NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED

Circular to all trading and clearing members of the Exchange
Circular No : NCDEX/TRADING-106/2015/276
Date : August 24, 2015
Subject : Modification in contract specifications – Barley (BARLEYJPR) futures Contract

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Trading and Clearing Members are requested to note that the Exchange, as per the Byelaws, Rules and Regulations of the Exchange, has modified the contract specifications of Barley futures contracts (Symbol: BARLEYJPR) expiring in the months of January 2016 and thereafter. The contract expiring in the month of January 2016 would be available for trading from **September 01, 2015**. Contracts for further expiries will be launched as per the enclosed contract launch calendar.

The running futures contracts and contracts to be launched further 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 contract (Symbol: BARLEYJPR) expiring in the months of September 2015, October 2015, November 2015 and December 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 (Symbol: BARLEYJPR) expiring in the months of January 2016 and thereafter is given in Annexure I. Existing contract specifications applicable for Barley futures contracts (Symbol: BARLEYJPR) expiring in the months of September 2015, October 2015, November 2015 and December 2015 are given in Annexure II. Modified contract specifications applicable for Barley futures contracts (Symbol: BARLEYJPR) expiring in months of January 2016 and thereafter are given in Annexure III. Premium/discount for delivery location difference for contract expiring in January 2016 is given 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 Approved warehouses 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

Avinash Mohan
Executive Vice President – Business

For further information / clarifications, please contact

1. Mr. Ankush Jain – 011 6611 4807
2. Customer Service Group on toll free number: 1800 26 62339
3. Customer Service Group by e-mail to : askus@ncdex.com

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Annexure I

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

Parameter	Existing Contract Specification	Modified Contract Specification	Rationale
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	Sri Ganganagar and Rewari (Up to 50 km radius from the municipal limits) at a premium/discount as announced by the Exchange from time to time	On account of low participation in deliveries at Sirsa and adequate incidence of delivery at other centers.
Premium/Discount	Location Premium/Discount: 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	Location Premium/Discount: The premium or discount for Rewari and Sri Ganganagar vis-a-vis the basis center, would be announced by the Exchange before launching of any new contracts	

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Annexure II

Existing Contract specifications for Barley Futures contracts

(Applicable for contracts expiring in September, October, November and December 2015)

<table>
<tr><td>Type of Contract</td><td>Futures Contract</td></tr>
<tr><td>Name of Commodity</td><td>Barley</td></tr>
<tr><td>Ticker symbol</td><td>BARLEYJPR</td></tr>
<tr><td>Trading System</td><td>NCDEX Trading System</td></tr>
<tr><td>Basis</td><td>Ex-warehouse Jaipur (Chomu/KukurKheda) gross basis Exclusive of Sales Tax/VAT</td></tr>
<tr><td>Unit of trading</td><td>10 MT</td></tr>
<tr><td>Delivery unit</td><td>10 MT</td></tr>
<tr><td>Maximum Order Size</td><td>500 MT</td></tr>
<tr><td>Quotation/base value</td><td>Rs. per quintal</td></tr>
<tr><td>Tick size</td><td>Rs. 0.50</td></tr>
<tr><td>Quality specification</td><td>Barley shall be sound husked whole barley grains. Barley shall also conform to the following quality standards:
<table>
<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 impurities of animal origin.</td></tr>
<tr><td>Other food grains</td><td>1% Max</td></tr>
<tr><td>Broken Kernels</td><td>4% Max</td></tr>
<tr><td>TCW (weight of thousand grains)</td><td>38 gm Min</td></tr>
</table></td></tr>
<tr><td>Quantity variation</td><td>+/- 5 %</td></tr>
</table>

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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	As per directions of the Forward Markets Commission from time to time, currently – **Mondays through Fridays** - 10:00 AM to 5:00 PM The Exchange may vary the above timing with due notice
Tender Period	Tender Date –T **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. 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 (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.
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.
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

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	delivery center where the seller has delivered same. 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.
Opening of contracts	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
No. of active contracts	As per launch calendar
Daily Price Limit (DPL)	The DPL is (+/-) 4%. If 4% DPL is hit on a day, no trading will be allowed beyond 4%. However, trading will continue within (+/-) 4% DPL on that day. If a contract closes at 4%, then on the subsequent day, for all the contracts in the commodity, the DPL will be (+/-) 4%, and if it is hit, the DPL will be further relaxed by 2% with a cooling off period of 15 minutes in between. Trading will not be allowed during the cooling off period. If 4+2% DPL is also hit, no trading will be allowed beyond 6%. However, trading will continue within (+/-) 6% DPL on that day. If a contract closes at 6%, then on the subsequent day/s, for all contracts in the commodity, the DPL will be 4% and if it is hit, the DPL will be further relaxed by 2% with a cooling off period of 15 minutes in between. Trading will not be allowed during the cooling off period. Once all contracts in the commodity close below 4+2% DPL i.e. below 6% on the subsequent day/s, the DPL on following day/s will be reset to (+/-) 4% for all contracts in the commodity. If the DPL is hit in a contract of a commodity, then trading will be stopped for 15 minutes only in that contract of the commodity and trading will continue in other contracts of that commodity as usual. The DPL on the launch (first) day of new contract shall be as per the circular no. NCDEX/RISK-027/2011/284 dated September 15, 2011.
Position Limits	**Member-wise:** 65,000 MT or 20% of the total market wide open position in the commodity, whichever is higher **Client-wise:** 6,500 MT or 5% of the total market wide open position in the commodity, whichever is higher 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. **For near month contracts:**

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	The following limits would be applicable from the 1st of every month in which the contract is due to expire. If 1st happens to be a non-trading day at the Exchange, the near month limits would start from the next working day. **Member-wise:** 32,500 MT or 20% of the total near month market wide open position in the commodity, whichever is higher **Client-wise:** 3,250 MT or 5% of the total near month market wide open position in the commodity, whichever is higher
Special margins	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.
Premium/Discount	Location Premium/Discount: 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
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

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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
May 2015	September 2015
June 2015	October 2015
July 2015	November 2015
August 2015	December 2015

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Annexure III: Modified Contract Specification of Barley future contract

(Applicable for contracts expiring in January 2016 and thereafter)

<table>
<tr><td>Type of Contract</td><td>Futures Contract</td></tr>
<tr><td>Name of Commodity</td><td>Barley</td></tr>
<tr><td>Ticker symbol</td><td>BARLEYJPR</td></tr>
<tr><td>Trading System</td><td>NCDEX Trading System</td></tr>
<tr><td>Basis</td><td>Ex-warehouse Jaipur (Chomu/KukurKheda) gross basis Exclusive of Sales Tax/VAT</td></tr>
<tr><td>Unit of trading</td><td>10 MT</td></tr>
<tr><td>Delivery unit</td><td>10 MT</td></tr>
<tr><td>Maximum Order Size</td><td>500 MT</td></tr>
<tr><td>Quotation/base value</td><td>Rs. per quintal</td></tr>
<tr><td>Tick size</td><td>Rs. 0.50</td></tr>
<tr><td>Quality specification</td><td>Barley shall be sound husked whole barley grains. Barley shall also conform to the following quality standards:
<table>
<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 impurities of animal origin.</td></tr>
<tr><td>Other food grains</td><td>1% Max</td></tr>
<tr><td>Broken Kernels</td><td>4% Max</td></tr>
<tr><td>TCW (weight of thousand grains)</td><td>38 gm Min</td></tr>
</table></td></tr>
<tr><td>Quantity variation</td><td>+/- 5 %</td></tr>
<tr><td>Basis Delivery</td><td>Jaipur (Chomu/Kukurkheda) (Up to 50 km radius from the</td></tr>
</table>

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center	municipal limits)
Additional delivery centers	**Sri Ganganagar 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	As per directions of the Forward Markets Commission from time to time, currently – **Mondays through Fridays** - 10:00 AM to 5:00 PM The Exchange may vary the above timing with due notice
Tender Period	Tender Date –T **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. 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 (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.
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.
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.

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	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.
Opening of contracts	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
No. of active contracts	As per launch calendar
Daily Price Limit (DPL)	The DPL is (+/-) 4%. If 4% DPL is hit on a day, no trading will be allowed beyond 4%. However, trading will continue within (+/-) 4% DPL on that day. If a contract closes at 4%, then on the subsequent day, for all the contracts in the commodity, the DPL will be (+/-) 4%, and if it is hit, the DPL will be further relaxed by 2% with a cooling off period of 15 minutes in between. Trading will not be allowed during the cooling off period. If 4+2% DPL is also hit, no trading will be allowed beyond 6%. However, trading will continue within (+/-) 6% DPL on that day. If a contract closes at 6%, then on the subsequent day/s, for all contracts in the commodity, the DPL will be 4% and if it is hit, the DPL will be further relaxed by 2% with a cooling off period of 15 minutes in between. Trading will not be allowed during the cooling off period. Once all contracts in the commodity close below 4+2% DPL i.e. below 6% on the subsequent day/s, the DPL on following day/s will be reset to (+/-) 4% for all contracts in the commodity. If the DPL is hit in a contract of a commodity, then trading will be stopped for 15 minutes only in that contract of the commodity and trading will continue in other contracts of that commodity as usual. The DPL on the launch (first) day of new contract shall be as per the circular no. NCDEX/RISK-027/2011/284 dated September 15, 2011.
Position Limits	**Member-wise:** 65,000 MT or 20% of the total market wide open position in the commodity, whichever is higher **Client-wise:** 6,500 MT or 5% of the total market wide open position in the commodity, whichever is higher 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. **For near month contracts:** The following limits would be applicable from the 1st of every

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	month in which the contract is due to expire. If 1st happens to be a non-trading day at the Exchange, the near month limits would start from the next working day. **Member-wise:** 32,500 MT or 20% of the total near month market wide open position in the commodity, whichever is higher **Client-wise:** 3,250 MT or 5% of the total near month market wide open position in the commodity, whichever is higher
Special margins	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.
Premium/Discount	**Location Premium/Discount:** **The premium or discount for Rewari and Sri Ganganagar vis-a-vis the basis center, would be announced by the Exchange before launching of any new contracts**
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

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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
September 2015	January 2016
October 2015	April 2016
November 2015	May 2016
December 2015	June 2016
January 2016	July 2016

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February 2016	No launch
March 2016	No Launch
April 2016	August 2016
May 2016	September 2016
June 2016	October 2016
July 2016	November 2016
August 2016	December 2016

Annexure IV: Premium / Discount for delivery location differences:

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

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