Contract Specifications of Kapas Futures Contract

Symbol	KAPAS
Description	KAPASMMMYY
Contract Listing	Contracts are available as per the Contract Launch Calendar
Contract Start Day	1st day of contract launch month. If 1st day is a holiday then the following working day.
Last Trading Day	Last calendar day of the contract month. If last calendar day is a holiday or Saturday then preceding working day
Trading	
Trading period	Mondays through Fridays
Trading Session	Monday to Friday: 9.00 a.m. to 9.00 pm
Trading Unit	1 lot (200 maunds of 20 kg each i.e. 4 MT)
Quotation/Base Value	Rs per 20 kg
Price Quote	Ex-Warehouse Rajkot (exclusive of Sales Tax/GST)
Maximum Order Size	50 Lots i.e. 200 MT
Tick Size (Minimum Price Movement)	50 Paise
Daily Price Limit (DPL)	DPL shall have two slabs - Initial and Enhanced Slab. Once the initial slab limit of 4% is reached in any contract, then after a period of 15 minutes, this limit shall be increased further by enhanced slab of 2%, only in that contract. The trading shall be permitted during the 15 minutes period within the initial slab limit. After the DPL is enhanced, trades shall be permitted throughout the day within the enhanced total DPL of 6%.
Initial Margin*	Minimum 8% or based on SPAN, whichever is higher
Extreme Loss Margin	Minimum 1%
Additional and/ or Special Margin	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.
Maximum Allowable Open Position**	For individual clients: 2,90,900 MT For a member collectively for all clients: 29,09,000 MT or 15% of the market wide open position, whichever is higher. Near Month Limits For individual clients: 72,725 MT Near month member level position limit shall be equivalent to one fourth of the overall member level position limit.
Delivery	
Delivery Unit	1 lot (200 maunds of 20 kg each i.e. 4 MT (+/-1% for total weight of each deliverable lot)

<table>
<tr><td>Delivery Period Margin***</td><td>Delivery period margins shall be higher of:
a. 3% + 5 day 99% VaR of spot price volatility Or
b. 25%</td></tr>
<tr><td>Delivery Centre (s)</td><td>Ex-Warehouse, Rajkot (Gujarat)
MCXCCL designated warehouses upto radius of 100 kms from Rajkot municipal limits.</td></tr>
<tr><td>Quality Specifications</td><td>Raw Cotton
1. Staple Length
Basis : 29 mm
Tenderable range: 29 mm and above and not deliverable below 29 mm
2. Outturn
Minimum 34% with no premium above 34% and not Tenderable below 34%.
3. Trash Content: Maximum 3%
Tenderable Range: Maximum up to 3% with no premium below 3%
4. Micronaire: Basis: 3.8-4.0 Micronaire Tenderable range of
3.8–4.0 Micronaire with no premium/discount.
5. Strength:
Basis: Minimum 29 GTex
Tenderable above 29 GTex with no premium or discount. Strength less than 29 GTex is not deliverable on Exchange platform.
6. Reflectance (Rd value):
Deliverable Range: 75-81
7. Yellowness (+b value):
Deliverable Range: 7.5-9.5
8. Moisture: Max. 8% with no premium below 8%</td></tr>
<tr><td>Due Date Rate (Final Settlement Price)</td><td>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.,E0 (expiry day), E-1 and E-2. In the event the spot price for any one or both of E-1 and E-2 is not available, the simple average of the last polled spot price of E0, E1, E-2 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 as under:
<table>
<tr><td rowspan="2">Scenario</td><td colspan="4">Polled spot price availability on</td><td rowspan="2">FSP shall be simple average of last polled spot prices on:</td></tr>
<tr><td>E0</td><td>E-1</td><td>E-2</td><td>E-3</td></tr>
<tr><td>1</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes/No</td><td>E0, E-1, E-2</td></tr>
<tr><td>2</td><td>Yes</td><td>Yes</td><td>No</td><td>Yes</td><td>E0, E-1, E-3</td></tr>
<tr><td>3</td><td>Yes</td><td>No</td><td>Yes</td><td>Yes</td><td>E0, E-2, E-3</td></tr>
<tr><td>4</td><td>Yes</td><td>No</td><td>No</td><td>Yes</td><td>E0, E-3</td></tr>
<tr><td>5</td><td>Yes</td><td>Yes</td><td>No</td><td>No</td><td>E0, E-1</td></tr>
</table>
</td></tr>
</table>

Classification: Public

	<table><tr><td>6</td><td>Yes</td><td>No</td><td>Yes</td><td>No</td><td>E0, E-2</td></tr><tr><td>7</td><td>Yes</td><td>No</td><td>No</td><td>No</td><td>E0</td></tr></table> In case of non-availability of polled spot price on expiry day (E0)/predetermined number of days due to sudden closure of physical market under any emergency situations noticed, Clearing Corporation shall decide further course of action for determining FSP and which shall be in accordance with MCXCCL circular no. MCXCCL/SPOT/077/2020 dated April 13, 2020. On the day of expiry, the trading shall be allowed up to 5pm.
Delivery Logic	Both option

* A) The Margin Period of Risk (MPOR) shall be in accordance with SEBI Circular no. SEBI/HO/CDMRD/DRMP/CIR/P/2020/15 dated January 27, 2020. For applicable minimum MPOR, refer latest circulars issued by MCXCCL from time to time.

B) For all the applicable margins, refer the latest circulars issued by the Exchange or Multi Commodity Exchange Clearing Corporation Limited (MCXCCL) from time to time.

** Numerical position limit for agricultural commodities is **applicable w.e.f. October 26, 2026, refer to MCX Circular no.: MCX/S&I/579/2026 dated October 14, 2026**. For Applicable Maximum Allowable Open Position for Agricultural Commodities, refer latest circulars issued by MCX from time to time.

*** Delivery Period Margin-As per SEBI directive SEBI/HO/CDMRD/DRMP/CIR/P/2016/77 dated September 01, 2016

Contract Launch Calendar for Kapas Futures contracts

Contract Launch Months	Contract Expiry Months
November 2025	November 2026
February 2026	February 2027
April 2026	April 2027

(Reference Circular no MCX/TRD/555/2025 dated October 27, 2025)

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Delivery and Settlement procedure for Kapas Contract

Delivery logic	Both Option
Buyer's and Seller's Delivery Intention	On the contract expiry day by 6.00 p.m. Seller will submit copies of relevant documents as a proof of holding stock at the time of giving his intention.
Mode of communication	MCXCCL eClear
Matching of Buyer's and Seller's intention	On the basis of intention received from the buyers and sellers, the MCXCCL will match the total quantity offered by the buyers and sellers and with respect to the matched quantity, the allocation of delivery between the buyers and sellers will be done. The unmatched quantity of open position will be closed out as per DDR and actual delivery will be effected only to the extent of matched quantity.
Dissemination of the information on delivery intention on TWS	On the contract expiry day by 7.00 p.m.
Delivery Period Margin	Delivery period margins shall be higher of: a. 3% + 5 day 99% VaR of spot price volatility Or b. 25%
Delivery Period Margin Exemption	Sellers are exempted from payment of all types of margins, if goods are tendered as Early Pay In with all the documentary evidences. However, MCXCCL shall continue to collect mark to market margins from Sellers
Delivery Allocation - **Date** - **Rate**	On Expiry date of the contract At Due date rate (DDR)
Delivery Pay-in of Commodities	E+2 working days:12.00 p.m. (E stands for expiry) The seller will have to do the delivery pay-in through Repository Account with CDSL Commodity Repository Ltd. (CCRL) by earmarking his existing valid commodity balance in the CCRL Repository Account towards the pay-in obligation.
Delivery Pay-out of Commodities	E+2 working days: 2.00 p.m.
Pay-in of Funds	E+2 working days: 12.00 p.m.
Pay-out of Funds	E+2 working days: 2.00 p.m.

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Penal Provisions	After getting (matching) intentions from the buyer and seller to take or give delivery, if any of the party fails to honor his obligations, a penalty of 2.5% of the DDR will be imposed on him. Additionally, a replacement cost of 4% of DDR will be recovered from the defaulting buyer / seller. Out of the penalty, 2% (i.e. 80% of penalty amount) will be credited to SGF of the MCXCCL and 0.5% (i.e. 20% of penalty amount) will be credited to the counter party. While, out of the replacement cost recovered, 90% will be passed on to the counterparty and 10% will be retained by the MCXCCL. **Repeated default on delivery obligations:** In case of repeated default by a seller or buyer across all commodity contracts at end client level (identified based on PAN no.) for an event, wherein a default on delivery obligations takes place 3 times or more during a six months period on a rolling basis, an additional penalty of 3% of the value of delivery default shall be imposed on each of the repeated delivery default on delivery obligation. However, in case of multiple delivery obligations default on the same day, each settlement day shall be considered as an event for repeated default. **Norms for Apportioning of the penalty:** The penalty shall be transferred to Settlement Guarantee Fund (SGF) of the Clearing Corporation**.**
Taxes, Duties, Cess and Levies	Ex-Warehouse Rajkot (exclusive of Sales Tax/GST). All other charges, levies, taxes or Cess applicable at the delivery center (excluding mandi tax/cess) as may become due and payable under any law, rules or regulations as applicable from time to time will be on the account of the Buyer. Post lifting delivery, all charges shall be borne by the buyer.
Odd lot Treatment	Not applicable
Adjustment of Transportation Cost	Not applicable
Warehouse, Fumigation, Insurance etc.	-Borne by the seller upto commodity pay-out date
	-Borne by the Buyer after commodity pay-out date
Buyer's option for lifting of Delivery	Buyer will not have any option about choosing the place of delivery and will have to accept the delivery as per allocation made by the MCXCCL.
Delivery Center	Ex-Warehouse, Rajkot (Gujarat) MCXCCL designated warehouses upto radius of 100 kms from Rajkot municipal limits.

Delivery of Goods	Each delivery shall be in multiples of minimum delivery lots and shall be designated for only one delivery center and one location in such center. The goods delivered through CCRL Repository Account should be valid as per contract specifications up to minimum 15 days' after the expiry of the contract from the MCXCCL approved quality certifying agency/s. Delivery once submitted cannot be withdrawn or cancelled or changed, unless so agreed by the MCXCCL. Goods tendered under delivery shall be in conformity with the contract specifications.
Delivery Grades	The members tendering delivery will have the option of delivering such grades of goods as permitted by the MCX under the contract specifications. The Buyer will not have any option to select a particular grade and the delivery offered by the seller and allocated by the MCXCCL shall be binding on him.
Evidence of Stock in possession	At the time of issuing delivery intention, the member must prove to the MCXCCL that he holds stocks of the quantity and quality specified at the declared delivery center. This should be substantiated by way of producing all documentary evidences.
Legal Obligation	Every member delivering and receiving goods through CCRL Repository Account by way of delivery shall provide appropriate tax forms wherever required as per law and as custom and neither of the parties shall unreasonably refuse to do so.
Extension of Delivery Period	The MCXCCL may extend the Delivery Period due to either force majeure or any other reason, as it thinks fit in the interest of the market.
Applicability of Regulations	The general provisions of Byelaws, Rules and Regulations of the MCXCCL and decisions taken by SEBI/ the Board of Directors/Relevant Authority of the MCXCCL in respect of matters specified in this document shall form an integral part of this contract. The MCXCCL or SEBI, as the case may be, may further prescribe additional measures relating to delivery procedures, warehousing, quality certification, margining, risk management from time to time. Members and market participants who enter into buy and sell transactions on MCX need to be aware of all the factors that go into the mechanism of trading and clearing, as well as all provisions of the MCXCCL's Bye Laws, Rules, Regulations, circulars, directives, notifications of the MCXCCL as well as of the Regulators, Governments and other authorities.

	It is the sole obligation and responsibility of the Members and market participants to ensure that apart from the approved quality standards stipulated by the MCX, the commodity deposited / traded / delivered through the Approved warehouses of MCXCCL is in due compliance with the applicable regulations laid down by relevant authorities like Food Safety Standard Authority of India, AGMARK, BIS, Warehousing Development and Regulatory Authority (WDRA), Orders under Packaging and Labelling etc., as also other State/Central laws and authorities issuing such regulations in this behalf from time to time, including but not limited to compliance of provisions and rates relating to Sales Tax/Local taxes/ GST, etc. as applicable from time to time on the underlying commodity of any contract offered for deposit / trading / delivery and that MCX/ MCXCCL shall not be responsible or liable on account of any non-compliance thereof. All the Sellers giving delivery of goods and all the buyers taking delivery of goods shall have the necessary GST Registration as required under the Goods & Service Tax (GST) Act and obtain other necessary licenses, if any. In respect of all contracts executed by the Members on MCX, it shall be the responsibility of the respective members to pay all applicable statutory fee, stamp duty, taxes and levies in respect of all deliveries as well as futures contracts directly to the concerned Central/State/Local Government Departments and the MCX/MCXCCL shall not be held liable or accountable or responsible on account of any non-compliance thereof. The buyer shall have to lodge his claim, if any, against quality and/or quantity of goods/ delivery allocated to him if any, while retaining the disputed goods in the warehouse/s (without lifting them out of the warehouse/s), within 48 hours from the date of scheduled commodity pay out of the MCXCCL, failing which, no claim shall be entertained by the MCXCCL thereafter. The MCXCCL is not responsible and shall not be held liable or accountable or responsible for value of the goods/stock of the commodities stored/lying in MCXCCL designated warehouse/s, vault agency and which is fully/partially confiscated / seized by any local or statutory or any other authority for any reason whatsoever or for any deterioration in quality of the goods stored due to above reason or which have passed the Final Expiry date and continue to remain in the MCXCCL accredited warehouse. The decision of the MCXCCL shall be final and binding to all

	Members and their constituents in this regard. (The interpretation or clarification given by the MCXCCL on any terms of this delivery and settlement procedure shall be final and binding on the members and other market participants.)

(Reference Circular no MCXCCL/C&S/080/2022 dated April 06, 2022)