

PMEX Red Chilli Weekly (Grade A) Futures Contract Specifications

Trading Hours	Hours of Trading in the PMEX Red Chilli Weekly (Grade A) Futures Contract shall be Monday to Friday and other Exchange specified holidays as given below or as Specified by the Exchange through a circular from time to time : Normal Trading Session: 10:00 am to 5:00 pm PST On last trading day contract will be closed at 5:00 pm or as communicated by the Exchange through a circular from time to time.
Unit of Trading	1 Kg (trade can be done in multiple of kg above 1 MT, however minimum trading quantity will remain 1 MT)
Price Quotation	Price quoted shall be in rupees per Kg ex-Kunri or as communicated by the Exchange through a circular from time to time. Price quotation will be Exclusive of all taxes.
Trading System	PMEX ETS.
Tick Size	Rs. 1 per Kg or as specified by the Exchange from time to time.
Delivery Unit	1 MT
Delivery Logic	Compulsory
Quantity Variation	+/- 2% or as specified by the Exchange through a circular.
Quality Specifications	<p>Following are the quality specifications of Red Chilli (A) to be delivered under this contract or as communicated by the Exchange from time to time through a circular:</p> <ol style="list-style-type: none"> 1. Variety: Maxi/Longi – Commonly known as Dandi Cut 2. Shape Round, Tipped 3. Appearance/Color/size Red to orange (orangish red), visually partially equal in size 4. Moisture 10 % Max 5. Aflatoxin 20 ppb (parts per billion) Max 6. Extraneous Matter 2% Max 7. Damage /Discolor 3% Max 8. Visual Mold 5% Max <p>Note: The product should be free from</p> <ol style="list-style-type: none"> 1. Added artificial coloring matter, that can be observed visibly or physically, 2. Foreign oil, 3. Any material that is from animal origin 4. Dusty appearance of consignment: If the product looks dull/cloudy (non-shiny) then further evaluation of the sample will take place. In that case, the dust found at the bottom of the bag should not exceed 2%, other than seeds, of the sample size which is 10% of the consignment size. 5. Mud stuck pods: If due to rain or any other reason, there is dust/mud stuck to the chilli pods, causing high ash content, then such products should not exceed 1% of the sample size which is 10% of the consignment size.
Packaging	As per current industry practice Red Chilli shall be delivered in good conditioned Jute bags of 25-28 Kgs. If any change occurs in the industry practice, it will be communicated by the Exchange through a circular. Tare allowance will be applicable as per industry practice as communicated by the Exchange from time to time through a circular.
Delivery Centers	Exchange approved and designated warehouse or Seller's own location/warehouse in Umerkot/Kunri/adjoining area districts or as communicated by the Exchange through a circular.

	<p>In case delivery is made at seller's warehouse/location, the Exchange approved quality certification agency /assayer will certify the quality and grade of commodity delivered and will also seal the bags/lot so that the commodity cannot be changed or tampered with. The same shall be delivered /loaded on the vehicle (s) arranged by the Buyer, under the supervision of Exchange approved warehousing and logistics agency at the time of final delivery.</p> <p>If the seal is reported broken/tampered or the signs of quality degradation are found at the time of delivery the trade will be cancelled. Further, the exchange reserves the right to impose a penalty to the seller as per fine policy of the Exchange.</p>
No. of active Contracts	A maximum of 5 contracts may be made available for trading.
Opening of Contract	Trading in any contract will open at least one week before the last trading day subject to holiday convention.
Last Trading Day (Contract Expiry Day)	Contracts will expire on fifth day subsequent to its opening day. If the fifth day falls on Exchange holiday then the next business day will be the last trading day.
Holiday Convention	In case the first trading day of a contract falls on an Exchange holiday, the contract will start trading from the following Exchange trading day with a shorter maturity. In case the final settlement day of a contract falls on a holiday, the contract will be settled on the following Exchange trading day.
Daily Settlement Price	<p>All open positions will be marked to market using daily settlement price. Exchange can determine the daily settlement price using one of the methods described here under or in such other manner as may be prescribed by the Exchange from time to time:</p> <ul style="list-style-type: none"> - Average of best bid and offer at the closing time - Last Traded Price - Value Weighted Average Price - Theoretical Futures Price based on the spot price obtained from the market sources <p>(average of collected prices from the market will formulate the spot price)</p>
Final Settlement Price	Final settlement price will be the daily settlement price of the last trading day of the contract or as specified by the Exchange through a circular.
Price Fluctuation	+/- 5% or as specified by the Exchange through a circular.
Settlement Mode	<p>All open positions after the close of contract shall be settled by either of the following modes:</p> <p>Delivery of Red Chilli at the Exchange approved warehouse/delivery center/Seller's location as per Contract Specifications.</p> <p>Mutual settlement of the matched buyer and the seller off the Exchange platform.</p> <p>The contract can be settled before expiry through "Exchange for Physical (EFP)" as notified by the Exchange through a circular.</p> <p>Failure to fulfill delivery obligations by seller or buyer may result in a penalty as per fine policy of the Exchange.</p>
Notice Period	<p>Sellers with open short positions and intending to deliver will be required to inform the Exchange two trading days prior to the last trading day (E-2, where E refers to the expiration day) or latest by the closing time of the contract of their intention to deliver along with the quantity which will be delivered.</p> <p>Exchange may enforce a pre-trade check in which sellers will be asked to deliver Red Chilli before making it available on the ETS for sale.</p> <p>After the expiration of the contract the corresponding buyers with open long positions will be matched randomly with the sellers by the Exchange. The buyers will be bound to settle by taking physical delivery.</p> <p>The names of the matched buyers and sellers would be communicated to respective members on E+1.</p> <p>Any failure to deliver by the seller or taking delivery by the matched buyer will</p>

	result in a penalty determined by the Exchange.
Delivery Mode & Delivery Period	<p>If the Seller has already not delivered Red Chilli at the Exchange designated warehouse, then upon Expiration of the contract the seller with open position will have three business days (E+3) to deliver the Red Chilli at the Exchange approved and designated warehouse/delivery center or at his own location after completing all Exchange specified procedures (communicated through a circular) for delivery including the quality and quantity certification.</p> <p>Upon successful completion of delivery by the seller, the Red Chilli delivered will come in the ownership of the buyer and the warehouse operator will be holding it on behalf of the buyer. The buyer has to lift the delivery from the Exchange designated warehouse through its own arrangements.</p> <p>In case delivery is made at seller's warehouse/location, the Exchange approved quality certification agency /assayer will certify the quality and grade of commodity delivered and will also seal the bags/lot so that the commodity cannot be changed or tampered with. The same shall be delivered /loaded on the vehicle (s) arranged by the Buyer, under the supervision of Exchange approved warehousing and logistics agency at the time of final delivery.</p> <p>If the seal is reported broken/tampered or the signs of quality degradation are found at the time of delivery the trade will be cancelled. Further, the Exchange reserves the right to impose a penalty to the seller as per fine policy of the Exchange.</p>
Settlement of Delivery Outside the Exchange	Matched buyers and sellers can mutually agree on Off- Exchange settlement of the delivery without holding the Exchange responsible in case of any dispute over such delivery. In such a case they need to inform the Exchange within the delivery period. The Exchange will then settle their accounts as per final settlement price.
Pay-in and Pay-out of Funds for Final Settlement	<p>Final payments will include Final Settlement price plus all applicable taxes at the time of delivery.</p> <p>The buyer shall pay funds in full to the Exchange in advance or latest by E+2, and after that the buyer will be eligible to receive the documents to get the delivery from the Exchange approved warehouse or from the seller's location where the Exchange approved assayer has sealed the Commodity. The seller will be eligible to receive funds, once he has delivered the traded commodity at the Exchange approved warehouse or the commodity has been shipped/loaded from the seller's location after completing all delivery related requirements.</p>
Quality Certification	<p>The seller has to provide a quality certification from the Exchange approved assayer that the Red Chilli delivered meets the quality specifications as per contract specifications.</p> <p>The Exchange will not be responsible for quality or quantity of the Red Chilli after taking of delivery by the buyer from the Exchange designated warehouse or seller's location.</p>
Cost of certification, weighing, storage and delivery etc.	All charges associated with quality certification, weighing, storage, or any other charges related to delivery at the Exchange approved warehouse/ delivery center/ Seller's location will be borne by the buyer and/ or seller in the manner communicated by the Exchange from time to time through a circular.
Position Limit	<p>Greater of 10% of Open Interest and 1,000 Contracts per Broker, gross across all clients and across all maturities.</p> <p>Greater of 5% of Open Interest and 250 Contracts per Client, gross across all maturities.</p>

Margin Requirement	Initial Margin 25% form both Buyer and seller or as specified by the exchange from time to time. In case either buyer / seller fails to fulfill mark to market losses Exchange will close out his position and forfeit margin amount and will transfer the margin amount to the corresponding buyer/seller as a maximum compensation from the Exchange. Exchange however may impose a penalty to the defaulting buyer/seller as per fine its policy.
Additional Margin	Exchange reserves the right to impose additional margin due to increased or excessive volatility or due to any other reason Exchange deems appropriate.
Further Regulation	This contract shall be subject, where applicable, to the PMEX General Regulations and all applicable Federal/Provincial laws.