

### Contract Specifications of Cotton Futures

<b>Symbol</b>	COTTON
<b>Contract Listing</b>	Contracts are available as per the Contract Launch Calendar
<b>Contract Start Day</b>	1 <sup>st</sup> day of the Contract launch month. If 1 <sup>st</sup> day is a holiday, then the following working day.
<b>Last Trading Day</b>	Last trading day of the contract month. If last trading day is a holiday, then preceding trading day.
<b>Trading</b>	
<b>Trading Period</b>	Monday to Friday
<b>Trading Session</b>	Monday to Friday: 09.00 a.m. to 09.00 p.m.
<b>Trading Unit</b>	20 bales
<b>Quotation/Base Value</b>	Rs. Per bale (of 170 Kg)
<b>Price Quote</b>	Ex-Warehouse Rajkot (Within 100 km radius) excluding all taxes, duties, levies, charges as applicable
<b>Maximum Order Size (Qty)</b>	1200 bales
<b>Tick Size (Minimum Price Movement)</b>	Rs.10
<b>Daily Price Limit#</b>	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%.
<b>Initial Margin*</b>	SPAN based, subject to a minimum of 4%
<b>Margin Period of Risk ("MPOR")</b>	2 days
<b>Extreme Loss Margin**</b>	1%
<b>Additional and/ or Special Margin</b>	In case of additional volatility, an additional margin (on both buy & sell side) and / or special margin (on either buy or sell side) at such percentage, as deemed fit; will be imposed in respect of all outstanding positions.
<b>Maximum Allowable Open Position***</b>	<b>For individual clients:</b> 3,60,000 bales For a member collectively for all <b>clients:</b> 36,00,000 bales or 15% of the market wide open position whichever is higher.  For Near Month Delivery For <b>individual clients:</b> 90,000 bales Near month member level position limit shall be equivalent to the one fourth of the overall member level position limit.
<b>Delivery</b>	
<b>Delivery unit</b>	20 bales (34 quintals* or 9.55 candy approx.) *+/- 7%
<b>Delivery Period Margin****</b>	Delivery period margins shall be higher of: a. 3% + 5 day 99% VaR of spot price volatility Or b. b. 20%
<b>Delivery Centre(s)</b>	Rajkot (Main Delivery Centre)
<b>Additional delivery Centres</b>	1)Aurangabad (Maharashtra) 2)Jalgaon (Maharashtra) 3) Yavatmal (Maharashtra)

	4)Kadi (Gujarat) 5)Hyderabad (Telangana). 6)Khargaon (Madhya Pradesh) 7)Hanumangarh (Rajasthan)
<b>Quality Specifications on Physical Inspection and HVI Mode</b>	<p>Goods should lie within the Tenderable Range according to defined quality specifications. Outlaying goods will not be accepted for delivery. Ginning Pattern: Roller Ginned Cotton.</p> <p>1) <b>Basis Grade:</b> Standardized grade as per HVI Middling 31- 3; grades between 11-1 to 31-3 are accepted with Nil premium. Above 31-3 to 41-4 are accepted with discount.</p> <p>2) <b>Staple 29 mm</b> (-1mm) with discount. Below 28 mm reject and above 29 mm no premium</p> <p>3) <b>Micronaire (MIC):</b> 3.6 — 4.8 +/-0.1 with discount. Below 3.5 and above 4.9 reject.</p> <p>4) <b>Tensile Strength:</b> 28 GPT Minimum, below 28mm rejected.</p> <p>5) <b>Trash:</b> 3.5% + 1.5% with no premium but discount. More than 5% reject.</p> <p>6) <b>Moisture:</b> Upto 9%. Acceptable up to 10 %(average) at discount.</p> <p>The premiums/discounts with respect to quality specifications (in respect to Grade, Staple, Micronaire, Trash and Moisture) will be announced by exchange before the launch of contract.</p>
<b>Physical Condition of Bales</b>	<p>All bales of the lot should be in good condition should be free from oil/ ink stains penetrating the bale or damaged in any other way. It should have all the proper markings in form the unique PRN for identifying the individual bale as well as a total lot. The label should give details of variety, weight and crop year.</p> <p>The bale must be fully covered with hessian cloth/cotton fabric and no cotton shall be exposed. The bales must be securely strapped with iron bailing hoops / plastic straps.</p>
<b>Crop conditions</b>	Only Current season Indian crop is deliverable. Season period is 1st October 2019 to 30th September 2020
<b>Final Settlement Price (FSP)*****</b>	For contracts where, Final Settlement Price (FSP) is determined by polling, unless specifically approved otherwise, the FSP shall be arrived at by taking the simple average of the last polled spot prices of the last three trading days viz., EO (expiry day), E-I and E-2. In the event the spot price for any one or both of E-I and E-2 is not available; the simple average of the last polled spot price of EO, EI, EO 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 asunder:

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
In case of non-availability of polled spot price on expiry day (E0) due to sudden closure of physical market under any emergency situations noticed at the basis centre, Exchanges shall decide further course of action for determining FSP in consultation with SEBI.					
<b>Delivery Logic</b>	Compulsory Delivery.				

# In accordance with SEBI Circular No. SEBI/HO/CDMRD/DMP/CIR/P/2016/83 September 07, 2016.

\*In accordance with SEBI Circular no. SEBI/HO/CDMRD//DRMP/CIR/P/2016/77 dated September 01, 2016; initial margin shall be scaled up by a factor of root of MPOR.

\*\* In accordance with SEBI Circular no CIR/CDMRD/DRMP/01/2015 dated October 1, 2015.

\*\*\* In accordance with SEBI Circular No. SEBI/HO/CDMRD/DMP/CIR/P/2016/96 September 27, 2016.

\*\*\*\* In accordance with SEBI Circular no SEBI/HO/CDMRD//DRMP/CIR/P/2016/77 dated September 01, 2016.

\*\*\*\*\* In accordance with SEBI Circular no SEBI/HO/CDMRD/DRMP/CIR/P/2016/90 dated Sep 21, 2016.

#### Contract Launch Calendar of Cotton Futures

Contract Expiry Months
October 2019
November 2019
December 2019
January 2020
February 2020
March 2020
April 2020
July 2020
Aug 2020
September 2020