Contract specifications for Chilli Futures contract

Type of Contract	Futures Contract Specifications
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	• LCA 334
	• Colour – Bright Red
	• Length
	  • Not less than 5 cms
	  • Chillies less than 5 cms will be allowed to a maximum of 5% by weight
	• Moisture should not be more than 12.5*%
	• Foreign matter should not be more than 2%
	• Broken Chillies should not be more than 7%*
	• Loose seeds should not be more than 2%
	• Damaged and discolored pods - **Basis 6%*** **Acceptable upto 7% with 1:1 discount**
	• 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:

	Mondays through Fridays: 10:00 a. m. to 5:00 p.m. **Saturdays:** 10.00 a.m. to 2.00 p.m. The Exchange may vary the above timing with due notice.
Due date/Expiry date	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
Delivery specification	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
Delivery Logic	Compulsory Delivery
Opening of contracts	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
Closing of contract	On the expiry of the contract, all the outstanding position would have to be settled by physical delivery
Final Settlement Price	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
No. of active contracts	As per Launch calendar
Daily price fluctuation limit	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 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	Member: Maximum of 4,500 MT for all contracts or 15% of market

	open position whichever is higher Client: Maximum of 1,500 MT for all contracts 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 1,500 MT or 15% of market wide open interest in near month whichever is higher Client: Maximum of 500 MT
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**
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	November2011
September 2011	December 2011