
NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED

Circular to all trading and clearing members of the Exchange

Circular No : NCDEX/TRADING-158/2014/334

Date : October 22, 2014

Subject : Modification in contract specifications – Barley (BARLEYJPR) futures contract

Trading and Clearing Members are requested to note that the Exchange, as per the Bye-laws, Rules and Regulations of the Exchange and with the approval of the Forward Markets Commission, has modified the contract specifications in the Barley futures contract (Symbol: BARLEYJPR) expiring in the months of April 2015 and thereafter. The contract expiring in the month of April 2015 will be available for trading from **October 27, 2014**. Contracts for further expiries will be launched as per the enclosed contract launch calendar.

The futures contract to be launched on October 27, 2014 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 product launched and its trading and related process put in place by the Exchange.

Currently, Barley futures contracts (Symbol: BARLEYJPR) expiring in the months of November 2014, December 2014 and January 2015 are available for trading and would continue to be traded as per existing contract specifications.

Summary of modifications in contract specifications for Barley futures contracts expiring in April 2015 and thereafter is given in **Annexure I**. Existing Contract specifications applicable for Barley futures contracts (Symbol: BARLEYJPR) expiring in November 2014, December 2014 and January 2015 are given in **Annexure II**. Modified contract specifications applicable for Barley futures contracts (Symbol: BARLEYJPR) expiring in April 2015 and thereafter are given in **Annexure III**. Location premium / discount for the contract expiring in April 2015 is provided in **Annexure IV**.

The contracts and the transactions therein will be subject to Rules, Bye Laws and Regulations of the Exchange and circulars issued by the Exchange as well as directives, if any, issued from time to time by the Forward Markets Commission. 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 is in due compliance with the applicable regulations laid down by authorities like Food Safety Standard 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 Sales Tax, Value Added Tax, APMC Tax, Mandi Tax, LBT, Octroi, Excise duty, 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

Suresh Devnani
Senior Vice President – Business Development

For further information / clarifications, please contact

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Annexure I
Summary of the modifications in contract specifications – Barley futures contracts:

Parameter	Existing Contract Specification	Modified Contract Specification
Quality Specification	Barley as per the following specification shall be acceptable for delivery	Barley shall be sound husked whole barley grains.
	Moisture - 10% basis	Moisture - 12% max
	Damaged including Discolored (black tipped/ black cornered only) - 3% basis	Damaged including Discolored (black tipped/ black cornered only) - 4% max
	Weeviled – 1% Max	Weeviled – 1% Max
	Foreign Matter - (Extraneous Matter)-Not more than 1 % by weight, of which not more than 0.25% by weight shall be mineral matter and not more than 0.10 % by weight, shall be impurities of animal origin.	Foreign Matter - (Extraneous Matter)-Not more than 1 % by weight, of which not more than 0.25% by weight shall be mineral matter and not more than 0.10 % by weight, shall be impurities of animal origin.
	Other food grains - 1% Max	Other food grains - 1% Max
	Broken Kernels - 3% basis	Broken Kernels - 4% max
	TCW (weight of thousand grains) - 40 gm basis	TCW (weight of thousand grains) - 38 gms min
Additional Delivery Center	Sri Madhopur, Sri Ganganagar, Hanumangarh and Rewari (Up to 50 km radius from the municipal limits) at a premium / discount as announced by the Exchange from time to time.	Sri Ganganagar, Rewari and Sirsa (Up to 50 km radius from the municipal limits) at a premium / discount as announced by the Exchange from time to time.

Annexure II
Existing Contract specifications for Barley Futures contracts (Applicable for contracts expiring in November 2014, December 2014 and January 2015)

Type of Contract	Futures Contract	
Name of Commodity	Barley	
Ticker symbol	BARLEYJPR	
Trading System	NCDEX Trading System	
Basis	Ex-warehouse Jaipur (Chomu/KukurKheda) gross basis inclusive of all local taxes and levies	
Unit of trading	10 MT	
Delivery unit	10 MT	
Maximum Order Size	500 MT	
Quotation/base value	Rs. per quintal	
Tick size	Rs. 0.50	
Quality specification	Barley as per the following specification shall be acceptable for delivery :	
	Moisture	10% basis
	Damaged including Discolored (black tipped/ black cornered only)	3% basis
	Weeviled	1% Max
	Foreign Matter	(Extraneous Matter)-Not more than 1 % by weight, of which not more than 0.25% by weight shall be mineral matter and not more than 0.10 % by weight, shall be impurities of animal origin.

	Other food grains	1% Max
	Broken Kernels	3% basis
	TCW (weight of thousand grains)	40 gm basis
Quantity variation	+/- 5 %	
Basis Delivery center	Jaipur (Chomu/KukurKheda) (Up to 50 km radius from the municipal limits)	
Additional delivery centers	Sri Madhopur, Sri Ganganagar , Hanumangarh and Rewari (Up to 50 km radius from the municipal limits) at a premium/discount as announced by the Exchange from time to time	
Hours of Trading	<p>As per directions of the Forward Markets Commission from time to time, currently :-</p> <p>Mondays through Fridays - 10:00 AM to 5:00 PM</p> <p>The Exchange may vary the above timing with due notice</p>	
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	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	

	<p>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 center where the seller has delivered same.</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 and NCDEX/CLEARING-021/2014/271 dated September 09, 2014.</p>
Opening of contracts	<p>Trading in a new month contract to 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</p>
No. of active contracts	<p>As per launch calendar</p>
Price band	<p>Daily price fluctuation limit is (+/-) 2%. 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 shall be raised by another (+/-) 2% and trade will be resumed. If the price hits the revised price band 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> <p>On the first day, the limit on daily price fluctuation will be</p>

	<p>reckoned with reference to the opening price. On the second and subsequent days, the daily price fluctuation limit will be reckoned with reference to the mark-to-market rate of the previous closing day.</p>
<p>Position Limits</p>	<p>Member-wise: 32,500 MT or 15% of market wide open position whichever is higher.</p> <p>Client-wise: 6,500 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. Please refer to Circular No. NCDEX/CLEARING-018/2014/228 dated July 22, 2014</p> <p>For near month contracts:</p> <p>The following limits would be applicable from 1st day of the 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: Maximum of 6,500 MT or 15% of market-wide near month open position whichever is higher</p> <p>Client: Maximum of 1300 MT</p>
<p>Special margins</p>	<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>
<p>Premium/Discount</p>	<p>Location Premium/Discount:</p> <p>The premium or discount for Rewari, Srimadhapur, Hanumangarh and Sri Ganganagar vis-a-vis the basis center, would be announced by the Exchange before launching of any new contracts</p> <p>Quality Premium/Discount for all the months:</p> <p>Quality variance is acceptable in specifications for Moisture, Damaged including discolored (black tipped) , Weeviled Grains, Foreign Matter, TCW (thousand corn weight) only with discounts as follows:</p>

	<p>Moisture :</p> <p>Moisture above 10% but up to 12% shall be accepted with rebate on 1:1 basis.</p> <p>Moisture above 12% - rejected</p> <p>Damaged including Discolored (black tipped/black cornered only)</p> <p>Damaged including {Discolored (black tipped/ black cornered only) above 3% but up to 4.5% shall be accepted with rebate on 1:1 basis which shall be applied to such content rounded off to the higher 0.5%.</p> <p>Broken Kernels</p> <p>Broken kernels above 3% but up to 5% shall be accepted with rebate on 1:1 basis which shall be applied to such content rounded off to the higher 0.5%.</p> <p>Broken kernels more than 5% - Rejected</p> <p>TCW (Weight for thousand kernels)</p> <p>TCW will be 40 gram basis. Acceptable up to 37 gram with rebate on 1:1 basis and up to 36 gm with rebate on 1:2 basis</p>
<p>Final Settlement Price</p>	<p>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.</p>
<p>Minimum Initial Margin</p>	<p>5%</p>
<p>Delivery Logic</p>	<p>Compulsory delivery</p>

Tolerance Limit:-

Commodity Specifications	Basis	Acceptable quality range as per contract specification	Permissible Tolerance
Moisture	10% basis	12% max	-
Damaged including Discolored (black tipped/ black cornered only)	3% basis	4.5% max	+/- 0.5%
Foreign Matter	(Extraneous Matter) - Not more than 1 % by weight, of which not more than 0.25% by weight shall be mineral matter and not more than 0.10 % by weight, shall be impurities of animal origin.	-	-
Weeviled Grains	1% Max	-	+/- 0.5%
Other Food Grains	1% Max	-	-
Broken Kernels	3% basis	5% max	+/- 0.25%
TCW (weight of thousand grains)	40 gm basis	36 gm max	+/- 0.5%
Max Tolerance (for all characteristics)			+/- 1.00%

Contract Launch Calendar

Contract Launch Month	Contract Expiry Month
July 2014	November 2014
August 2014	December 2014
September 2014	January 2015

Annexure III
Modified contract specifications of Barley futures contracts
(Applicable for contracts expiring in the month of April 2015 and thereafter)

Type of Contract	Futures Contract								
Name of Commodity	Barley								
Ticker symbol	BARLEYJPR								
Trading System	NCDEX Trading System								
Basis	Ex-warehouse Jaipur (Chomu/KukurKheda) gross basis Exclusive of Sales Tax/VAT								
Unit of trading	10 MT								
Delivery unit	10 MT								
Maximum Order Size	500 MT								
Quotation/base value	Rs. per quintal								
Tick size	Rs. 0.50								
Quality specification	<p>Barley shall be sound husked whole barley grains. Barley shall also conform to the following quality standards:</p> <table border="1"> <tr> <td>Moisture</td> <td>12% Max</td> </tr> <tr> <td>Damaged including Discolored (black tipped/black cornered only)</td> <td>4% Max</td> </tr> <tr> <td>Weeviled</td> <td>1% Max</td> </tr> <tr> <td>Foreign Matter</td> <td>(Extraneous Matter)-Not more than 1 % by weight, of which not more than 0.25% by weight shall be mineral matter and not more than 0.10 % by weight, shall be</td> </tr> </table>	Moisture	12% Max	Damaged including Discolored (black tipped/black cornered only)	4% Max	Weeviled	1% Max	Foreign Matter	(Extraneous Matter)-Not more than 1 % by weight, of which not more than 0.25% by weight shall be mineral matter and not more than 0.10 % by weight, shall be
	Moisture	12% Max							
	Damaged including Discolored (black tipped/black cornered only)	4% Max							
	Weeviled	1% Max							
	Foreign Matter	(Extraneous Matter)-Not more than 1 % by weight, of which not more than 0.25% by weight shall be mineral matter and not more than 0.10 % by weight, shall be							

		impurities of animal origin.
	Other food grains	1% Max
	Broken Kernels	4% Max
	TCW (weight of thousand grains)	38 gm Min
Quantity variation	+/- 5 %	
Basis Delivery center	Jaipur (Chomu/Kukurkheda) (Up to 50 km radius from the municipal limits)	
Additional delivery centers	Sri Ganganagar, Rewari and Sirsa (Up to 50 km radius from the municipal limits) at a premium/discount as announced by the Exchange from time to time	
Hours of Trading	<p>As per directions of the Forward Markets Commission from time to time, currently –</p> <p>Mondays through Fridays - 10:00 AM to 5:00 PM</p> <p>The Exchange may vary the above timing with due notice</p>	
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	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	

	<p>+ 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 center where the seller has delivered same.</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 and NCDEX/CLEARING-021/2014/271 dated September 09, 2014.</p>
Opening of contracts	<p>Trading in a new month contract to 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</p>
No. of active contracts	<p>As per launch calendar</p>
Price band	<p>Daily price fluctuation limit is (+/-) 2%. 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 shall be raised by another (+/-) 2% and trade will be resumed. If the price hits the revised price band</p>

	<p>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> <p>On the first day, the limit on daily price fluctuation will be reckoned with reference to the opening price. On the second and subsequent days, the daily price fluctuation limit will be reckoned with reference to the mark-to-market rate of the previous closing day.</p>
Position Limits	<p>Member-wise: 32,500 MT or 15% of market wide open position whichever is higher.</p> <p>Client-wise: 6,500 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. Please refer to Circular No. NCDEX/CLEARING-018/2014/228 dated July 22, 2014.</p> <p>For near month contracts:</p> <p>The following limits would be applicable from 1st day of the 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: Maximum of 6,500 MT or 15% of market-wide near month open position whichever is higher</p> <p>Client: Maximum of 1300 MT</p>
Special margins	<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>
Premium/Discount	<p>Location Premium/Discount:</p> <p>The premium or discount for Rewari, Sri Ganganagar and Sirsa vis-a-vis the basis center, would be announced by the Exchange before launching of any new contracts</p>

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.
Minimum Initial Margin	5%
Delivery Logic	Compulsory delivery

Tolerance limit

Commodity Specifications	Basis	Acceptable quality range as per contract specification	Permissible Tolerance
Moisture	12% Max		
Damaged including Discolored (black tipped/ black cornered only)	4% Max		+/- 0.5%
Foreign Matter	(Extraneous Matter) - Not more than 1 % by weight, of which not more than 0.25% by weight shall be mineral matter and not more than 0.10 % by weight shall be impurities of animal origin.	-	-
Weeviled Grains	1% Max	-	+/- 0.5%
Other Food Grains	1% Max	-	-
Broken Kernels	4% Max		+/- 0.25%
TCW (weight of thousand grains)	38 gm Min		+/- 0.5%
Max Tolerance (for all characteristics)			+/- 1.00%

Contract Launch calendar

Contract Launch Month	Contract Expiry Month
October 27, 2014	April 2015
November 2014	May 2015
December 2014	June 2015
January 2015	July 2015
February 2015	No launch
March 2015	No Launch
April 2015	August 2015
May 2015	September 2015
June 2015	October 2015
July 2015	November 2015
August 2015	December 2015

Annexure IV: Premium / Discount for delivery location differences:

Commodity (Base Centre)	Additional Delivery Centre	(+) Premium / (-) Discount
Barley (Jaipur)	Sri Ganganagar	- ₹ 30 / Quintal
Barley (Jaipur)	Rewari	+ ₹ 25 / Quintal
Barley (Jaipur)	Sirsa	- ₹ 10 / Quintal