
NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED

Circular to all trading and clearing members of the Exchange
Circular No : NCDEX/TRADING-037/2014/085
Date : March 31, 2014
Subject : Launch of futures contract – Bajra (BAJRA)

The Exchange is pleased to announce that, as per the Bye-laws, Rules and Regulations of the Exchange and with the approval of the Forward Markets Commission, futures contracts in Bajra (Symbol: BAJRA) expiring in the months of May 2014, June 2014 and July 2014 would be available for trading from **April 01, 2014**. Contracts for further expiries will be launched as per the contract launch calendar.

The contract specifications applicable for Bajra (BAJRA) futures contracts expiring in the months of May 2014 and thereafter are given in Annexure I. Contract launch calendar is given in Annexure II. The location premium/ discount applicable for contracts expiring in May 2014, June 2014 and July 2014 is given in Annexure III.

Members may note that all Bajra (BAJRA) futures contracts expiring in May 2014 and thereafter would be exclusively settled through COMTRACK® only. It may be noted that all clients and members desirous of delivering and receiving Bajra on the Exchange platform would have to open commodity account in COMTRACK®.

Further in continuation of our circular no. NCDEX/TRADING-015/2014/041 dated February 18, 2014, transaction charges applicable for Bajra will be as per List B, as noted below:

	Rate per Lakh
List B Average Daily Turnover ('ADTV')	List B Commodities
Up to Rs.50 Crore	Rs. 0.40
On incremental ADTV above Rs.50 Crore	Rs. 0.30

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.

For and on behalf of
National Commodity & Derivatives Exchange Limited

Ramesh Iyer
Vice President – Business

For further information / clarifications, please contact

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Annexure I
Contract Specification for Bajra (BAJRA) futures contract
(Applicable for contracts expiring in May 2014 and thereafter)

Type of Contract	Futures Contract	
Name of Commodity	Bajra	
Ticker Symbol	BAJRA	
Trading System	NCDEX Trading System	
Basis	Ex-Warehouse Jaipur exclusive of all taxes	
Unit of trading	10 MT	
Delivery unit	10 MT	
Maximum Order Size	500 MT	
Quotation/base value	Rs per quintal	
Tick size	Re 1	
Delivery center	Jaipur (Up to the radius of 50 Km from the municipal limits)	
Additional delivery centers	Alwar, Rewari and Etah (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	
Quality specification	Bajra as per the following specification shall be acceptable for delivery:	
	Moisture	13% max
	Immature/Shriveled (not damaged)	3% Max
	Other Edible Grains	2 % Max
	Foreign Matter	1 % Max (of which not more than 0.25% by weight shall be mineral

	<table border="1"> <tr> <td></td> <td>matter and not more than 0.10 % by weight shall be impurities of animal origin)</td> </tr> <tr> <td>Damaged Grains</td> <td>0.50% Max (ergot affected grains shall not exceed 0.05% by weight)</td> </tr> <tr> <td>Weeviled Grains</td> <td>0.50% Max</td> </tr> </table>		matter and not more than 0.10 % by weight shall be impurities of animal origin)	Damaged Grains	0.50% Max (ergot affected grains shall not exceed 0.05% by weight)	Weeviled Grains	0.50% Max
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Damaged Grains	0.50% Max (ergot affected grains shall not exceed 0.05% by weight)						
Weeviled Grains	0.50% Max						
Quantity variation	+/- 2%						
Trading hours	As per directions of the Forward Markets Commission from time to time, currently: Mondays through Fridays: 10:00 a. m. to 5:00 p.m. The Exchange may vary the above timing with due notice.						
Delivery Logic	Compulsory Delivery						
No. of active contracts	As per launch calendar						
Opening of contracts	Trading in any contract month will open on the 1 st day of the month. If 1 st 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 for staggered delivery shall start on the 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: On T+2 basis. If the tender date is T, then pay-in and pay-out would happen on T+2 day (excluding Saturday).</p>						

	<p>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. Upon the expiry of the contract all the outstanding open position should result in compulsory delivery.</p>
Due date/Expiry date	<p>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 Saturday.</p> <p>The settlement of contract would be by a Staggered delivery 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-</p>

	086/2008/216 dated September 16, 2008.
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 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 – wise: 65,000 MT or 15% of Market Open Interest whichever is higher Client – wise: 12,500 MT for all contracts</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/TRADING-100/2005/219 dated October 20, 2005.</p> <p>For near month contracts: The following limits would be applicable from the 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 working day.</p> <p>Member – wise: 12500 MT or 15% of the market-wide near month open position, whichever is higher Client – wise : 2500 MT</p>
Special Margin	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
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.

Tolerance Limits for Outbound Deliveries for Bajra

Specification	Basis	Acceptable quality range as per contract specification	Tolerance Limit
Immature/Shriveled	3 % max	NA	+/-0.50 %
Other Edible Grains	2 % max	NA	+/- 0.25 %
Upper limit on the total of all tolerances			0.75 %

Annexure II**Contract Launch Calendar**

Contract Launch Month	Contract Expiry Month
April 01, 2014	May 2014
	June 2014
	July 2014
May 2014	October 2014
June 2014	November 2014
July 2014	December 2014

Annexure III**Premium/Discount for Grade and Location Difference**

Commodity (Base center)	Additional delivery center	(+) Premium/ (-) Discount
Bajra (Jaipur)	Alwar	No Premium/Discount
	Rewari	No Premium/Discount
	Etah	- ₹ 25 / Quintal