

Guar gum Contract Specifications

(Updated on December 22, 2010)

Type of Contract	Futures Contract	
Name of Commodity	Guar Gum	
Ticker symbol	GARGUMJDR	
Trading System	NCDEX Trading System	
Basis	Ex- warehouse Jodhpur, inclusive of Sales tax/VAT	
Unit of trading	5 MT	
Delivery unit	5 MT	
Quotation/base value	Rs. per Quintal	
Tick size	Re. 1	
Quality specification	Residue insoluble in Acid	3.00% (Max)
	Protein	5.00% (Max)
	Undehusked Splits	10.00%
	Black, dark red and brown coloured splits	1.00% (Max)
	Through 14" mesh	3.00% (Max)
	Through 20" mesh	0.10% (Basis)
	Moisture	8%
	Foreign Particles (all non gum particles)	0.30% (Basis)
Quantity variation	+/- 2%	
Delivery center	Jodhpur (up to the radius of 50 Km from the municipal limits)	
Additional delivery centres	Bikaner, Nokha and Deesa (up to the radius of 50 Km from the municipal limits) with location wise premium/discount as announced by the Exchange from time to time.	
Trading hours	As per directions of the Forward Markets Commission from time to time, currently -	

	<p>Mondays through Fridays - 10:00 a.m. to 05:00 p.m. Saturdays - 10.00 a.m. to 2.00 p.m.</p> <p>The Exchange may vary the above timing with due notice</p>
Delivery Specification	<p>Upon expiry of the contract all outstanding positions will result in delivery</p> <p>The penalty structure for failure to meet delivery obligations will be as per circular no. NCDEX/TRADING-086/2008/216 dated September 16, 2008.</p>
Delivery logic	Compulsory delivery
No. of active contracts	As per launch calendar
Opening of Contracts	Trading in any contract month will open on the 10th day of the month. If the 10th day happens to be a non-trading day, contracts would open on the next trading day
Closing of contract	Upon the expiry of contract all outstanding open positions would result in compulsory delivery
Due date/Expiry date	<p>20th day of the delivery month</p> <p>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.</p>
Daily price limit	<p>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 (+/-) 1% and trade will be resumed.</p> <p>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%.</p>
Position limits	<p>Member: 3000 MT or 15% of market open interest, whichever is higher. Client: 1000 MT</p> <p>The above limits will not apply to bona fide hedgers. For bona fide hedgers, the Exchange will, on a case to case basis, decide the hedge limits</p> <p>For near month contracts: The following limits would be applicable from one month prior to expiry of contract</p> <p>Member: 600 MT or 15% of the market-wide near month</p>

	<p>open position, whichever is higher Client: 200 MT</p>
<p>Quality Allowance</p>	<p>The quality allowance in respect of Guar Gums is as follows:</p> <p>Undehusked splits*</p> <p>10% basis acceptable upto 12% at a discount of 1:0.5 Above 12% rejected</p> <p>Through 20% mesh</p> <p>0.10% basis acceptable upto 0.25% at a discount of 1:1 Above 0.25 % rejected</p> <p>Moisture</p> <p>8% basis acceptable upto 10% at a discount of 1:1 Above 10.00% rejected</p> <p>Foreign particles</p> <p>0.30% basis acceptable upto 0.50 % at a discount of 1:2 Above 0.50% rejected</p> <p>*Total of 'Undehusked splits' and 'Black, dark red and brown coloured splits' not to exceed 12%</p>
<p>Special margins</p>	<p>In case of additional volatility, a special margin at such other percentage, as deemed fit, will be imposed in respect of outstanding positions, which will remain in force as long as the volatility exists, after which the special margin may be relaxed.</p>
<p>Final Settlement Price</p>	<p>The Final Settlement Price (FSP) shall be arrived at by taking the average of the last three days' spot prices. The last spot price for the day as polled by the Exchange during the last three days shall be taken for arriving at the FSP. In the event of unavailability of the spot prices during any one of the last three days excluding the expiry day (i.e., on E - 1 or E - 2), the spot price of the previous day (E - 3) shall be considered for the average of the last three days. In case spot prices are not available during the 3 day period prior to the expiry date, the last spot price of the expiry day shall be considered for arriving at the FSP</p>

Tolerance Limits for Outbound Deliveries for Guar gum

Specification	Basis	Deliverable Range	Tolerance Limit
Undehusked splits	10.00% Basis	Upto 12%	+/-0.25%
Black, dark red and brown coloured splits	1.00% (Max)	NA	+/-0.1 %
Through 14" mesh	3.00% (Max)	NA	+/-0.5 %
Through 20" mesh	0.10% (Basis)	Upto 0.25 %	+/-0.05 %
Foreign Particles (all non gum particles)	0.30% (Basis)	Upto 0.5%	+/-0.05 %
Upper limit on the total of all tolerances			0.75%

Contract Launch Calendar

Contract Launch month	Contract expiry month
June 2010	December 2010
August 2010	January 2011, February 2011
September 2010	March 2011
October 2010	April 2011
November 2010	May 2011
December 2010	June 2011
January 2011	July 2011
February 2011	August 2011
March 2011	September 2011
April 2011	October 2011
May 2011	November 2011
June 2011	December 2011