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CHAPTER 1 - TRADING PARAMETERS

Authority

Trading of Chilli futures may be conducted under such terms and conditions as specified in the Rules, Byelaws & Regulations of the Exchange. A specimen of Chilli futures contract is indicated in Exhibit 1.

Unit of Trading

The unit of trading for Chilli shall be 5 Metric Tonnes (MT). Bids and offers may be accepted in lots of 5 MT or multiples thereof.

Months Traded In

Trading in Chilli futures may be conducted in the months as specified by the Exchange from time to time.

Tick Size

The tick size of the price of Chilli shall be Re.2/-.

Basis Price

The basis price of Chilli is Chilli (Paala) traded as LCA 334 ex warehouse Guntur inclusive of all taxes and market cess.

Unit for Price Quotation

The unit of Price quotation for Chilli shall be in Rupees per quintal, basis Chilli (paala) traded as LCA 334 ex warehouse Guntur inclusive of all taxes and market cess. Quotes shall not be made on any other price basis.

Hours of Trading

The hours of trading for futures in Chilli shall be as follows:

- Mondays through Fridays - 10:00 AM to 5.00 PM
- Saturdays - 10:00 AM to 2.00 PM or as determined by the Exchange from time to time.

Last Day of Trading

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 (other than a Saturday) of the Exchange.

Mark to Market

The outstanding positions in futures contract in Chilli would be marked to market daily based on the Daily Settlement Price (DSP) as determined by the Exchange.

Position limits

The member wise position limit will be a maximum of 4,500 MT for all contracts or 15% of market open position whichever is higher. The Client wise position limit will be a maximum of 1500 MT for all contracts.

Both position limits will be subject to NCDEX Regulations from time to time.

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The above limits will not apply to bonafide hedgers. For bonafide 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

For near month contracts:

The following limits would be applicable from 28 days prior to expiry date of a contract
Member: Maximum of 1500 MT or 15% of the market wide near month open position, whichever is higher

Client: Maximum of 500 MT

Margin Requirements

NCDEX will use Value at Risk (VaR) based margin calculated at 99.95% confidence interval for one day time horizon. NCDEX reserves the right to change, reduce or levy any additional margins including any mark up margin.

Special Margins

Special margin of 5% of the value of the contract will be levied whenever the rise or fall in price exceeds 20% of the 90 days prior settlement price. The margin will be payable by the buyer or the seller depending on whether price rises or falls respectively. The margins shall remain in force so long as the price stays beyond the 20% limit and will be withdrawn as soon as the price is within the 20% band.

Pre-Expiry Additional Margin

There will be an additional margin imposed for the last 5 trading days, including the expiry date of the Chilli contract. The additional margin will be added to the normal exposure margin and will be increased by 3% everyday for the last 5 trading days of the contract.

Penalty for default

- Existing penalty = 3%
 - Out of 3%, 1% will be credited to the buyer's account.
 - 1.75% goes to the Investors Protection Fund and 0.25% would be retained by the Exchange.
- In addition to the initial penalty of 3%, seller will be charged the price differential of the average of top 3 spot prices polled from E+1 to E+5. 100% of this differential will be transferred to the buyer.

Delivery Margins

In case of open positions materializing into physical delivery, delivery margins as may be determined by the Exchange from time to time will be charged. The delivery margins will be calculated based on the number of days required for completing the physical delivery settlement (the look-ahead period and the risks arising thereof).

Arbitration

Disputes between the members of the Exchange inter-se and between members and constituents, arising out of or pertaining to trades done on NCDEX shall be settled through arbitration. The arbitration proceedings and appointment of arbitrators shall be as governed by the Bye-laws and Regulations of the Exchange.

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CHAPTER 2 - DELIVERY PROCEDURES

Unit of Delivery

The minimum unit of delivery for Chilli shall be 5 MT.

Delivery Size

Delivery is to be offered and accepted in lots of 5 MT net or multiples thereof. Currently, a quantity variation of +/- 2% is permitted as per contract specification.

Delivery Requests

The procedure for Chilli delivery is based on the contract specifications as per **Exhibit I**. All the open positions shall have to be compulsorily delivered either by giving delivery or taking delivery as the case may be. That is, **"upon expiry of the contracts, any seller with open position shall give delivery of the commodity. The corresponding buyer with open position as matched by the process put in place by the Exchange shall be bound to settle by taking physical delivery. In the event of default by seller to give delivery such defaulting seller will be liable to penalty as may be prescribed by the Exchange from time to time"**. The penalty structure for failure to meet delivery obligations will be as per circular no. NCDEX/TRADING-086/2008/216 dated September 16, 2008

The Buyers and the Sellers need to give their location preference through the front end of the trading terminal. If the Sellers fail to give the location preference then the allocation to the extent of his open position will be allocated to the base location.

Delivery Allocation

The Exchange would then compile delivery requests received from members on the last trading day, as specified in Chapter 1 above. The buyers / sellers who have to receive / give delivery would be notified on the same day after the close of trading hours. Delivery of Chilli is to be accepted by buyers at the accredited warehouse where the seller affects delivery in accordance with the contract specifications.

Actual Delivery

Where Chilli is sold for delivery in a specified month, the seller must have requisite electronic credit of such Chilli holding in his Clearing Member's Pool Account before the scheduled date of pay in. On settlement the buyer's Clearing Member's Pool Account would be credited with the said delivery quantity on pay out. The Clearing Member is expected to transfer the same to the buyer's depository account. However, the buyer must take actual physical delivery of Chilli before the expiry of validity date as indicated in the quality test report/Assayer's Certificate or the get the same revalidated. Reference may be had to circular no. NCDEX/OPERATIONS-047/2007/164 DATED July 03, 2007.

Accredited Warehouse

NCDEX has accredited warehouses for receipt and delivery of Chilli. Chilli will only be received at and delivered from the NCDEX accredited warehouse. The details of the NCDEX accredited warehouses are as per **Exhibit 2**.

The Chilli received at the NCDEX accredited warehouse will be tested and certified by NCDEX accredited Assayer before acceptance as good delivery in the warehouse. Chilli deposited in the notified / accredited warehouses of the Exchange would be stacked ISIN wise along with the ISIN details.

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Quality Standards

The contract grade for delivery of Chilli futures contracts made under NCDEX Regulations shall be Chilli confirming to the quality specification indicated in **Exhibit 1**. No lower grade shall be accepted in satisfaction of contracts for futures contract delivery. Delivery of higher grade would be accepted.

Packaging

Chilli delivered shall be packed in new, unmented jute bags in merchantable condition. The packaging will be on 35/25 Kgs net basis. Weight of the bag ideally should be 1 Kg.

Standard Allowances

Sample weight per validation of quality allowed will be as given in the table on account of sample testing and spillage.

	Fresh Deposit	Revalidation	Remat
Standard Allowance	0.5%	0.25%	Nil

At the time of deposit

The quantity credited will be the actual quantity delivered at the tested moisture level, after providing for standard allowances on account of sampling.

At the time of withdrawal/ revalidation

The weight of lot delivered/ revalidated at the time of withdrawal/ revalidation shall be adjusted to moisture level at the time of deposit/ revalidation whichever is later and such adjustment shall be over and above the standard allowances mentioned above.

Weight

The quantity of Chilli received and / or delivered at the NCDEX designated warehouse would be determined / calculated by the weighbridge / weigh scale at the premises of the designated warehouse and the quantity so determined would be binding on all parties. The weight of the bag will be 35/25 Kg Net.

Good / Bad delivery Norms

Chilli delivery into NCDEX designated warehouse would constitute either good delivery or bad delivery based on the good / bad delivery norms as per **Exhibit 3**. The list contained in Exhibit 3 is only illustrative and not exhaustive. NCDEX would from time to time review and update the good & bad delivery norms retaining the trade / industry practices.

Chilli Sampling

Chilli samples shall be drawn by NCDEX approved Assayer at the time of delivery /storage at the designated warehouse.

- Out of each lot, 50% of the bags at random would be sampled by cutting open the gunnies at various places on the bags without adhering to any fixed pattern.
- 10% of the remaining 50% bags would be cut open completely to get a clear view of the quality of the pods. If any bag among these randomly picked 10% of the bags contains unusually high amount of seeds, only stalks, fungal infected pods, live infestation or any pattern that indicates poor quality of stocks, the entire lot would be rejected outright.

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- If no such pattern is observed and the contents are found fit for lab testing, samples would be collected from these 10% of the bags and a composite sample of 2.5 Kgs would be taken for assaying purpose.

The sample portions so drawn will be packed in clean dry containers or plastic sachets. The samples shall be marked specifically so as to recognize NCDEX member identity, quantity, date, time etc. This is about 2.5 Kgs, which is divided equally in 4 parts and distributed as under:

- One sample to Depositor
- One sample to Warehouse
- One sample for Analysis by Assayer
- One sample for record with Assayer

TESTING:

1. For all fresh deposits sampling shall be carried out from 50% of the bags i.e. a composite sample shall be prepared out of samples taken from approximately 72 bags in case of 35 kgs packing and 100 bags in case of 25 kgs packing.
2. **Pods if Damaged & Discolored** shall only be considered under the quality parameter 'Damaged & Discolored Pods'.
3. **Bright red sound pods (with or without stalks) if broken** shall be considered under the quality parameter 'Broken Chillies'.
4. **Only sound bright red pods without stalks but with closed calyx** shall be considered under the quality parameter 'Pods without stalks'.
5. **Only seeds outside pods** shall be considered under the quality parameter 'Loose Seeds'.
6. **'Foreign Matter'** shall include all extraneous matters including calyx pieces and loose stalks; where ever applicable, borderline cases should be considered in a very conservative way.

Accredited Assayer

NCDEX has approved the Assayer for quality testing and certification of Chilli received at the designated warehouse. The quality testing and certification of Chilli will be undertaken only by the approved Assayer. The assayer details are given in the **Exhibit 2** alongside the warehouses.

Quality Testing Report

The test report issued by the Chilli testing laboratory on the samples drawn shall be acceptable and binding on all parties. A specimen format of the quality testing report is indicated in **Exhibit 4**.

Testing Procedure

Testing for Chilli shall be carried out under BIS standard IS 2322 (1998) for all quality parameters like colour, size, broken chillies, loose seeds, damaged & discoloured pods, pods without stalk and foreign matter.

Moisture testing shall be done chemically in the laboratory by toluene distillation method.

Assayer Certificate

Testing and quality certificate issued by NCDEX approved Assayer for Chilli delivered at designated warehouse in Guntur and at such other locations announced by the Exchange

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from time to time shall be acceptable and binding on all parties. Each delivery of Chilli at the warehouse must be accompanied by a certificate from NCDEX approved Assayer in the format as per **Exhibit 4**.

Validity period

Months of Deposit /Date of entry by warehouse in system(Jan-Dec)	Expiry period from the date of Fresh Deposit/Entered by the warehouse in system (no. of months)	Validity period at the time of fresh deposit (no of months)	How many times revalidations allowed(no. of months)	Validity period after first revalidation (no. of months)
January	-	-	-	-
February	6	3	1	3
March	6	3	1	3
April	6	3	1	3
May	6	3	1	3
June	6	3	1	3
July	6	3	1	3
August	5	3	1	2
September	4	3	1	1
October	3	3	0	0
November	2	2	0	0
December	1	1	0	0

Electronic transfer

Any buyer or seller receiving and or effecting Chilli delivery would have to open a depository account with an NCDEX empanelled Depository Participant (DP) to hold the Chilli in electronic form. On settlement, the buyer account with the DP would be credited with the quantity of Chilli received and seller account would be debited. The Buyer wanting to take physical delivery of the Chilli holding has to make a request to the DP in prescribed form, with whom depository account has been opened. The DP would route the request to the warehouse who would issue the physical commodity i.e.: Chilli to the buyer and debit his account, thus reducing the electronic balance to the extent of Chilli rematerialized.

Charges

All charges and costs payable at the designated warehouse towards delivery of Chilli including sampling, grading, weighing, handling charges, storage etc. from the date of receipt into designated warehouse upto date of pay in & settlement shall be paid by the seller.

No refund for warehouse charges paid by the seller for full validity period shall be given to the seller or buyer for delivery earlier than the validity period.

All charges and costs associated & including storage, handling etc. after the pay out shall be borne by the buyer. Warehouse storage charges will be charged to the member / client by the respective Depository Participant.

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The Assayer charges for testing and quality certification should be paid to the Assayer directly at the delivery location either by cash / cheque / demand draft.

Duties & levies

All duties, levies etc. up to the point of sale will have to be fully borne by the seller and shall be paid to the concerned authority. All related documentation should be completed before delivery of Chilli into the NCDEX accredited warehouse.

Stamp Duty

Stamp duty is payable on all contract notes issued as may be applicable in the State from where the contract note is issued or State in which such contract note is received by the client.

Taxes

Service tax

Service tax will be payable by the members of Commodity Exchanges on the gross amount charged by them from their clients on account of dealing in commodities.

Sales Tax / VAT

Local taxes/ VAT wherever applicable is to be paid by the seller to the sales tax/VAT authorities on all contracts resulting in delivery. Accordingly the buyer will have to pay the taxes/VAT to the seller at the time of settlement. Members and / or their constituents requiring to receive or deliver Chilli should register with the relevant tax/VAT authorities of the place where the delivery is proposed to be received / given. In the event of sales tax exemption, such exemption certificate should be submitted before settlement of the obligation. There will be no exemptions on account of resale or second sale in VAT regime.

Premium / Discount

Premium & Discount on the Chilli delivered will be provided by the Exchange on the basis of quality specifications:

P/D Matrix		
Quality	Damaged and discolored pods	Grade Name
Guntursannam	Upto 6.00	CHLGSMB600
Guntursannam	6.50	CHLGSMB650
Guntursannam	7.00	CHLGSMB700
LCA334	6.00	CHLLCA334600
LCA334	6.50	CHLLCA334650
LCA334	7.00	CHLLCA334700

The Exchange will communicate the premium / discounts before launch of contracts. Such amount will be adjusted to the members account through the supplementary settlement.

CHAPTER 3 - CLEARING AND SETTLEMENT
Daily Settlement

All open positions of a futures contract would be settled daily based on the Daily Settlement Price (DSP).

Daily Settlement Prices

The Daily Settlement Price (DSP) will be as disseminated by the Exchange at the end of every trading day. The DSP will be reckoned for marking to market all open positions.

Final Settlement Prices

The Final Settlement Price (FSP) will be determined by the Exchange upon maturity of the contract. All open positions on the expiry day of the contract would result in compulsory delivery.

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.

Spot Prices

NCDEX will announce / disseminate spot prices for Chilli relating to the designated delivery center and specified grade/ quality parameters determined through the process of polling a set of market participants representing different segments of the value chain.

The polled prices shall be input to a normalizing algorithm (like 'bootstrapping' technique) to arrive at a representative, unbiased and clean 'benchmark' spot price for Chilli. The security of data and randomness of polling process will ensure transparency and correctness of prices. The Exchange has absolute right to modify the process of determination of spot prices at any time without notice.

Dissemination of Spot Prices

Spot prices for Chilli will be disseminated on daily basis.

Pay in and Pay out for Daily Settlement / Final Settlement

The table below illustrates timings for pay in and pay out in case of daily settlement. The buyer clients would have to deposit requisite funds with their respective Clearing Member before "pay in".

All fund debits and credits for the Member would be done in the Member's Settlement Account with the Clearing bank.

Time (E+1)	Activity
On or before 11.00 hrs	PAYIN - Debit paying member a/c for funds
After 13.00 hrs	PAYOUT - Credit receiving member a/c for funds

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Pay in and Pay out for final physical settlement

The table below illustrates timings for pay in and pay out in case of positions marked for physical settlement. The buyers / sellers would have to deposit requisite funds / Chilli with their respective Clearing member before "pay in".

Pay in and Pay out for Final Settlement in case of physical deliveries	
Time (E+2)	Activity
On or before 12.00 hrs	PAYIN - Debit Buyer Member Settlement a/c for funds - Debit Seller Member's CM Pool Account for Chilli
After 14.30 hrs	PAYOUT - Credit Seller Member Settlement a/c for funds - Credit Buyer Member's CM Pool Account for Chilli

Additionally the supplemental settlement for Chilli futures contracts for premium / discount adjustments relating to quality of Chilli delivered, actual quantity delivered and close out for shortages, will also be conducted on the same day. Clearing Members are required to maintain adequate fund balances in their respective accounts.

Pay in and Pay out for supplemental settlement	
Time (E + 2)	Activity
On or before 15.00 hours	PAY IN - Debit Member Settlement a/c for funds
After 15.00 hours	PAY OUT – Credit Member Settlement a/c for funds

Supplementary Settlement for Taxes

The Exchange will conduct a separate supplementary settlement, as illustrated below, three days after normal pay out for completion of tax transactions.

In order to facilitate issue of invoice to right parties, the buyer Clearing Members are required to give the buyer client details to the Exchange latest by 15.00 hrs on E+3 day failing which the buying member is considered as the end buyer and accordingly invoice is issued in his/their name.

The Seller clearing members are required to give the seller client details to the Exchange latest by 15.00 hrs on E + 4 day.

The amounts due to the above differences will be debited / credited to Member's clearing bank account similar to normal settlement.

Pay in and Pay out for Taxes	
Time (E + 5)	Activity
On or before 11.00 hours	PAY IN: Debit Buyer Member Settlement a/c for funds.
After 11.00 hours	PAY OUT: Credit Seller Member Settlement a/c for funds

For further clarification and detailed procedure on sales tax settlement, participants can refer to circular number NCDEX/CLEARING-001/2008/002 issued on January 04, 2008.

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Exhibit 1 – CONTRACT SPECIFICATIONS OF CHILLI FUTURES CONTRACT
(updated on December 30, 2010)

Type of Contract	Futures Contract
Name of commodity	Chilli
Ticker symbol	CHLL334GTR
Trading system	NCDEX Trading System
Basis	Chilli (Paala) traded as LCA 334 ex warehouse Guntur inclusive of all taxes and Market cess
Unit of trading	5 MT
Delivery unit	5 MT
Quotation/ Base value	Rs. per Quintal
Tick size	Re. 2
Quality specification	<input type="checkbox"/> LCA 334 <input type="checkbox"/> Colour – Bright Red <input type="checkbox"/> Length <ul style="list-style-type: none"> ○ Not less than 5 cms ○ Chillies less than 5 cms will be allowed to a maximum of 5% by weight <input type="checkbox"/> Moisture should not be more than 12.5*% <input type="checkbox"/> Foreign matter should not be more than 2% <input type="checkbox"/> Broken Chillies should not be more than 7%* <input type="checkbox"/> Loose seeds should not be more than 2% <input type="checkbox"/> Damaged and discolored pods not more than 6%* Acceptable upto 7% with 1:1 discount <input type="checkbox"/> Pods without stalks should not be more than 8%* * Tolerance up to 0.5% of the above limits only in the outbound deliveries will be allowed
Also Deliverable	Guntur Sannam with a premium of Rs. 150 per Quintal
Quantity variation	+/- 2%
Delivery center	Guntur (up to the radius of 50 Kms from the municipal limits)
Additional delivery centre	Warangal(up to the radius of 50 Kms from the municipal limits) Location Premium/ Discount as notified by the Exchange from time to time.
Hours of Trading	As per directions of the Forward Markets Commission from time to time, currently:

The contents of this product note are subject to Rules, Byelaws and Regulations of NCDEX as in force from time to time and be read therewith.

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	<p>Mondays through Fridays: 10:00 a. m. to 5:00 p.m.</p> <p>Saturdays: 10.00 a.m. to 2.00 p.m.</p> <p>The Exchange may vary the above timing with due notice.</p>
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 (other than a Saturday) of the Exchange</p>
Delivery specification	<p>Upon expiry of the contract all outstanding positions will result in delivery. The penalty structure for failure to meet delivery obligations will be as per circular no. NCDEX/TRADING-086/2008/216 dated Sep 16, 2008</p>
Delivery Logic	Compulsory Delivery
Opening of contracts	<p>Trading in any contract month will open on the 10th day of the month. If 10th happens to be a non-trading day, contracts would open on the next trading day</p>
Closing of contract	<p>On the expiry of the contract, all the outstanding position would have to be settled by physical delivery</p>
Final Settlement Price	<p>The Final Settlement Price (FSP) shall be arrived at by taking the average of the last three days' spot prices.</p> <p>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.</p> <p>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>
No. of active contracts	As per contract launch calendar
Daily price fluctuation limit	<p>Daily price limit will be 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, price limit would be</p>

The contents of this product note are subject to Rules, Byelaws and Regulations of NCDEX as in force from time to time and be read therewith.

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	extended by another (+/-)2%. No trade would be permitted during the day beyond the price limit (+/-) 4% from the previous day's closing price.
Position limits	<p>Member: Maximum of 4,500 MT for all contracts or 15% of market open position whichever is higher</p> <p>Client: Maximum of 1,500 MT for all contracts</p> <p>The above limits will not apply to bonafide hedgers. For bonafide 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:</p> <p>The following limits would be applicable from 28 days prior to expiry date of a contract</p> <p>Member: Maximum of 1,500 MT or 15% of market open position whichever is higher</p> <p>Client: Maximum of 500 MT</p>
Special margins	Special margin of 5% of the value of the contract will be levied whenever the rise or fall in price exceeds 20% of the 90-day prior settlement price. The margin will be payable by the buyer or the seller depending on whether price rises or falls respectively. The margins shall remain in force so long as the price stays beyond the 20% limit and will be withdrawn as soon as the price is within the 20% band.

Tolerance Limits for outbound deliveries for Chilli

Commodity Specifications	Basis	Acceptable quality range as per contract specifications	Permissible Tolerance
Quality	LCA 334	-	-
Colour	Bright Red	-	-
Length	-	-	-
Not less than 5 cms	-	-	-
Chillies less than 5 cm will be allowed	5% max weight	-	-

The contents of this product note are subject to Rules, Byelaws and Regulations of NCDEX as in force from time to time and be read therewith.

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Moisture	12.5% Max		+0.5%
Foreign matter	2% Max	-	-
Broken Chillies	7% Max	-	+0.5%
Loose seeds	2% Max	-	-
Damaged and Discolored pods	6% basis	Damaged & Discolored pods basis 6% and acceptable upto 7% with 1:1 discount	+/- 1%
Pods without stalks	8% Max	-	+0.5%
Max Loss (for all the characteristics)		+/- 2.00%	

Note: Tolerance limit is applicable only for outbound 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 approved assayer.

Contract Launch Calendar

Contract Launch Month	Contract Expiry Month
October 2010	February 2011
November 2010	March 2011
December 2010	April 2011
January 2011	No Launch
February 2011	June 2011
March 2011	July 2011
April 2011	August 2011
May 2011	No Launch
June 2011	September 2011
July 2011	October 2011
August 2011	November 2011
September 2011	December 2011

Chilli Product Note
Exhibit 2 - Warehouse & Assayer Address Details

For the updated list of Warehouse & Assayers kindly refer to the NCDEX Website
<http://www.ncdex.com/Downloads/ClearingServices/>

Exhibit 3 - Good / Bad delivery norms

No.	Particulars	Good / Bad delivery
1.	Quality not meeting futures contract specification.	Bad delivery
2.	Delivery at non designated warehouse.	Bad delivery
3.	Delivery completed but without sampling & testing / certification / expired validity.	Bad delivery
4.	Delivery without weight certificate.	Bad delivery
5.	Weighed at other than recognized by designated warehouse/ weigh bridge / weigh scale	Bad delivery
6.	When sample is not drawn as per sampling norms and not carried out at the time of unloading	Bad delivery
7.	Delivery not as per the packaging specification	Bad delivery
8.	Delivery found contaminated on visual inspection	Bad delivery

Chilli Product Note
Exhibit 4 – Specimen of Chilli Testing Report

CERTIFICATE OF QUANTITY & QUALITY			
Date : _____			Report no.:
NCDEX Member :			
Commodity :			
Lorry No. :			
<p>1) QUANTITY : This is to certify that National Commodity & Derivative Exchange Ltd. (NCDEX) member / constituent _____ has delivered _____ Metric Tons (MT) / Kilos net basis of Chilli at the NCDEX designated warehouse:</p> <p>The weight / tonnage of material delivered is as per weigh bridge / weigh scale in the premises of the designated warehouse.</p>			
<p>2) QUALITY :</p> <p>The results of analysis performed by our laboratory of the samples collected by us is stated below :</p>			
Test Items	Test method	Specification	Test results
<p>The material delivered by the above NCDEX member is in accordance with the specification provided bearing grade _____ and valid up to _____.</p> <p>The goods delivered may be accepted / rejected.</p>			
<p>Chief Inspector / Authorized Signatory</p>			