Contract specifications of Cotton applicable for all contracts expiring in October 2014 and thereafter

Name of Commodity	Cotton
Ticker symbol	COTTON118
Basis centre	Ex-Warehouse Rajkot (exclusive of all taxes)
Unit of trading	12 Candy
Delivery Type	Compulsory
Delivery unit	48 Candy (100 Bales with average bale weight between 155 kgs to 175 kgs will be delivery equivalent for 48 candy).* * Outstanding position for valid delivery for both the buyer as well as the seller on the Exchange platform has to be minimum 48 Candy or in multiples thereof
Price quotation	Rs/Candy
Tick size	Rs 10
Quality specification	Indian Roller Ginned Cotton traded as Shankar 6 or equivalent to Shankar 6 with 1.**Staple Length**: As per HVI mode of assaying, Basis : - 28.5 mm ; no premium above 28.5 mm Below 28.5mm and upto 28 mm – discount of Rs 500/- per candy on 1:1 basis Below 28mm Reject 2. **Micronaire:** Basis : 3.6 – 4.8 For MIC between 3.6 to 3.5 discount of Rs 300/- per candy MIC below 3.5 and above 4.8 Reject 3. **Strength**: Minimum 28 GPT with no premium/discount

	4. **Grades** : Standardized grade as per HVI Middling 31-3 accepted upto 41-3 with discount of 3% 5. **Trash** : Basis : 3.5% Above 3.5% and up to 4% accepted with a discount of 0.5 : 1% on 1:1 basis Above 4% Reject 6. **Moisture** : Basis : 9% Above 9% and upto 10% accepted with a discount of 1% on 1:1 basis Above 10% reject
Quantity Variation	Average weight of 100 bales to be between 155 kgs to 175 kgs per bale such that the total deliverable lot weight for 100 bales is between 15.5 MT to 17.5 MT. No quantity variation allowed for number of bales.
Delivery Method	Electronic Delivery Seller shall deliver the goods through Exchange *Accredited* Warehouse. Goods will have to pass through the Quality Certification process during inbound delivery. Quality certification of Goods will be done by Exchange authorized assayer. Buyer will receive the goods from the Exchange Accredited Warehouse.
	*Direct/Physical Delivery (Applicable only for the delivery centers in the State of Gujarat) Delivery from Seller's location will be in physical form.

	Goods will have to pass through the Quality Certification process during inbound delivery. Quality certification of Goods will be done by Exchange authorized assayer.
Delivery Centre	Rajkot (Delivery will be accepted in Exchange accredited warehouse located within 50 km radius from the municipal limits of the center but within Gujarat state only. This limit can be extended by the Exchange up to 100 km from the municipal limits depending on the feasibility and requirements)
Additional delivery centre in Gujarat	Sellers can also tender delivery from Kadi, Amreli, Surendranagar ,Anjar and Bodeli (Delivery will be accepted in Exchange accredited warehouse located within 50 km radius from the municipal limits of the center but within Gujarat state only. This limit can be extended by the Exchange up to 100 km from the municipal limits depending on the feasibility and requirements)
Additional delivery centers in other states	Wani and Jalna (Maharashtra), Bhatinda (Punjab), Sirsa (Haryana), Warangal (Andhra Pradesh) and Sriganganagar (Rajasthan) The deliveries from these locations can be tendered only if the intention, for giving/taking deliveries from sellers/buyers respectively, matches as per the Exchange prescribed criteria. In case of no matching, deliveries cannot be tendered. Deliveries from these locations will happen only in electronic form
Location Premium/Discount for centers in Gujarat	Premium and discount for different locations shall be announced by the Exchange before launching of contract.
Location Premium/Discount for centers in other states	Premium discount for centers in other states would be announced 2 days before the start of intention period as prescribed by the Exchange.

Trading Hours	Monday to Friday: 10.00 a.m. to 11.30/11:55 p.m.* *During US day light saving period.
Contract Expiry Date	20th day of the delivery month. If 20th happens to be a holiday, a Saturday or a Sunday then the Expiry date shall be the immediately preceding trading day of the Exchange.
Opening of Contract	New contracts will be available for trading from 11th day of the month as per the launch calendar. If the 11th day happens to be a non-trading day, new contracts would open on next trading day.
Daily Price Limit	Daily price fluctuation limit is (+/-) 3%. 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 would be raised by (+/-) 1%. If the price hits the revised price band (4%) 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 (+ / -) 4%.
Position Limits	**Member level**: 312, 000 Candy 20 % of total market wide open interest, whichever is higher **Client level**: 31,200 Candy Or 5 % of total market wide open interest, whichever is higher The above limits will not apply to bonafide hedgers. For bonafide hedgers the Exchange will decide the limits on a case-to-case basis. **Near month limits** (Applicable from 28 days prior to expiry date of the contract). **Member level**: 156,000 Candy or 20% of total near month market wide open interest, whichever is higher. **Client level**: 15,600 Candy Or 5 % of total near month market wide open interest, whichever is higher
Maximum Order Size	576 Candy
Final Settlement Price	The Exchange shall adopt the following methodology for arriving at the Final Settlement Price.

(FSP)	• The Final Settlement Price (FSP) shall be arrived at by taking the simple average of the last three trading days polled spot prices, viz. E-0 (expiry day), E-1, E-2. • In the event of the spot prices of any of the E-1 and E-2 is not available, the spot prices of E-3 would be used for arriving at the average. • In case the spot prices are not available for both E-1, and E-2, then the average of E-0 and E-3 (two days) would be taken. • If all the three days' prices, viz., E-1, E-2 and E-3 are not available, then only one day's price, viz., E-0, will be taken as the FSP.
Minimum Initial Margin	5%
Special Margin	When there is excess volatility, Exchange may impose special margin of appropriate percentage, as deemed fit and proper on either long or short side in respect of all outstanding positions. This margin will remain till such excess volatility persists, after which the same will be relaxed.
Additional Margin	The Exchange may impose additional margins on both long and short side at such other percentage, as deemed fit. Removal of such Margins will be at the discretion of the Exchange
Regulatory Margin	In addition to the above margins, the Regulator may impose additional margins on long and/or short side at such other percentage as deemed fit. Removal of such Margins will be at the discretion of the Regulator.

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Contract Launch Calendar for Cotton:

Contract Launch Month	Contract Expiry Month
13-May-2014	October 2014, November 2014, December 2014 and January 2015
June 2014	February 2015
July 2014	March 2015
August 2014	April 2015
September 2014	May 2015
October 2014	June 2015
November 2014	July 2015
January 2015	October 2015
February 2015	November 2015
March 2015	December 2015