

Contract Specifications – Sugar (M Grade) futures contract

(Applicable for contracts expiring in the months of October 2017 and thereafter)

Type of Contract	Futures Contract	
Name of commodity	Sugar (M Grade)	
Ticker Symbol	SUGARM	
Trading System	NCDEX Trading System	
Basis	Ex-warehouse Kolhapur Exclusive of all taxes	
Unit of Trading	10 MT	
Delivery Unit	10 MT	
Maximum Order Size	500 MT	
Quotation/Base Value	Rs./quintal	
Tick Size	Re 1	
Quality Specification	Sugar in crystal form manufactured by vacuum pan method with:	
	Moisture	0.08% Max
	Polarisation(Sucrose)	99.80% Min
	ICUMSA	< or =150 ICUMSA as determined by GS9/1/2/3-8 prescribed in Sugar Analysis ICUMSA Method Book
	Grade	M
	Grain Size	Medium with > or = 85% retention on 1.18 mm sieve size as determined by the methods prescribed in IS:498-2003
	Sulphur Dioxide	70 ppm maximum
	Dirt, Filth, Iron filings, and Added Colouring matter	It shall be free from dirt, filth, iron filings, and added colouring matter
	Extraneous matter	Extraneous matter shall not exceed 0.1 per cent by weight
	Crop Year Reference	Till December expiry contract: Production of the last crushing season is allowed in addition to current crop. From March expiry contract: Production of only current crushing season is allowed.
Quantity Variation	+/- 5%	
Delivery Center	Kolhapur (up to 100 km from municipal limits)	
Additional delivery centers	Erode, Belgaum, Delhi, Kolkata, Pune, Sangli and Solapur (Within a radius of 100 km from municipal limits) Location Premium/Discount as notified by the Exchange from time to time.	

Hours of Trading	<p>As notified by the exchange from time to time, currently- Mondays through Fridays: 10:00 AM to 9.00 p.m. / 9.30p.m.* (*during US day light saving period) On the expiry date, contracts expiring on that day will not be available for trading after 5 p.m. The Exchange may vary the above timing with due Notice</p>																		
Delivery Logic	Compulsory Delivery																		
Also Deliverable	<p>Sugar S of the following Specification:</p> <table border="1" data-bbox="574 506 1425 1251"> <tr> <td>Moisture</td> <td>0.08%Max</td> </tr> <tr> <td>Polarisation(Sucrose)</td> <td>99.80% Min</td> </tr> <tr> <td>ICUMSA</td> <td>< or = 150 ICUMSA as determined by GS9/1/2/3-8 prescribed in Sugar Analysis ICUMSA Method Book</td> </tr> <tr> <td>Grade</td> <td>S</td> </tr> <tr> <td>Grain Size</td> <td>Small with > or = 70% retention on 600 micron sieve size as determined by the methods prescribed in IS:498-2003</td> </tr> <tr> <td>Sulphur Dioxide</td> <td>70 ppm maximum</td> </tr> <tr> <td>Dirt, Filth, Iron filings, and Added Colouring matter</td> <td>It shall be free from dirt, filth, iron filings, and added colouring matter</td> </tr> <tr> <td>Extraneous matter</td> <td>Extraneous matter shall not exceed 0.1 per cent by weight</td> </tr> <tr> <td>Crop Year Reference</td> <td> Till December expiry contract: Production of the last crushing season is allowed in addition to current crop From March expiry contract: Production of only current crushing season is allowed. </td> </tr> </table> <p>The premium/discount would be announced before the launch of the contracts.</p>	Moisture	0.08%Max	Polarisation(Sucrose)	99.80% Min	ICUMSA	< or = 150 ICUMSA as determined by GS9/1/2/3-8 prescribed in Sugar Analysis ICUMSA Method Book	Grade	S	Grain Size	Small with > or = 70% retention on 600 micron sieve size as determined by the methods prescribed in IS:498-2003	Sulphur Dioxide	70 ppm maximum	Dirt, Filth, Iron filings, and Added Colouring matter	It shall be free from dirt, filth, iron filings, and added colouring matter	Extraneous matter	Extraneous matter shall not exceed 0.1 per cent by weight	Crop Year Reference	Till December expiry contract: Production of the last crushing season is allowed in addition to current crop From March expiry contract: Production of only current crushing season is allowed.
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Final Settlement Price	<p>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:</p> <table border="1" data-bbox="574 1608 1279 1833"> <thead> <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> </thead> <tbody> <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> </tbody> </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		
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	E0	E-1	E-2	E-3															
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	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
Opening of Contracts	Trading in new contract will open on the 1 st day of the month in which near month contract is due to expire. If the 1 st day happens to be a non-trading day, contracts would open on the next trading day					
Tender Period	<p>Tender Date –T</p> <p>Tender Period: The tender period shall start on 11th of every month in which the contract is due to expire. In case 11th happens to be a Saturday, a Sunday or a holiday at the Exchange, the tender period would start from the next working day.</p> <p>Pay-in and Pay-out:</p> <p>On a T+2 basis. If the tender date is T, then pay-in and pay-out would happen on T+2 day (excluding Saturday). If such a T+2 day happens to be a Saturday, a Sunday or a holiday at the Exchange, clearing banks or any of the service providers, pay-in and pay-out would be effected on the next working day.</p>					
Closing of contract	<p>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.</p> <p>Upon the expiry of the contract all the outstanding open position shall result in compulsory delivery.</p>					
Due date/Expiry date	<p>Expiry date of the contract:</p> <p>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.</p> <p>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.</p>					
Delivery Specification	<p>Upon expiry of the contracts all the outstanding open positions shall result in compulsory delivery.</p> <p>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 centre where the seller has delivered same.</p> <p>The penalty structure for failure to meet delivery obligations will be as per circular no. NCDEX/CLEARING-020/2016/247 dated September 28, 2016.</p>					

No. of active contracts	As per Launch Calendar
Daily Price Limit (DPL)	<p>Daily price limit is (+/-) 3%. Once the 3% limit is reached, then after a period of 15 minutes this 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%.</p> <p>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.</p>
Position Limits	<p>Limit for aggregate contracts traded on all the Exchanges - applicable for all the contracts together for Grade-M and Grade-S both including position in expiry month:</p> <p>Member-wise: 6,00,000 MT or 15% of market wide open interest in the commodity, whichever is higher</p> <p>Client-wise: 60,000 MT.</p> <p>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.</p> <p>For near month contracts</p> <p>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.</p> <p>Member-wise: 1,50,000 MT or one-fourth of the member's overall position limit in that commodity, whichever is higher.</p> <p>Client-wise: 15,000 MT.</p>
Special Margin	<p>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.</p>
Minimum Initial margin	4%
Premium/Discount	<p>Sugar M with ICUMSA more than 150 shall be rejected.</p> <p>Sugar S with ICUMSA more than 150 shall be rejected.</p>

Tolerance Limit – Sugar M Grade

Commodity Specifications	Basis	Acceptable quality range as per contract specification	Permissible Tolerance
Moisture	0.08% Max	-	-
Polarisation	99.80% Min	-	-
ICUMSA	< or = 150 ICUMSA as determined by GS9/1/2/3-8 prescribed in Sugar Analysis ICUMSA Method Book	-	+/- 10 ICUMSA
Grade	M	-	-
Grain Size	Medium with > or = 85% retention on 1.18 mm sieve size as determined by the methods prescribed in IS:498-2003	-	-
Sulphur Dioxide	70 ppm maximum	-	-
Dirt, Filth, Iron filings, and Added Colouring matter	It shall be free from dirt, filth, iron filings, and added colouring matter	-	-
Extraneous matter	Extraneous matter shall not exceed 0.1 per cent by weight	-	-

Tolerance Limit – Sugar S Grade

Commodity Specifications	Basis	Acceptable quality range as per contract specification	Permissible Tolerance
Moisture	0.08% Max	-	-
Polarisation	99.80% Min	-	-
ICUMSA	< or = 150 ICUMSA as determined by GS9/1/2/3-8 prescribed in Sugar Analysis ICUMSA Method Book	-	+/- 10 ICUMSA
Grade	S	-	-
Grain Size	Small with > or = 70% retention on 600 micron sieve size as determined by the methods prescribed in IS:498-2003	-	-
Sulphur Dioxide	70 ppm maximum	-	-
Dirt, Filth, Iron filings, and Added Colouring matter	It shall be free from dirt, filth, iron filings, and added colouring matter	-	-
Extraneous matter	Extraneous matter shall not exceed 0.1 per cent by weight	-	-

Note: Tolerance limit is applicable only for out bound deliveries. Variation in quality parameters within the prescribed tolerance limit as above will be treated as good delivery when members/clients lift the materials from warehouse. These permissible variations shall be based on the parameters found as per the immediate preceding test certificate given by NCDEX empanelled assayer.

Contract Launch Calendar

Contract Launch Month	Contracts Expiry Month
March 2016	October 2017
April 2016	No Launch
May 2016	December 2017
June 2016	No Launch
July 2016	March 2018
August 2016	No Launch
September 2016	No Launch
October 2016	May 2018
November 2016	No Launch
December 2016	July 2018
January 2017	No Launch
February 2017	No Launch
March 2017	October 2018
April 2017	No Launch
May 2017	December 2018
June 2017	No Launch
July 2017	March 2019
August 2017	No Launch
September 2017	No Launch
October 2017	January 2018, May 2019
November 2017	February 2018
December 2017	July 2019
January 2018	April 2018
February 2018	No Launch
March 2018	June 2018, October 2019
April 2018	No Launch
May 2018	August 2018, December 2019
June 2018	September 2018
July 2018	March 2020
August 2018	November 2018
September 2018	No Launch
October 2018	January 2019, May 2020
November 2018	February 2019
December 2018	July 2020

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 Exchange 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 Standard Authority of India (FSSAI), AGMARK, BIS, Warehousing Development and Regulatory Authority (WDRA), Orders under Packaging and Labelling etc. and 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 Goods & Services Tax, 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.