

## Weekly IRRI-6 Rice Futures Contract Specifications

<b>Trading hours</b>	<p>Hours of trading in IRRI-6 Rice contract for future delivery will be on Monday to Friday (excluding Exchange specified holidays):</p> <p>Pre-Open Session: 9:45 am to 9:58 am Open Call Session: 9:58 am to 10:00 am Normal Trading Session: 10:00 am to 3:45 pm Pre-Close Session: 3:45 pm to 4:00 pm</p> <p>There will be no Pre-Close session on the last trading day of a contract and Normal trading session will end at 01:00 pm.</p>																
<b>Unit of Trading</b>	Unit of trading in IRRI-6 Rice contract for future delivery will be 25 Metric Tons																
<b>Price Quotation</b>	Price quoted shall be in Rs. per 100 kilograms of Rice, Ex-Karachi.																
<b>Delivery Unit</b>	25 Metric Tons $\pm$ 3 Tons																
<b>Trading System</b>	NCEL Electronic Trading System																
<b>Tick size</b>	Re. 1																
<b>Deliverable Grade &amp; Quality Class</b>	Long Grain (average grain length should be minimum 6.0 mm)																
<b>Milling Process Varieties included</b>	<p>Milled White Rice IRRI-6 and similar varieties meeting the below specifications</p> <table><tr><td>1. Moisture</td><td>14% (Max)</td></tr><tr><td>2. Damaged Shriveled &amp; Yellow Grains</td><td>5% (Max)</td></tr><tr><td>3. Chalky Grains</td><td>10% (Max)</td></tr><tr><td>4. Foreign Grains</td><td>2% (Max)</td></tr><tr><td>5. Foreign Matter</td><td>1.2% (Max)</td></tr><tr><td>6. Paddy Grains</td><td>0.8% (Max)</td></tr><tr><td>7. Under milled &amp; Red Stripped</td><td>4% (Max)</td></tr><tr><td>8. Broken Grains</td><td>up to 20% (Max)</td></tr></table> <p>Rice only from the current crop will be accepted for delivery and it should be free from live weevils and obnoxious smell.</p>	1. Moisture	14% (Max)	2. Damaged Shriveled & Yellow Grains	5% (Max)	3. Chalky Grains	10% (Max)	4. Foreign Grains	2% (Max)	5. Foreign Matter	1.2% (Max)	6. Paddy Grains	0.8% (Max)	7. Under milled & Red Stripped	4% (Max)	8. Broken Grains	up to 20% (Max)
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<b>Applicable Discounts</b>	<p><b>Broken Grains:</b></p> <ul style="list-style-type: none"><li>• Broken grains are acceptable up to 20% at contract price</li><li>• Above 20% up to 30% with 1.0 Paisa/Kg discount on each percent.</li><li>• Above 30% up to 35% with 2.0 Paisa/Kg discount on each percent.</li></ul>																

- Above 35% will be rejected.

**Moisture:**

- Moisture up to 14% is acceptable at contract price.
- Above 14% and up to 15% acceptable with a 0% discount.
- Above 15% and up to 16% acceptable with a 1% discount
- Above 16% is not acceptable and will be rejected.

<b>Packaging</b>	Rice shall be delivered in new or old, good condition 100 Kg Polypropylene woven sacs. The bags should not be torn from any side and should be machine stitched. No tare allowance will be applicable.
<b>Delivery Center</b>	Karachi or Port Qasim at Exchange approved and designated warehouses.
<b>Weeks traded in</b>	The Exchange will notify in advance the contract weeks available for IRR1-6 Rice futures.
<b>Opening of the Contract</b>	Trading in any contract will open at least one week before the last trading day.
<b>Last Trading Day</b>	Contracts will expire on Thursday every week. If Thursday is an Exchange holiday then the next business day will be the last trading day.
<b>Delivery Logic</b>	Compulsory. All open positions after the close of the contract will only be settled through physical delivery.
<b>Notice of Delivery</b>	<p>The Sellers with open short positions will be required to inform the exchange one trading day prior to the last trading day (E-1, where E refers to the expiration day) the names of three surveyors/analyzer from a panel of NCEL approved surveyors/analyzers.</p> <p>The Buyers with open long positions are also required to inform the exchange on E-1 about the details of the warehouse, where seller needs to deliver.</p>
<b>Delivery Allocation</b>	<p>On the date of the expiration of the contract (E), exchange will inform the details (including the warehouse) of randomly matched buyer to the corresponding seller and vice versa. Buyer also needs to inform the name of his chosen analyzer from the list of three analyzers provided by the seller.</p> <p>Any failure to deliver by the Seller or taking delivery by the matched Buyer will result in a penalty prescribed by the Exchange.</p>

<b>Delivery Period</b>	Upon expiration of the IRR-6 Rice contract for future delivery, intending Sellers will have 7 business days (including Saturday, Sunday and excluding Public Holidays) to deliver at the Exchange approved and designated warehouse after completing all exchange specified procedures including quality certification.
<b>NCEL Approved Analyzer</b>	NCEL will notify a list of exchange approved analyzers who will certify the quality and quantity of the Rice IRRI-6 delivered under the NCEL futures contract.
<b>Cost of Inspection, Weighing, Storage &amp; Delivery</b>	<p>All charges associated with inspection, weighing, storage, delivery and Exchange required documentation up to the the end of day of delivery will borne by the Seller.</p> <p>Buyers shall pay all charges including storage charges after the business day following the day of the delivery.</p> <p>Inspection and Certification will only be carried out by Exchange approved and designated Inspection and Certification agencies/Analyzers, according to the procedures defined by the Exchange in relevant Circulars.</p>
<b>Daily Settlement Price</b>	<p>The Daily settlement price shall be the consensus price determined during the pre-close session. Exchange can also determine the daily settlement price in the manner described hereunder or in such other manner as may be prescribed by the Exchange:</p> <ul style="list-style-type: none"> <li>- Value Weighted Average Price</li> <li>- Theoretical Futures Price</li> </ul>
<b>Final Settlement Price</b>	Final settlement price will be determined by the exchange at the maturity of the contract.
<b>Price Fluctuation</b>	Maximum allowed daily price fluctuation will be +/-5% of the last trading day's settlement price.
<b>Pay-in and pay-out for Final Settlement</b>	The cut off time for full cash payment for all matched positions by the buyer for physical settlement is 11 am on E+1. The payment of cash to the seller will be E+2 onwards subject to the completion of all delivery related requirements of the exchange.
<b>Price Adjustment</b>	The price adjustment of the applicable quality discounts if any would be applied as per prescribed procedures. All buyers will be refunded a discount based on the price adjustment. Accordingly all sellers will be paid the adjusted price.

<b>Position Limit</b>	<p>2000 Contracts per Broker, gross across all clients and across all maturities.</p> <p>500 Contracts per Client, gross across all maturities.</p>
<b>Margin Requirement</b>	<p>The amount of margin payable by members in respect of their outstanding IRRI-6 Rice futures contracts shall be determined by the Exchange. The Exchange will adjust margin requirements as and when volatility in the underlying changes.</p> <p>Margin shall be calculated on a gross basis on all open positions held in different maturity contracts in the same commodity up to the Client Level.</p>
<b>Initial Margin</b>	<p>Initial Margin will be calculated using Value-at-Risk (VaR) methodology intended to cover the largest loss over a <b>10-day Look Ahead period</b> that can be encountered on 99% of the days (99% Value at Risk) or otherwise as specified by the exchange.</p> <p>Provided that the adjustment of initial margins shall be allowed up to a maximum of 80% of such margins and remaining 20% to be maintained during the tenure of the contract.</p>
<b>Delivery Margin</b>	<p>Delivery margin will be calculated using Value-at-Risk (VAR) methodology intended to cover the largest loss over a <b>07day look ahead period</b> that can be encountered on 99% of the days (99% value at Risk) at the maturity of the contract and will be collected from the seller.</p> <p><b>Such margin</b> shall be refunded at the contracted delivery by the seller.</p> <p>Exemption to delivery margin will be in case seller has delivered the contracted commodity as prescribed by the contract specifications.</p>
<b>Further Regulations</b>	<p>This contract shall be subject, where applicable, to the Regulations of the National Commodity Exchange Limited.</p>