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CHAPTER 1 - TRADING PARAMETERS

**Authority**

Trading of Indian 28.5 mm cotton futures may be conducted under such terms and conditions as specified in the Rules, Byelaws & Regulations and directions of the Exchange issued from time to time. A specimen of Indian 28.5 mm cotton futures contract specification is indicated in **Exhibit 1**.

**Unit of Trading**

The unit of trading for Indian 28.5 mm cotton shall be 85 Quintals (=50 Bales of 170 kg each). Bids and offers may be accepted in lots of 85 Quintals (= 50 Bales of 170 kg each) or multiples thereof.

**Months Traded In**

Trading in Indian 28.5 mm cotton futures may be conducted in the months as specified by the Exchange from time to time.

**Tick Size**

The tick size of the price of Indian 28.5 mm cotton shall be Re 1

**Basis Price**

The basis price quotation for Indian 28.5 mm cotton shall be in Rupees per Candy (37.3242 kgs each) of Indian 28.5 mm cotton, basis Kadi, exclusive of all taxes.

**Unit for Price Quotation**

The unit of price quotation for Indian 28.5 mm cotton shall be in Rupees per Candy. The basis for Indian 28.5 mm cotton traded as Indian 28.5 mm cotton is Rupees per Candy of Indian 28.5 mm cotton, basis Kadi, exclusive of all taxes.

**Hours of Trading**

The hours of trading for futures in Indian 28.5 mm cotton shall be as follows:

- Mondays through Fridays – 10 a.m. to 5 p.m.
- Saturdays – 10 a.m. to 2 p.m.

Or as determined by the Exchange from time to time. All timings are as per Indian Standard Timings (IST)

**Last Day of Trading**

No trading will be allowed after 20<sup>th</sup> calendar day (or preceding day in case of 20<sup>th</sup> calendar day being a holiday or half trading day) of the contract expiry month.

Before the expiry of the contract, buyers and sellers having open positions would be required to indicate delivery information for receiving or giving. The window for acceptance of delivery requests will be open for 3 working days. The window will close 5 days prior to the expiry date of the contract.

Upon expiry of the contracts, the delivery position would be arrived at by the Exchange based on the information to give/ take delivery furnished by the sellers and buyers as per the process put in place by the Exchange for affecting physical delivery then by random, keeping in view the storage capacity of warehouse and Indian 28.5 mm cotton already deposited / dematerialized for delivery or any other factor(s) that the Exchange deems appropriate for completion of the matching process. The settlement for sellers having open positions and not providing information for physical delivery of Indian 28.5 mm cotton shall be completed by cash settlement payable by the sellers in the open position who do not provide delivery information as prescribed above.

#### **Mark to Market**

The outstanding positions in futures contract in Indian 28.5 mm cotton would be marked to market daily based on the Daily Settlement Price as determined by the Exchange.

#### **Position limits**

Member: Maximum of 60,000 bales for all contracts (5000 bales during last 10 trading days for near month contract)

Client: Maximum of 20,000 bales for all contracts (1000 bales during the last 10 trading days for near month contract)

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.

#### **Margin Requirements**

NCDEX will use Value at Risk ( VaR) based margin calculated at 99% confidence interval for one day time horizon. NCDEX reserves the right to change, reduce or levy any additional margins including any mark up margin.

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### **Special Margin**

In case of additional volatility, a special margin of at such other percentage, as deemed fit, will be imposed immediately on both buy and sell side in respect of all outstanding positions, which will remain in force for next 2 days, after which the special margin will be relaxed.

### **Pre-Expiry Additional Margin**

There will be an additional margin imposed for the last 5 trading days, including the expiry date for Indian 28.5 mm cotton contract. The additional margin will be added to the normal exposure margin and will be increased by 3% everyday for the last 5 trading days of the contract.

### **Delivery Margins**

In case of open positions materializing into physical delivery, delivery margins as may be determined by the Exchange from time to time will be charged. The delivery margins will be calculated based on the number of days required for completing the physical delivery settlement (the look-ahead period and the risks arising thereof).

### **Penalty for cash settlement**

The Exchange may impose such penalties as may be decided, on sellers who choose not to deliver the commodity. Currently such penalty for Indian 28.5 mm cotton is prescribed at 0.5%. This penalty % may be revised by the Exchange from time to time.

Ten percent (10%) of such penalty amount shall be retained by the Exchange and the balance ninety percent (90%) shall be paid to the buyers to whom the deliveries could not be made.

### **Arbitration**

Disputes between the members of the Exchange inter-se and between members and constituents, arising out of or pertaining to trades done on NCDEX shall be settled through arbitration. The arbitration proceedings and appointment of arbitrators shall be as governed by the Bye-laws and Regulations of the Exchange.

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## CHAPTER 2 - DELIVERY PROCEDURES

### Unit of Delivery

The unit of delivery for Indian 28.5 mm cotton shall be 85 quintals (=50 bales of 170 kg each)

### Delivery Size

Delivery is to be offered and accepted in lots of 85 quintals (= 50 bales of 170kg each) or multiples thereof. +/- 5% for total weight of each deliverable lot. **This weight will be net of packaging (packaging tare of 2.3kg per bale will be applied).**

### Delivery Requests

The procedure for Indian 28.5 mm cotton delivery is based on the contract specifications as per **Exhibit I**. The window for acceptance of delivery requests will be open for 3 working days. The window will close 5 days prior to the expiry date of the contract.

Members giving delivery requests for the commodities as per Annexure are not permitted to square off their open positions. A penalty of 5% of final settlement price on the position squared off will be levied on the Members violating the same.

NCDEX would thereafter complete the matching process based on the location and by random, keeping in view the storage capacity of warehouse and Indian 28.5 mm cotton already deposited / dematerialized for delivery or any other factor(s) that the Exchange deems appropriate for completion of the matching process.

It may be noted that upon expiry of the contract, if any seller having open position desires to give physical delivery at a specified delivery center, then the buyer with corresponding open position as matched by the process put in place by the Exchange, shall be bound to settle by taking physical delivery. All open positions of those sellers who do not provide required information for physical delivery shall be settled in cash with penalties.

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### **Delivery Allocation**

The Exchange would compile delivery information received from the selling on the last trading day, i.e. 20th of the month or such other day as specified in Chapter I above. The buyers / sellers who have to receive / give delivery would be notified on the same day after the close of trading hours. Delivery of Indian 28.5 mm cotton is to be accepted by buyers at the accredited warehouse where the seller effects delivery in accordance with the contract specifications.

### **Actual Delivery**

Where Indian 28.5 mm cotton is sold for delivery in a specified month, the seller must have requisite electronic credit of such Indian 28.5 mm cotton holding in his Clearing Member's Pool Account before the scheduled date of pay in. On settlement the buyer's Clearing Member's Pool Account would be credited with the said delivery quantity on pay out. The Clearing Member is expected to transfer the same to the buyer's depository account. However, the buyer must take actual physical delivery of Indian 28.5 mm cotton before expiry of the validity date as indicated in the quality test report/Assayer's Certificate of the Assayer or get the same revalidated.

### **Accredited Warehouse**

NCDEX has accredited warehouses for receipt and delivery of Indian 28.5 mm cotton. Indian 28.5 mm cotton will be received and delivered only from the NCDEX accredited warehouse. The details of the NCDEX accredited warehouses are as per **Exhibit 2**.

### **Quality Standards**

The contract grade for delivery of Indian 28.5 mm cotton futures contracts made under NCDEX Regulations shall be Indian 28.5 mm cotton conforming to the quality specification indicated in **Exhibit 1**. No lower grade/quality shall be accepted in satisfaction of contracts for future delivery except as and to the extent provided in the contract specifications. Delivery of higher grade would be accepted with premium (as specified). The bales delivered in a lot should be continuous running bales. No re – pressed bales will be accepted for delivery. The validity period for Indian 28.5 mm cotton is of 3 months . There is no revalidation for Indian 28.5 mm cotton.

### **Packaging**

Indian 28.5 mm cotton bales delivered should be well compressed and packed as per standard industry methods preferably with 100 grams/yard white twill cloth (woven

cloth) and adequate spiral bands. Hessain packing of CCI (Cotton Corporation of India) would also be expected. All sides of the packaging material may be stitched manually. The bales delivered should not bear any stains and shall not be contaminated with any other foreign matter. Press running no. needs to be submitted. Certificate/underwriting of pressing bales (goods being delivered) regarding date of pressing, place of pressing and the name of the supplier be given at the time of delivery. The sellers should also imprint the date of pressing, place of pressing and the name of the factory where the goods have been pressed on the packaging material of the goods delivered. The net weight of cotton bales would be considered. A deduction of 2.3 kgs per bale would be deducted as weight of packing material.

The accredited warehouse would also put in a stamp containing the date of deposit and the warehouse name. The goods already bearing such stamp cannot be retendered after the completion of final expiry of the commodity and there is as well no revalidation for Indian 28.5 mm cotton.

The seller should give an affidavit that the goods being deposited do not have false packing. Exchange with the help of assayers, warehouse people will conduct random checks on the same. In case of any good found with false packing the entire lot will be confiscated by the exchange and the seller would have no rights on the goods anymore and it would be the property of the exchange.

The seller would have to give an undertaking/affidavit that no false packing has been done and the packing standards followed are as per NCDEX.

#### **Standard Allowances**

<b>Sample weight per validation of quality</b>	<b>5 Kg on account of sample testing</b>
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#### **At the time of deposit**

The quantity credited will be the actual quantity delivered at the tested moisture level, after providing for standard allowances on account of sampling and packaging tare.

#### **At the time of withdrawal / revalidation**

The weight of lot delivered / revalidated at the time of withdrawal / revalidation shall be adjusted to moisture level at the time of deposit / revalidation whichever is later



and such adjustment shall be over and above the standard allowances mentioned above.

### **Weight**

The bales of Indian 28.5 mm cotton received and / or delivered at the NCDEX designated warehouse would be determined / calculated by the weighbridge / weigh scale at the premises of the designated warehouse. Tare of 2.3 kg/bale on account of packaging will be applied to arrive at net weight of the delivered lot and the quantity so determined would be binding on all parties.

### **Good / Bad delivery Norms**

Indian 28.5 mm cotton delivery into NCDEX designated Warehouse would constitute good delivery or bad delivery based on the good / bad delivery norms as per **Exhibit 3**. The list contained in Exhibit 4 is only illustrative and not exhaustive. NCDEX would from time to time review and update the good / bad delivery norms retaining the trade / industry practices.

### **Indian 28.5 mm cotton Sampling**

The sample size will be 2 bales per 50 bales i.e 4% delivered will be opened for drawing samples received at the designated warehouse and a composite sample of 5 Kg. will be made of Indian 28.5 mm cotton. The sample portions drawn will be packaged in clean and dry plastic bag & marked to recognize NCDEX member identity, quantity, date, time etc. The cotton samples drawn will be dispatched to the testing laboratory. Samples drawn will be equated into five parts, one part as Depositor sample, one part will be kept at Warehouse, third will be with SGS/CIRCOT the fourth part shall be provided to SGS/ Cotton Classer and the fifth will be with SGS for records.

### **Accredited Assayer**

NCDEX has appointed the Assayer for quality testing and certification of Indian 28.5 mm cotton received at the designated warehouse. The quality testing and certification of Indian 28.5 mm cotton will be undertaken only by the appointed Assayer. The assayer details are given in the Exhibit 3 alongside the warehouses.

### Quality Testing Report

The test report issued by the cotton testing laboratory on the samples drawn shall be acceptable and binding on all parties. A specimen format of the quality testing report is indicated in **Exhibit 5**.

### Testing Procedure

Delivering members of Indian 28.5 mm cotton at the designated warehouse to take note that cotton samples for testing is dispatched to the testing laboratory. In view of the time taken for sampling, dispatch and receipt of the test report from testing laboratory, delivering members are advised to effect delivery of cotton bales at the earliest. An illustration of expected time taken for receipt of cotton bales at the designated warehouse, sampling, testing and receipt of test report is indicated below:

Sr. No.	Activity day	Activity
1	Day 1	a) Delivery of cotton b) Sampling and dispatch to testing laboratory.
2	Day 3	Receipt of cotton at testing laboratory
3	Day 4	Conditioning of cotton at Lab. Premises
4	Day 5	Testing and availability of report of cotton

### Assayer Certificate

Testing and quality certificate issued by NCDEX appointed Assayer for Indian 28.5 mm cotton delivered at designated warehouse in Kadi, Rajkot, and at such other locations announced by the Exchange from time to time shall be acceptable and binding on all parties. Each delivery of Indian 28.5 mm cotton at the warehouse must be accompanied by a certificate from NCDEX appointed assayer in the format as per Exhibit 4.

### Validity period

The validity period of the Assayer's Certificate for Indian 28.5 mm cotton is 3 months or till the first withdrawal from the warehouse whichever is earlier. There is no second revalidation for cotton and the goods which have already been delivered through the exchange platform will be matched with the certificate provided by the seller and the stamp/imprint on the packaging material. Such goods with the same

certificate and the same stamp/imprint on the packaging material cannot be retendered at NCDEX platform.

### **Electronic transfer**

Any buyer or seller receiving and or effecting Indian 28.5 mm cotton would have to open a depository account with an NCDEX empanelled Depository Participant (DP) to hold the Indian 28.5 mm cotton in electronic form. On settlement, the buyer's account with the DP would be credited with the quantity of Indian 28.5 mm cotton received and the corresponding seller's account would be debited. The Buyer wanting to take physical delivery of the Indian 28.5 mm cotton holding has to make a request in prescribed form to his DP with whom depository account has been opened. The DP would route the request to the warehouse for issue of the physical commodity i.e. Indian 28.5 mm cotton to the buyer and debit his account, thus reducing the electronic balance to the extent of Indian 28.5 mm cotton rematerialized.

### **Duties & levies**

All duties, levies etc. up to the point of sale will have to be fully borne by the seller and shall be paid to the concerned authority. All related documentation should be completed before delivery of Indian 28.5 mm cotton into the NCDEX accredited warehouse.

### **Stamp Duty**

Stamp duty is payable on all contract notes issued as may be applicable in the State from where the contract note is issued or State in which such contract note is received by the client.

### **Taxes**

#### **Service tax**

Service tax will be payable by the members of Commodity Exchanges on the gross amount charged by them from their clients on account of dealing in commodities.

#### **Sales Tax / VAT**

Buyer pays the sales tax/VAT or submits relevant form, whereas all other charges, levies or APMC cess applicable at the delivery centre, will be on account of the seller. The buyer will pay VAT if implemented in the state where delivery centre is located.

In case of inter state movement, the buyer has to submit requisite forms or pay CST as applicable. Post lifting delivery all charges are borne by the buyer.

### **Premium / Discount**

Premium & Discount on the Indian 28.5 mm cotton delivered will be provided by the Exchange on the basis of quality specifications and also on a location basis.

The exchange will communicate the premium/discounts amount applicable. Such amount will be adjusted to the members account through the supplementary settlement schedule.

In Indian 28.5 mm cotton there are two quality parameters where premium/discount is applicable. The two quality parameters are Staple length, Grades.

<b>Length</b>	<b>Grades</b>
28=1	FG = 1
28.5=2	F = 2
29=3	SF = 3
29.5=4	

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CHAPTER 3 - CLEARING AND SETTLEMENT

**Daily Settlement**

All open positions of a futures contract would be settled daily based on the Daily Settlement Price (DSP).

**Daily Settlement Prices**

The Daily Settlement Price (DSP) will be as disseminated by the Exchange at the end of every trading day. The DSP will be reckoned for marking to market all open positions.

**Final Settlement Prices**

The Final Settlement Price (FSP) will be determined by the Exchange upon maturity of the contract.

On expiry of the contract, the following types of open positions would be cash settled:

- a) Delivery information not provided.

The open positions for which information have been provided for and have been matched by the Exchange, would result in physical delivery.

**Spot Prices**

NCDEX will announce / disseminate spot prices for Indian 28.5 mm cotton) relating to the designated delivery center and specified grade/ quality parameters determined through the process of polling a set of market participants representing different segments of the value chain.

The polled prices shall be input to a normalizing algorithm (like 'bootstrapping' technique) to arrive at a representative, unbiased and clean 'benchmark' spot price for Indian 28.5 mm cotton. The security of data and randomness of polling process will ensure transparency and correctness of prices. The Exchange has the right to modify the process of determination of spot prices at any time without notice.

**Dissemination of Spot Prices**

Spot prices for Indian 28.5 mm cotton will be collected and disseminated on daily basis.

**Pay in and Pay out for Daily Settlement / Final Settlement**

The table below illustrates timings for pay in and pay out in case of daily settlement as well as cash settled positions for final settlement. The buyer clients would have to deposit requisite funds with their respective Clearing Member before “pay in”.

All fund debits and credits for the Member would be done in the Member’s Settlement Account with the Clearing bank.

<b>Time (E+1)</b>	<b>Activity</b>
On or before 11.00 hrs	PAYIN - Debit paying member a/c for funds
After 13.00 hrs	PAYOUT – Credit receiving member a/c for funds

**Pay in and Pay out for final physical settlement**

The table below illustrates timings for pay in and pay out in case of positions marked for physical settlement. The buyers / sellers would have to deposit requisite funds / Indian 28.5 mm cotton with their respective Clearing member before “pay in”.

Pay in and Pay out for Final Settlement in case of physical deliveries	
<b>Time (E+2)</b>	<b>Activity</b>
On or before 11.00 hrs	PAYIN - Debit Buyer Member Settlement a/c for funds Debit Seller Member’s CM Pool Account for Long Staple Cotton.
After 13.00 hrs	PAYOUT – Credit Seller Member Settlement a/c for funds Credit Buyer Member’s CM Pool Account for Long Staple Cotton.

The supplemental settlement for Indian 28.5 mm cotton futures contracts to include Premium / discount adjustments for quality of Indian 28.5 mm cotton delivered and close out for shortages will be conducted on the same day. Clearing members are required to maintain adequate fund balances in their respective accounts.

Pay in and Pay out for supplemental settlement	
<b>Time (E + 2)</b>	<b>Activity</b>
On or before 16.00 hours	PAY IN - Debit Member Settlement a/c for funds
After 18.00 hours	PAY OUT – Credit Member Settlement a/c for funds

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**Supplementary Settlement for Taxes**

The Exchange will conduct a separate supplementary settlement, as illustrated below, two days after normal pay out for completion of tax transactions.

In order to facilitate issue of invoice to right parties, the buyer Clearing Members are required to give the buyer client details to the Exchange latest by 15.00 noon on E+3 day.

The amounts due to the above differences will be debited / credited to Member's clearing bank account similar to normal settlement.

Pay in and Pay out for Taxes	
<b>Time (E + 4)</b>	<b>Activity</b>
On or before 15.00 hours	PAY IN: Debit Buyer Member Settlement a/c for funds.
After 17.00 hours	PAY OUT: Credit Seller Member Settlement a/c for funds

The contracts and the transactions and the processes therein will be subject to Rules, Bye Laws and Regulations of the Exchange and circulars issued by the Exchange as well as directives, if any, issued from time to time by the Exchange as well as the Forward Markets Commission.

**Exhibit 1 - Indian 28.5 mm Cotton Futures Contract Specifications**

Trading system	NCDEX Trading System
Basis	Ex-warehouse Kadi, exclusive of all taxes
Unit of trading	50 Bales with each bale of 170 kg (= 85 Quintals)
Delivery unit	50 Bales with each bale of 170 kg (= 85 Quintals)
Quotation/base value	Rs./Candy (3.5562 Quintals)
Tick size	Re 1
Quality specifications	<p><b>INDIAN 28.5 mm COTTON</b></p> <p><b>a. Staple length: As per HVI mode of assaying</b></p> <ol style="list-style-type: none"> <li>1. Basis: 28.5 mm</li> <li>2. Tenderable Range: 28mm - 29.5mm with no premium above 29.5mm</li> </ol> <p><b>b. Micronaire</b></p> <ol style="list-style-type: none"> <li>1. Basis: 3.7 - 4.8 with no premium/discount</li> </ol> <p><b>c. Strength: With HVI mode of assaying</b></p> <p>Basis: Min. 28 G/Tex with no premium above 28 G/Tex</p> <p><b>d. Grades</b></p> <ol style="list-style-type: none"> <li>1. Basis: Fine</li> <li>2. Tenderable Range for grades: `Fully Good', `Fine', and `Superfine'</li> </ol> <p><b>e. Moisture</b></p> <p>Basis: Max. 8 % with no premium below 8%</p> <p><b>f. Trash content</b></p> <p>Basis: Max. 3% with no premium below 3%</p>
Quantity variation	+/- 5% for total weight of each deliverable lot
Locational Premium	Goods can also be tendered at Rajkot . The deliveries at



and discount with respect to basis center	Rajkot would be at par with Kadi deliveries.
Trading and Delivery months	January, February, March, April, May, June, July, August, October, November and December
Delivery center	Kadi (Gujarat)
Also deliverable	Also deliverable at Rajkot
Trading hours	As per directions of the Forward Markets Commission from time to time, currently  <b>Mondays through Fridays</b> : 10:00 AM to 05:00 PM  <b>Saturdays</b> : 10.00 AM to 2.00 PM  The Exchange may vary the above timing with due notice
Delivery specification	Upon expiry of the contracts, the delivery position would be arrived at by the Exchange based on the information to give/ take delivery furnished by the sellers and buyers as per the process put in place by the Exchange for affecting physical delivery
No. of active contracts	Minimum 2 contracts with a maximum of 12 contracts running concurrently
Opening of contracts	The first set of contracts will be launched upon approval of the Forward Markets Commission  Subsequently, trading in new contract month(s) will open on the 10 <sup>th</sup> day of the month. If 10 <sup>th</sup> day happens to be a non- trading then the contract will open on the next trading day.
Due date/Expiry date	20 <sup>th</sup> day of the delivery month  If 20 <sup>th</sup> day happens to be a holiday, a Saturday or a Sunday then the due date shall be the immediately preceding trading day of the Exchange
Closing of contract	All open positions will be settled as per general rules and product specific regulations

Price band	<p>Daily price fluctuation limit is (+/-) 4%. 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 the price band shall be raised by another 50 % of the existing limit i.e. (+/-) 2% and trade will be resumed. If the price hits the revised price band again during the day, trade will only be allowed within the revised price band. No trade/order shall be permitted during the day beyond the revised limit of (+/-) 6%.</p>
Position limit	<ul style="list-style-type: none"> <li>• <b>Member:</b> Maximum of 60,000 bales or 20% of market wide open position whichever is higher.(Maximum of 5000 bales during last 10 trading days)</li> <li>• <b>Client:</b> Maximum of 20,000 bales.(Maximum of 1000 bales during last 10 trading days)</li> </ul> <p>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.</p>
Special margin	<p>In case of additional volatility, a special margin of at such other percentage, as deemed fit, will be imposed immediately on both buy and sell side in respect of all outstanding positions, which will remain in force for next 2 days, after which the special margin will be relaxed.</p>

**Exhibit 2 – Warehouse/ Assayers Address Details**

Warehouse Details	Assayer Address
<p>1. RAJKOT NCMSLGIDC-RAJKOT NCMSL Commodity Multilink Point Plot No. 8, GIDC Area, Kuwaduwa Village Rajkot Ahmedabad Highway Rajkot – 360 001, Gujarat</p> <p>Contact Person: Mr. Himanshu Bhavsar: Mobile: 093741 29051</p> <p>2.KADI NCMSLPATELOIL-KADI NCMSL Commodity Multilink Point Godown No. 1 &amp; 2 Patel Oil Mill Compound, Nandasan Road Dist: Mehsana Kadi – 382 715, Gujarat</p> <p>Contact Person: Mr. Arindam Gupta Mobile: 093282 07870 Mr. Vishal Trivedi Mobile: 098258 42237</p>	<p><b>Sampling:</b> <b>SGS India Pvt. Limited</b> Plot No.2209-2210, Phase IV, G.I.D.C. Vatva Ahmedabad – 382 445; Gujarat</p> <p><b>Testing:</b> <b>Central Institute for Research on Cotton Technology (CIRCOT)</b> Adenwala Road, Matunga Mumbai 400 019, Maharashtra</p> <p><b>CONTACT PERSON (SGS INDIA PVT. LTD)</b> Mr. Amva Datta / Col. Shakti K Roy Tel: 079 – 2584 2525 / 2584 2929 Mobile: 098240 59276</p> <p><b>CONTACT PERSON (CIRCOT)</b> Mr. Vishwanathan Phone:022-2412 7273/76</p>

**Exhibit 3 - Good / Bad delivery norms**

<b>No.</b>	<b>Particulars</b>	<b>Good / Bad delivery</b>
1	Indian 28.5 mm cotton quality not meeting futures contract specification.	Bad delivery
2	Delivery at non designated warehouse.	Bad delivery
3	Delivery before contract expiration.	Good delivery
4	Delivery after pay in date / time.	Bad delivery
5	Delivery of wrong product (Eg. Indian 28.5 mm cotton instead of Indian 28.5 mm cotton).	Bad delivery
6	Delivery completed but without sampling & testing.	Bad delivery
7	Delivery without weight certificate.	Bad delivery
8	Weight of bales at NCDEX designated warehouse.	Good delivery
9	Delivery not compatible to delivery size as mentioned in contract specification.	Bad delivery
10	Delivery beyond specified working hours.	Bad delivery
11	Delivery without proper documentation.	Bad delivery
12	Delivery quantity is more than quantity to be delivered.	Good delivery
13	Cotton bales weighed at other than designated warehouse weigh bridge / weigh scale.	Bad delivery
14	Delivery of indian 28.5 mm cotton found contaminated on visual inspection.	Bad delivery
15	Delivery by unauthorized person / agent without proper identification	Bad delivery
16	Bales drawn for the purpose of drawing the sample	Good Delivery

**Exhibit 4 – Specimen of Cotton testing report**

Report Ref:

Date:

**ANALYSIS:**

The above sample was analysed by us and the average results are as under

<b>Moisture, HVI &amp; Trash Test Report</b>			
Institute Sample No.			
Marked as			
<b>1. Moisture Test (IS 199: 1988)</b>			
Moisture Content			
<b>2. High Volume Instrument (HVI) ICC Mode (ASTM D- 5867:1995)</b>			
2.5% span Length (mm)			
UR			
Micronaire (ug/in)			
Tenacity at 3.2 mm (g/tex)			
<b>3. Trash Test (CIRCOT SP-1 Method)</b>			
Trash (%)			
Invisible Loss (%)			
Total Loss (%)			

<b>Subjective Test Report</b>	
Staple Length	
Strength	
Others	

Tests were carried out 65 +/- 2% R.H & 27 +/- 2 C

The material delivered by the above NCDEX member is in accordance with the specification provided by NCDEX and valid upto \_\_\_\_\_ subject to appropriate storage.

The goods delivered may be accepted.

Verified by

Checked by

Page \_\_\_\_ of \_\_\_\_ (signature)

(Technical officer In Charge)