants are requested to note that as per the directives of the SEBI and Byelaws, Rules and Regulations of the Exchange, Concentration Margin shall be levied on Gur (Feed Grade) (Symbol: GUR). The Open Interest (OI) Threshold Level for

Gur (Feed Grade) (Symbol: GUR) to attract Concentration Margin shall be as mentioned in the table below:

Commodity	Symbol	Measure	Open Interest Threshold Level
Gur (Feed Grade)	GUR	MT	1,86,300 MT

The applicable OI slabs and corresponding margin percentages at clearing member level and at the client level shall be same as specified in the circular nos. NCCL/RISK-001/2018 dated September 26, 2018 and NCCL/RISK-008/2019 dated June 12, 2019. The Concentration Margin and Threshold Limit shall be effective from beginning of trading day December 15, 2020.

The contracts and the transactions therein will be subject to Bye Laws, Rules, and Regulations of the Exchange and circulars issued by the Exchange as well as directives, if any, issued from time to time by the Regulator. 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 warehouse of the Clearing Corporation is in due compliance with the applicable regulations laid down by authorities like Food Safety and Standards Authority of India, AGMARK, BIS, Orders under Packaging and Labelling 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, etc. as applicable from time to time on the underlying commodity of any contract offered for deposit / trading / delivery and the Exchange shall not be responsible or liable on account of any non-compliance thereof.

For and on behalf of
National Commodity & Derivatives Exchange Limited

Kapil Dev
Executive Vice President –Business

Encl: Annexures

For further information/ clarifications, please contact

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Annexure I: Summary of modifications in contract specifications – Gur (Feed Grade) futures contract

Parameters	Earlier Contract Specifications	Modified contract specifications	Rationale				
Name of Commodity	Gur	Gur (Feed Grade)	Based on the market feedback				
Ticker symbol	GURCHMUZR	GUR	To keep the contract name simple, the ticker symbol “Gur” is proposed.				
Basis	Ex-cold storage warehouse Muzaffarnagar inclusive of all local taxes	Ex- Cold Storage Warehouse Muzaffarnagar, inclusive of local taxes, exclusive of GST	Muzaffarnagar and its surrounding areas are key production and trading center for Gur and a large set of Value Chain Participants are based out of here. As per market feedback this is considered to be the benchmark center for discovery of Gur prices.				
Quality specification	100% dry golden brown Gur of Chaku type of the following specifications: <table><tr><td>Sucrose (on dry basis) percent by mass</td><td>75-80 % min</td></tr></table>	Sucrose (on dry basis) percent by mass	75-80 % min	100% dry golden brown Cane Gur of Chaku type of the following specifications: <table><tr><td>Sucrose (on dry basis) percent by mass</td><td>75-80 % min</td></tr></table>	Sucrose (on dry basis) percent by mass	75-80 % min	As per trade practices and market feedback.
Sucrose (on dry basis) percent by mass	75-80 % min						
Sucrose (on dry basis) percent by mass	75-80 % min						

	Reducing sugars (on dry basis) percent by mass 10-15% max Moisture 10 % max Sulphur dioxide (on dry basis) percent by mass 70 ppm max Water insoluble matter (on dry basis) percent by mass 1.5 % max Sulphated ash (on dry basis) percent by mass 3.5% max Ash insoluble in dilute hydrochloric acid (on dry basis) percent by mass 0.3% max	Reducing sugars (on dry basis) percent by mass 10-15% max Moisture 10 % max Sulphur dioxide (on dry basis) percent by mass 150 ppm max Water insoluble matter (on dry basis) percent by mass 1.5 % max Sulphated ash (on dry basis) percent by mass 3.5% max Ash insoluble in dilute hydrochloric acid (on dry basis) percent by mass 0.3% max	
Also deliverable	100% dry Gur of Balti type, meeting above specifications shall be deliverable at Hapur 100% dry Gur of Choursa type, meeting above specifications shall be deliverable at Meerut	Not Applicable	We are proposing only Chaku type to be delivered at Muzaffarnagar center only.
Delivery center	Muzaffarnagar	Muzaffarnagar (up to the radius of 50 Kms from the municipal limits)	Muzaffarnagar being the basis center has

			been kept as the delivery center
Additional delivery centers	Hapur, Meerut with location premium/discount as may be announced by the Exchange from time to time	Not applicable	Currently we are not proposing any additional delivery center for Gur (Feed Grade) Futures contract.
Type of Gur deliverable	From October to May: Muzaffarnagar – Chaku Gur on ready arrival basis Hapur – Balti Meerut – Choursa From June to September: Muzaffarnagar – Chaku Gur deliverable on cold storage basis	Not applicable	Not applicable as we are proposing only Cold Storage basis
Trading hours	As per directions of the Forward Markets Commission from time to time, currently – Mondays through Fridays: 10:00 AM to 5:00 PM Saturdays: 10.00 AM to 2.00 PM The Exchange may vary the above timing with due notice.	As notified by the Exchange from time to time, currently: Mondays through Fridays: 9.00 A.M. to 5.00 P.M. The Exchange may vary above timing with due notice.	As per current norms

Due date/Expiry date	20th day of the delivery month If 20th happens to be a holiday; a Saturday or a Sunday then the due date shall be the immediately preceding trading day of the Exchange, not being a Saturday.	Expiry date of the contract: 20th day of the delivery month. If 20th happens to be a holiday, a Saturday or a Sunday then the due date shall be the immediately preceding trading day of the Exchange, which is other than a Saturday. The settlement of contract would be by a staggered system of Pay-in and Pay-out including the last pay-in and pay-out which would be the final settlement of the contract.	As per current norms
Delivery specification	The seller would be required to give their intentions to give delivery at least 5 days before the maturity of the contract. If the buyer with outstanding positions at maturity or a seller who has given an option to delivery fails to meet their respective obligation, the penalty structure will be as per circular no. NCDEX/TRADING-091/2007/235 dated October 4, 2007.	Upon expiry of the contracts all the outstanding open positions shall result in compulsory delivery. During the Tender period, if any delivery is tendered by seller, the corresponding buyer having open position and matched as per process put in place by the Exchange, shall be bound to settle by taking delivery on T + 2 day from the delivery center where the seller has delivered same. The penalty structure for failure to meet delivery obligations will be as per circular no. NCCL/CLEARING-002/2018 dated September 25, 2018	As per current norms for Compulsory delivery contracts

Opening of contracts	Trading in new month contract will open on the 10th day of the month in which near month contract is due to expire. If the 10th day happens to be a non-trading day, contracts would open on the next trading day	Trading in any contract month will open on the 1st day of the month. If the 1st day happens to be a non-trading day, contracts would open on the next trading day	As per current norms
Tender Period	Not Mentioned in Earlier Contract	Tender Date –T Tender Period: The tender period would be the last 5 trading days (including expiry day) of the contracts. Pay-in and Pay-out: On a T+2 basis. If the tender date is T, then pay-in and pay- out would happen on T+2 day If such a T+2 day happens to be a Saturday, a Sunday or a holiday at the Exchange, Clearing Corporation, clearing banks or any of the service providers, pay-in and pay-out would be effected on the next working day.	In line with the recent SEBI circular no. SEBI/HO/CDMRD/D NPMP/CIR/P/2019/8 3 dated July 26, 2019 on staggered delivery period in Commodities Futures contract.
Closing of contract	On the expiry of the contract, all outstanding positions not resulting in giving/taking of physical delivery of commodity shall be closed out at the Final Settlement Price announced by the Exchange	Clearing and settlement of contracts will commence with the commencement of Tender Period by compulsory delivery of each open position tendered by the seller on T + 2 to the corresponding buyer matched by	As per current norms for Compulsory delivery contracts

		the process put in place by the Exchange. Upon the expiry of the contract all the outstanding open position shall result in compulsory delivery.	
Daily Price limit (DPL)	Daily price fluctuation limit is (+/-) 3%. If the trade hits the prescribed daily price limit there will be a cooling off period for 15 minutes. Trade will be allowed during this cooling off period within the price band. Thereafter the price band would be raised by another (+/-) 1% and trade will be resumed. If the price hits the revised price band (4%) again during the day, trade will only be allowed within the revised price band. No trade/order shall be permitted during the day beyond the revised limit of (+/-) 4%	Daily price limit is (+/-) 3%. Once the 3% limit is reached, then after a period of 15 minutes the limit shall be increased further by 1%. The trading shall be permitted during the 15 minutes period within the 3% limit. After the DPL is enhanced, trades shall be permitted throughout the day within the enhanced total DPL of 4%. The DPL on the launch (first) day of new contract shall be as per the circular no. NCDEX/RISK-034/2016/209 dated September 08, 2016.	As per current norms
Position limits	Member-wise: 30,000 MT for all contracts or 15% of market wide Open Interest whichever is higher. Client-wise: 10,000 MT The above limits will not apply to bona fide hedgers. For bona fide hedgers, the Exchange	The position limits will be applicable on Exchange wise basis: Member-wise: 7,70,000 MT or 15% of the market wide open interest in the commodity, whichever is higher.	As per current norms

	will, on a case to case basis, decide the hedge limits. Please refer to Circular No. NCDEX/TRADING-100/2005/219 dated October 20, 2005. For Near Month contracts: The following limits will apply one month prior to expiry of the contract Member-wise: 6,000 MT or 15% of market-wide open interest whichever is higher Client-wise: 2,000 MT	Client-wise: 77,000 MT Bona fide hedger clients may seek exemption as per approved Hedge Policy of the Exchange notified vide Circular No. NCDEX/CLEARING-019/2016/246 dated September 28, 2016. 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: 1,92,500 MT or one-fourth of the member's overall position limit in that commodity, whichever is higher. Client-wise: 19, 250 MT	
Special margin	In case of additional volatility, a special margin of at such other percentage, as deemed fit, will be imposed immediately on both buy and sell side in respect of all outstanding positions, which will remain in force for next 2	In case of unidirectional price movement/ increased volatility, an additional/ special margin at such other percentage, as deemed fit by the Regulator/Exchange, 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	As per current norms

	days, after which the special margin will be relaxed	such additional/ special margins shall be at the discretion of the Regulator/Exchange.																																									
Final Settlement Price	The Final Settlement Price (FSP) shall be arrived at by taking the simple average of the last polled spot prices of the last three trading days viz., E0 (expiry day), E-1 and E-2. In the event of the spot prices for any one of the E-1 and E-2 is not available; the spot price of E-3 would be used for arriving at the average. In case the spot prices are not available for both E-1 and E-2, then the average of E0 and E-3 (two days) would be taken. If all the three days' prices viz., E-1, E-2 and E-3 are not available, then only one day's price viz., E0 will be taken as the FSP.	FSP shall be arrived at by taking the simple average of the last polled spot prices of the last three trading days viz., E0 (expiry day), E-1 and E-2. In the event the spot price for any one or both of E- 1 and E-2 is not available; the simple average of the last polled spot price of E0, E-1, E-2 and E-3, whichever available, shall be taken as FSP. Thus, the FSP under various scenarios of non-availability of polled spot prices shall be as under: <table><tr><th rowspan="2">Scenario</th><th colspan="4">Polled spot price availability on</th><th rowspan="2">FSP shall be simple average of last polled spot prices on:</th></tr><tr><th>E0</th><th>E-1</th><th>E-2</th><th>E-3</th></tr><tr><td>1</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes/No</td><td>E0, E-1, E-2</td></tr><tr><td>2</td><td>Yes</td><td>Yes</td><td>No</td><td>Yes</td><td>E0, E-1, E-3</td></tr><tr><td>3</td><td>Yes</td><td>No</td><td>Yes</td><td>Yes</td><td>E0, E-2, E-3</td></tr><tr><td>4</td><td>Yes</td><td>No</td><td>No</td><td>Yes</td><td>E0, E-3</td></tr><tr><td>5</td><td>Yes</td><td>Yes</td><td>No</td><td>No</td><td>E0, E-1</td></tr></table>	Scenario	Polled spot price availability on				FSP shall be simple average of last polled spot prices on:	E0	E-1	E-2	E-3	1	Yes	Yes	Yes	Yes/No	E0, E-1, E-2	2	Yes	Yes	No	Yes	E0, E-1, E-3	3	Yes	No	Yes	Yes	E0, E-2, E-3	4	Yes	No	No	Yes	E0, E-3	5	Yes	Yes	No	No	E0, E-1	As per current norms
Scenario	Polled spot price availability on				FSP shall be simple average of last polled spot prices on:																																						
	E0	E-1	E-2	E-3																																							
1	Yes	Yes	Yes	Yes/No	E0, E-1, E-2																																						
2	Yes	Yes	No	Yes	E0, E-1, E-3																																						
3	Yes	No	Yes	Yes	E0, E-2, E-3																																						
4	Yes	No	No	Yes	E0, E-3																																						
5	Yes	Yes	No	No	E0, E-1																																						

		<table><tr><td>6</td><td>Yes</td><td>No</td><td>Yes</td><td>No</td><td>E0, E-2</td></tr><tr><td>7</td><td>Yes</td><td>No</td><td>No</td><td>No</td><td>E0</td></tr></table>	6	Yes	No	Yes	No	E0, E-2	7	Yes	No	No	No	E0	
6	Yes	No	Yes	No	E0, E-2										
7	Yes	No	No	No	E0										
Delivery Logic	Seller’s Option	Compulsory Delivery	To facilitate physical deliveries on the Exchange platform												
Minimum Initial Margin	5%	10%	As per current norms												
Premium/Discount	Premium/Discount for type of Gur: 100% dry Gur of Balti type of the same specifications shall be deliverable at Hapur at premium/discount over/below the traded price for which the premium/discount shall be announced by the Exchange at the time of launch of the contract. 100% dry Gur of Choursa type of the same specifications shall be deliverable at Meerut at premium/discount over/below the traded price for which the premium/discount shall be announced by the Exchange at the time of launch of the contract. Premium/Discount for quality of Gur: The premium/discount for quality of Gur shall apply over and	Not Applicable..	Not applicable as we are proposing only basis center currently.												

	above the premium/discount for type of Gur Sucrose (on dry basis) percent by mass Gur with sucrose (on dry basis) percent by mass of $\geq 80\%$ max shall be acceptable at a premium of Rs 2 per 40 kgs, Gur with sucrose (on dry basis) percent by mass of 70-75% max shall be acceptable at a discount of Rs 2 per 40 kgs, Gur with sucrose (on dry basis) percent by mass of less than 70% shall be rejected Reducing sugars (on dry basis) percent by mass Gur with reducing sugars (on dry basis) percent by mass of 15-20% max shall be acceptable at a discount of Rs 2 per 40 kgs, Gur with reducing sugars (on dry basis) percent by mass of more than 20% shall be rejected Sulphur Dioxide (on dry basis) percent by mass Gur with Sulphur Dioxide (on dry basis) percent by mass of 60-70 ppm shall be acceptable at par Gur with Sulphur		
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	Dioxide (on dry basis) percent by mass of 50-60 ppm shall be acceptable at a premium of Rs 5 per 40 kgs, Gur with Sulphur Dioxide (on dry basis) percent by mass of less than 50 ppm shall be acceptable at a premium of Rs 7 per 40 kgs, Gur with Sulphur Dioxide (on dry basis) percent by mass of more than 70 ppm shall be rejected		
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Annexure II:
Modified Contract Specifications of Gur (Feed Grade) (GUR) Futures contract

Type of Contract	Futures Contract		
Name of Commodity	Gur (Feed Grade)		
Ticker symbol	GUR		
Trading System	NCDEX Trading System		
Basis	Ex- Cold Storage Warehouse Muzaffarnagar, inclusive of local taxes, exclusive of GST		
Unit of trading	10 MT		
Delivery unit	10 MT net basis packed in new jute bags. Packaging costs shall be borne by the buyer.		
Maximum Order Size	500 MT		
Quotation/base value	Rs. per 40 KGS		
Tick size	50 paisa		
Quality specification	100% dry golden brown Cane Gur of Chaku type of the following specifications:		
	Sucrose (on dry basis) percent by mass	75-80 % min	
	Reducing sugars (on dry basis) percent by mass	10-15% max	
	Moisture	10 % max	
	Sulphur Dioxide (on dry basis) percent by mass	150 ppm max	

	Water insoluble matter (on dry basis) percent by mass	1.5 % max
	Sulphated Ash (on dry basis) percent by mass	3.5% max
	Ash insoluble in Dilute Hydrochloric Acid (on dry basis) percent by mass	0.3% max
Quantity variation	+/- 5%	
Delivery center	Muzaffarnagar (up to the radius of 50 Kms from the municipal limits)	
Hours of Trading	As notified by the Exchange from time to time, currently: Mondays through Fridays: 9.00 A.M. to 5.00 P.M. The Exchange may vary above timing with due notice.	
Due date/Expiry date	Expiry date of the contract: 20th day of the delivery month. If 20th happens to be a holiday, a Saturday or a Sunday then the due date shall be the immediately preceding trading day of the Exchange, which is other than a Saturday. The settlement of contract would be by a staggered system of Pay-in and Pay-out including the last pay-in and pay-out which would be the final settlement of the contract.	
Delivery specification	Upon expiry of the contracts all the outstanding open positions shall result in compulsory delivery. During the Tender period, if any delivery is tendered by seller, the corresponding buyer having open position and matched as per process put in place by the Exchange, shall be bound to settle by taking delivery on T + 2 day from the delivery center where the seller has delivered same.	

	The penalty structure for failure to meet delivery obligations will be as per circular no. NCCL/CLEARING-002/2018 dated September 25, 2018.
Opening of contracts	Trading in any contract month will open on the 1st day of the month. If the 1st day happens to be a non-trading day, contracts would open on the next trading day
Tender Period	Tender Date –T Tender Period: The tender period would be the last 5 trading days (including expiry day) of the contracts. Pay-in and Pay-out: On a T+2 basis. If the tender date is T, then pay-in and pay- out would happen on T+2 day. If such a T+2 day happens to be a Saturday, a Sunday or a holiday at the Exchange, Clearing Corporation, clearing banks or any of the service providers, pay-in and pay-out would be effected on the next working day.
Closing of contract	Clearing and settlement of contracts will commence with the commencement of Tender Period by compulsory delivery of each open position tendered by the seller on T + 2 to the corresponding buyer matched by the process put in place by the Exchange. Upon the expiry of the contract all the outstanding open position shall result in compulsory delivery.
No. of active contracts	As per the contract launch calendar
Daily Price limit (DPL)	Daily price limit is (+/-) 3%. Once the 3% limit is reached, then after a period of 15 minutes the limit shall be increased further by 1%. The trading shall be permitted during the 15 minutes period within the 3% limit. After the DPL is enhanced, trades shall be permitted throughout the day within the enhanced total DPL of 4%. The DPL on the launch (first) day of new contract shall be as per the circular no. NCDEX/RISK-034/2016/209 dated September 08, 2016.

Position limits	The position limits will be applicable on Exchange wise basis: Member-wise: 770,000 MT or 15% of the market wide open interest in the commodity, whichever is higher. Client-wise: 77,000 MT Bona fide hedger clients may seek exemption as per approved Hedge Policy of the Exchange notified vide Circular No. NCDEX/CLEARING-019/2016/246 dated September 28, 2016. 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: 192,500 MT or one-fourth of the member's overall position limit in that commodity, whichever is higher. Client-wise: 19,250 MT
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, 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.
Final Settlement Price	FSP shall be arrived at by taking the simple average of the last polled spot prices of the last three trading days viz., E0 (expiry day), E-1 and E-2. In the event the spot price for any one or both of E- 1 and E-2 is not available; the simple average of the last polled spot price of E0, E-1, E-2 and E-3, whichever available, shall be taken as FSP. Thus, the FSP under various scenarios of non-availability of polled spot prices shall be as under:

	Scenario	Polled spot price availability on				FSP shall be simple average of last polled spot prices on:
		E0	E-1	E-2	E-3	
	1	Yes	Yes	Yes	Yes/No	E0, E-1, E-2
	2	Yes	Yes	No	Yes	E0, E-1, E-3
	3	Yes	No	Yes	Yes	E0, E-2, E-3
	4	Yes	No	No	Yes	E0, E-3
	5	Yes	Yes	No	No	E0, E-1
	6	Yes	No	Yes	No	E0, E-2
	7	Yes	No	No	No	E0
Delivery Logic	Compulsory Delivery					
Minimum Initial Margin	10%					

Tolerance limit for outbound deliveries in Gur (Feed grade)

Specification	Basis	Permissible Tolerance Limit
Moisture	10 % Max	+/- 0.50%
Water insoluble matter (on dry basis) percent by mass.	1.5% Max	+/- 0.25%
Upper limit on the total of all tolerances	+/- 0.50 %	

Contract Launch Calendar

Contract Launch Month	Contract Expiry Month
December 15, 2020	January 2021
	February 2021
	March 2021
	April 2021
	June 2021
January 2021	July 2021
February 2021	August 2021
March 2021	September 2021
April 2021	No Launch
May 2021	November 2021
June 2021	December 2021