

Contract Specifications of Paddy (Basmati) – Pusa 1121 (PADYPB1121)

(Applicable for contracts expiring in the month of December 2020 & thereafter)

Type of Contract	Futures Contract	
Name of Commodity	Paddy (Basmati) – Pusa 1121	
Ticker symbol	PADYPB1121	
Trading System	NCDEX Trading System	
Basis	Ex-warehouse Kota exclusive of GST	
Unit of trading	10 MT	
Delivery unit	10 MT	
Maximum Order Size	500 MT	
Quotation/ Base Value	Rs. Per Quintal	
Tick size	Re.1.00	
Quality specification	Paddy (Basmati) – Pusa 1121 with the following specifications:	
	Moisture (%)	Moisture: Basis 13% Acceptable up to 14% maximum with moisture adjusted weight
	Foreign matter (%)	1% max Out of this Inorganic foreign matter 0.25% (Max) & Impurities of animal origin 0.10% (Max)
	Damaged, Discolored, Weevilled & Broken Grains (%)	4% max (Broken grains should not be more than 1% and weevilled grains should not be more than 0.5%)
	Immature (%)	4% (Max)
	Green Grains (%)	5% (Max)
	Admixture of lower class (%)	5% (Max)
	Empty shell%	2% (Max)
	Hulling recovery (%)	72% (Min)
	Average Kernel length of Hulled Rice before cooking (mm)	8.30 mm (Min)
Paddy shall be in sound merchantable condition, dry, clean, wholesome, uniform in colour and size of grains and free from moulds, live weevils, obnoxious smell, <i>Argemone mexicana</i> , <i>Lathyrus sativus</i> (Khesari) and admixture of deleterious substances		

Quantity variation	+/- 5 %
Delivery centre	Kota (Within 50 km radius from the APMC/municipal limits)
Additional delivery centres	None
Trading hours	As notified by the Exchange from time to time, currently: Mondays through Fridays: 09:00 a.m. to 05.00 p.m. The Exchange may vary the above timing with due notice
Delivery Logic	Compulsory delivery
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 centre where the seller has delivered same.</p> <p>The penalty structure for failure to meet delivery obligations will be as per circular no. NCDEX/CLEARING-002/2016/247 dated September 28, 2016.</p>
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 in which near month contract is due to expire. If the 1 st day happens to be a non-trading day, contracts would open on the next trading day.
Tender Period	<p>Tender Date –T Tender Period: The tender period would be the last 5 trading days (including expiry day) of the contracts.</p> <p>Pay-in and Pay-out: On a T+2 basis. If the tender date is T, then pay-in and payout would happen on T+2 day. If such a T+2 day happens to be a Saturday, a Sunday or a holiday at the Exchange, Clearing Corporation, clearing banks or any of the service providers, pay-in and payout would be effected on the next working day.</p>
Due Date/ Expiry Date	<p>20th day of the delivery month. If 20th happens to be a holiday, a Saturday or a Sunday, then the expiry date (or due date) shall be the immediately preceding trading day of the Exchange, which is other than a Saturday.</p> <p>The settlement of the 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>
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.</p> <p>Upon the expiry of the contract all the outstanding open position shall result in compulsory delivery.</p>

Daily Price Limit (DPL)	<p>Daily price limit is (+/-) 3%. Once the 3% limit is reached, then after a period of 15 minutes this limit shall be increased further by 1%. The trading shall be permitted during the 15 minutes period within the 3% limit. After the DPL is enhanced, trades shall be permitted throughout the day within the enhanced total DPL of 4%.</p> <p>The DPL on the launch (first) day of new contract shall be as per the circular no. NCDEX/RISK-034/2016/209 dated September 08, 2016.</p>																																																				
Position Limits	<p>Member-wise: 5,00,000 MT or 15% of market wide open interest in the commodity, whichever is higher. Client-wise: 50,000 MT.</p> <p>Bona fide hedger clients may seek exemption as per approved Hedge Policy of the Exchange notified vide Circular No. NCDEX/CLEARING-019/2016/246 dated September 28, 2016.</p> <p>For near month contracts:</p> <p>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, the near month limits would start from the next trading day. Member-wise: 1,25,000 MT or One-fourth of the member's overall position limit in that commodity, whichever is higher. Client-wise: 12,500 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>																																																				
Final Settlement Price	<p>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 the spot price for any one or both of E-1 and E-2 is not available; the simple average of the last polled spot price of E0, E-1, E-2 and E-3, whichever available, shall be taken as FSP. Thus, the FSP under various scenarios of non-availability of polled spot prices shall be as under:</p> <table border="1" data-bbox="584 1552 1302 1966"> <thead> <tr> <th rowspan="2">Scenario</th> <th colspan="4">Polled spot price availability on</th> <th rowspan="2">FSP shall be simple average of last polled spot prices on:</th> </tr> <tr> <th>E0</th> <th>E-1</th> <th>E-2</th> <th>E-3</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Yes</td> <td>Yes</td> <td>Yes</td> <td>Yes/No</td> <td>E0, E-1, E-2</td> </tr> <tr> <td>2</td> <td>Yes</td> <td>Yes</td> <td>No</td> <td>Yes</td> <td>E0, E-1, E-3</td> </tr> <tr> <td>3</td> <td>Yes</td> <td>No</td> <td>Yes</td> <td>Yes</td> <td>E0, E-2, E-3</td> </tr> <tr> <td>4</td> <td>Yes</td> <td>No</td> <td>No</td> <td>Yes</td> <td>E0, E-3</td> </tr> <tr> <td>5</td> <td>Yes</td> <td>Yes</td> <td>No</td> <td>No</td> <td>E0, E-1</td> </tr> <tr> <td>6</td> <td>Yes</td> <td>No</td> <td>Yes</td> <td>No</td> <td>E0, E-2</td> </tr> <tr> <td>7</td> <td>Yes</td> <td>No</td> <td>No</td> <td>No</td> <td>E0</td> </tr> </tbody> </table>	Scenario	Polled spot price availability on				FSP shall be simple average of last polled spot prices on:	E0	E-1	E-2	E-3	1	Yes	Yes	Yes	Yes/No	E0, E-1, E-2	2	Yes	Yes	No	Yes	E0, E-1, E-3	3	Yes	No	Yes	Yes	E0, E-2, E-3	4	Yes	No	No	Yes	E0, E-3	5	Yes	Yes	No	No	E0, E-1	6	Yes	No	Yes	No	E0, E-2	7	Yes	No	No	No	E0
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Minimum Initial Margin	12%																																																				

Tolerance Limits for Outbound Deliveries for Paddy (Basmati) – Pusa-1121 Futures contract:

Quality Parameter	Basis	Permissible tolerance
Moisture (%)	Moisture: Basis 13% Acceptable up to 14% maximum with moisture adjusted weight	-
Foreign matter (%)	1% max, Out of this In-Organic foreign matter 0.25% (Max) & Impurities of animal origin 0.10% (Max)	+/- 0.25%
Damaged, Discolored, Weevilled & Broken Grains (%)	4% max (Broken grains should not be more than 1% and weevilled grains should not be more than 0.5%)	+/- 0.50%
Immature (%)	4% (Max)	+/- 0.25%
Green Grains (%)	5% (Max)	+/- 0.25%
Admixture of lower class (%)	5% (Max)	+/- 0.50%
Empty shell (%)	2% (Max)	+/- 0.25%
Hulling recovery (%)	72% (Min)	+/- 0.25%
Average Kernel length of Hulled Rice before cooking (mm)	8.30 mm (Min)	+/- 0.10 mm
Max Tolerance (for all characteristics except Average Kernel length of Hulled Rice before cooking)		+/- 1.25%

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 NCCL empaneled assayer.

Contract Launch Calendar

Contract Launch Month	Contract Expiry Month
August 2020	December 2020
September 2020	January 2021
October 2020	February 2021
November 2020	March 2021
December 2020	April 2021
January 2021	May 2021
February 2021	June 2021
March 2021	July 2021
April 2021	August 2021
May 2021	September 2021
June 2021	October 2021
July 2021	November 2021

Contract Launch Month	Contract Expiry Month
August 2021	December 2021

Disclaimer

Members and market participants who enter into buy and sell transactions may please note that they need to be aware of all the factors that go into the mechanism of trading and clearing, as well as all provisions of the Exchange's Bye Laws, Rules, Regulations, Product Notes, circulars, directives, notifications of the Exchange as well as of the Regulators, Governments and other authorities.

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 Clearing corporation is in due compliance with the applicable regulations laid down by authorities like Food Safety and Standards Authority of India, AGMARK, BIS, Warehousing Development and Regulatory Authority (WDRA) etc. Orders under Packaging and Labeling, and 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 GST, APMC Tax, Mandi Tax, LBT, 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.