Contract specification and launch calendar of Cotton futures contract

Symbol	COTTON
Description	COTTONMMMYY
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 Period	Mondays through Fridays 9.00 a.m. to 9.00 p.m.
Trading Unit	25 bales
Quotation/Base Value	Rs. Per bale (of 170 kg)
Maximum Order Size	1200 bales
Tick size (minimum price movement)	Rs.10
Price Quote	Ex-Warehouse Rajkot (Within 100 km radius) excluding all taxes, duties, levies, charges as applicable.
Daily Price Limits	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	An additional margin (on both buy & sell side) and/ or special margin (on either buy or sell side) at such percentage, as may be deemed fit, will be imposed by the Exchange/Regulator, as and when is necessary, in respect of all outstanding positions.
Maximum Allowable Open Position**	For Individual Clients: 3,00,000 bales. For a member collectively for all clients: 30,00,000 bales or 15% of the market wide position whichever is higher. Near month Delivery: For individual clients: 75,000 bales. For a member collectively for all clients: 7,50,000 bales or 15% of the market wide position whichever is higher
Delivery Unit	100 bales (170 quintal) of 170 kg $\pm$ 7%)
Basic Delivery Centre	Rajkot (Gujarat)

Additional Delivery Centre	Kadi, Mundra (Gujarat), Jalgaon, Jalna, Nanded, Yavatmal (Maharashtra). There would not be any location discount on any additional delivery centre.
Quality Specifications on Physical Inspection and HVI Mode	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. Basis Grade RD (Reflectance) value and +b (Yellowness): Basis 75 RD value (-2 RD value) with discount. Below 73 RD value reject. +b up to 10.2 accept, +b above 10.2 reject. Staple 2.5% span length: 29 mm (-1mm) with discount of 1.5% on pro rata basis. Below 28 mm reject and above 29 mm no premium. 3) Micronaire (MIC): 3.7 – 4.6 +0.30/-0.20 with discount. Below 3.5 and above 4.9 reject. 4) Tensile Strength: 28 GPT Minimum, No premium or discount 5) Trash: 3%. +1% with discount of 1:1 ratio. More than 4.0% reject. 6) Moisture: Up to 9%. Acceptable up to 10% (average) at discount of 1:1. The premiums/discounts are subject to change with adequate notice/circular to the market before launch of the contract.
Physical Condition of Bales	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. The bale must be fully covered with cotton fabric and no cotton shall be exposed. The bales must be securely strapped with iron bailing hoops / plastic straps.
Crop conditions	Only Current season Indian crop is deliverable
Delivery Period Margin* **	Delivery period margins shall be higher of: a. 3% + 5 day 99% VaR of spot price volatility Or b. 25%
Staggered Delivery Tender Period	The staggered delivery tender period would be the last 3 trading days (including expiry day) of the contracts. The seller/buyer having open position shall have an option, of submitting an intention of giving/taking delivery, on any day during the staggered delivery period. On expiry of the contract, all the open positions shall be marked for compulsory delivery.

<table>
<tr><td>Delivery allocation</td><td>Allocation of intentions received to give delivery during the day to buyers having open long position shall be as per random allocation methodology to ensure that all buyers have an equal opportunity of being selected to receive delivery irrespective of the size or value of the position. However, preference may be given to buyers who have marked an intention of taking delivery.
Funds pay-in of the delivery allocated to the buyer will be on T+2 working days i.e., excluding Saturday, Sunday & Public Holiday. The buyer to whom the delivery is allocated will not be allowed to refuse</td></tr>
<tr><td></td><td>taking delivery. If the seller fails to deliver, the penal provisions as specified for seller default shall be applicable.</td></tr>
<tr><td>Delivery order rate</td><td>On Tender Days:
The delivery order rate (the rate at which delivery will be allocated) shall be the closing price (weighted average price of last half an hour) on the respective tender day except on the expiry date.
On Expiry:
On expiry date, the delivery order rate or final settlement price shall be the Due Date Rate (DDR) and not the closing prices.</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 E2 is not available, the simple average of the last polled spot price of E0, E-1, 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>
<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.</td></tr>
<tr><td>Delivery Logic</td><td>Compulsory</td></tr>
</table>

* 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. September 01, 2025, refer MCX circular No. MCX/S&I/378/2025 dated July 31, 2025.

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

Launch Calendar of Cotton Futures contracts and expiry months

Contract Launch Months	Contract Expiry Months
May 2026	November 2026
June 2026	December 2026
July 2026	January 2027
August 2026	February 2027
September 2026	March 2027
October 2026	No Launch
November 2026	No Launch
December 2026	April 2027
January 2027	May 2027
February 2027	June 2027
March 2027	July 2027
April 2027	August 2027

(Reference Circular No. MCX/TRD/222/2026 dated April 21, 2026)

Delivery and Settlement procedure for Cotton Futures Contract

Delivery Logic	Compulsory Delivery
Staggered Delivery Tender Period	The staggered delivery tender period would be the last 3 trading days (including expiry day) of the contracts. Trading day will be based on availability for trading of the respective commodity on a trading day and excluding special sessions like Muhurat Trading Day.
Staggered Tender Period Margin	5% incremental margin for last 3 trading days (including expiry day) of the contract on all outstanding positions in addition to the Initial, Special and/ or any other additional margin, if any.
Mode of Intention Submission	MCXCCL BaNCS
Buyer Delivery Intention	Buyer to give intention of taking delivery on any tender day, during tender period, till 5.00 p.m.
Seller Delivery Intention	Seller to give intention of tendering delivery on any tender day, during tender period, till 5.00 p.m.
Dissemination of Intention	Intentions received from the sellers and buyers will be broadcasted on TWS by the MCX/MCXCCL by 5.30 p.m. on the respective tender days.
Delivery Period Margin	Delivery period margins shall be higher of: a. 3% + 5 day 99% VaR of spot price volatility Or b. 25%
Exemption from Staggered Tender Period and Delivery Period Margin	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 Rate	Settlement/closing price on the respective tender days except on expiry date. On expiry date the delivery order rate shall be the Due Date Rate (DDR) and not the closing price
Delivery Marking	On the respective tender days after the end of the day
Delivery Pay-in	The seller will have to do the delivery pay-in through Repository Account with Countrywide Commodity Repository Ltd. (CCRL) by earmarking his existing valid commodity balance in the CCRL Repository Account towards the pay-in obligation. **On Tender Days**: On tender days by 5.00 p.m. except Saturday, Sunday and Public holiday. Marking of delivery will be done on the tender days based on the intentions received from the sellers after the trading hours.

	On Expiry: On expiry all the open positions shall be marked for delivery. Delivery pay-in will be on E+2 basis (E- Expiry day) by 12.00 p.m. except Saturday, Sunday and Public holiday.
Funds Pay-in	Tender/ Expiry day + 2 basis: 12.00 p.m.
Delivery Pay-out	Tender/ Expiry day + 2 basis: 2.00 p.m.
Funds Pay-out	Tender/ Expiry day + 2 basis: 2.00 p.m.
Penal Provision for default of Delivery & Settlement	**Seller Default** 4% of Settlement Price + replacement cost (difference between settlement price and average of three highest of the last spot prices of 5 succeeding days after the commodity pay-out date, if the average price so determined is higher than Settlement Price, else this component will be zero.) In the event of spot prices not being available on any day during the post settlement period for computation of replacement cost on account of delivery default in the expiring contract, then close price of the next available futures contract of that commodity shall be used for computation of replacement cost in the event of delivery default. **Norms for apportionment of penalty**: - • At least 1.75% of Settlement Price shall be deposited in the Settlement Guarantee Fund (SGF) of the MCXCCL • Up to 0.25% of Settlement Price may be retained by the MCXCCL towards administration expenses • 2% of Settlement Price + replacement cost shall go to buyer who was entitled to receive delivery. Over and above the prescribed penalty, MCXCCL shall take suitable penal/ disciplinary action against any intentional / wilful delivery default by seller. **Buyer default shall not be permitted**. However, in case of a clearing member fails to make pay in of funds in the delivery settlement following penalties shall be levied. The Clearing Corporation shall review the loss incurred by the non-defaulting Party, i.e. Seller, at its sole discretion, and accordingly, levy penalty on the defaulting buyer. However, such penalty shall be within the overall cap of delivery margins collected by the CCs, from such defaulting buyer. **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

<table>
<tr><td></td><td>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.</td></tr>
<tr><td>Delivery Centre</td><td>Deliveries can be issued from the MCXCCL approved warehouse/s at Delivery Centre at Rajkot and/or any additional delivery centre prescribed in the Contract. (Within 100 km. radius from the municipal limits)</td></tr>
<tr><td>Additional Delivery Centres</td><td>MCXCCL approved warehouse(s) at additional delivery centre(s) at

Kadi, Mundra (Gujarat), Jalgaon, Jalna, Nanded, Yavatmal (Maharashtra),

There would not be any location discount on any additional delivery centre.</td></tr>
<tr><td>Taxes,Duties, Cess and Levies</td><td>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.</td></tr>
<tr><td>Odd lot Treatment</td><td>All Members shall square up their outstanding odd lots open positions before contract expiry. In case any member fails to square-up outstanding odd lot till the contract expires on the final day resulting into odd lot position at the end of the contract expiry day, the delivery upto the nearest deliverable lot will happen in the usual manner, while the residual odd lot will be settled in the following manner :-

a. If the buyer has an odd lot position and seller does not have odd lot position, MCXCCL shall have the right to conduct auction) on account of such odd lot buyers.

Penalties & charges to be debited to odd lot Buyer:

<table>
<tr><th>Sr. No</th><th>Where Auction is fully conducted</th><th>Where Auction is partly conducted</th><th>Where no Auction is conducted</th></tr>
<tr><td>1</td><td>A penalty of 4.00% of settlement price, out of which 1.75% shall be deposited in the Settlement Guarantee Fund (SGF) of the MCXCCL, 2.00% will be credited to Seller and</td><td>A penalty of 4.00% of settlement price, out of which 1.75% shall be deposited in the Settlement Guarantee Fund (SGF) of the MCXCCL, 2.00% will be credited to Seller and</td><td>A penalty of 4.00% of settlement price, out of which 1.75% shall be deposited in the Settlement Guarantee Fund (SGF) of the MCXCCL, 2.00% will be credited to Seller and 0.25% will be retained by the MCXCCL</td></tr>
</table>
</td></tr>
</table>

	0.25% will be retained by the MCXCCL towards administration expenses. AND	0.25% will be retained by the MCXCCL towards administration expenses. AND	towards administration expenses. AND
2	Difference between settlement price & Auction price if Auction price is lower than settlement price (including proportionate quantity differences) AND	Difference between settlement price & Auction price if Auction price is lower than settlement price (including proportionate quantity differences) AND	NA AND
3	NA	For unauctioned quantity, replacement cost (difference between settlement price and lower of the last spot prices on the commodity pay-out date and the following day, if the spot price so arrived is lower than Settlement Price shall go to the seller, else this component will be zero.).	For unauctioned quantity, replacement cost (difference between settlement price and lower of the last spot prices on the commodity pay-out date and the following day, if the spot price so arrived is lower than Settlement Price shall go to the seller, else this component will be zero.).

b. If the seller has an odd lot position and buyer does not have odd lot position, the penal provisions as applicable to the seller default shall apply.

c. If both the buyer and seller have odd lot position, then the outstanding position shall be closed out at settlement price and a penalty of 4% of settlement price shall be imposed on both such buyer and seller. Out of the penalty of 4% of settlement price, 3.75% shall be deposited in SGF and balance 0.25% shall be retained by the Exchange towards administrative expenses.

Any gains arising on account of Mark To Market settlement (MTM) of such odd lot positions, due to difference between the Previous Close Price/

<table>
<tr><td></td><td>Trade Price (if traded on expiry day) and Due Date Rate (DDR), in excess of the applicable odd lot penal provisions, will be impounded from the Members holding odd lot positions at the expiry of the contract. The entire amount impounded will be deposited in Settlement Guarantee Fund (SGF).</td></tr>
<tr><td>Warehouse, Fumigation, Insurance etc.</td><td>-Borne by the Seller up to commodity pay-out date.

-Borne by the Buyer after commodity pay-out date.</td></tr>
<tr><td>Buyer’s option for lifting of delivery</td><td>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.</td></tr>
<tr><td>Location Discount</td><td>No location discount on any additional delivery centre.</td></tr>
<tr><td>Quality Premium/ Discount</td><td>
<table>
<tr><td colspan="2">Basis Grade : RD (Reflectance) value and +b (Yellowness)</td></tr>
<tr><td>RD (Reflectance) value: Basis 75 RD value</td><td>Premium/Discount</td></tr>
<tr><td>Below 75 up to 74</td><td>Discount 1% Pro rata</td></tr>
<tr><td>Below 74 up to 73</td><td>Additional discount of 1.5%</td></tr>
<tr><td>Below 73</td><td>Reject</td></tr>
<tr><td>Above 75</td><td>No Premium</td></tr>
<tr><td colspan="2">+b (Yellowness) :</td></tr>
<tr><td>Up to 10.2</td><td>Accept</td></tr>
<tr><td>Above 10.2</td><td>Reject</td></tr>
</table>
<table>
<tr><td colspan="2">Staple Length</td></tr>
<tr><td colspan="2">Basis : 29mm</td></tr>
<tr><td>Below 29 mm up to 28 mm</td><td>Discount 1.5% Pro rata</td></tr>
<tr><td>Below 28 mm</td><td>Reject</td></tr>
<tr><td>On or above 29.00 mm</td><td>No premium</td></tr>
</table>
<table>
<tr><td colspan="2">MIC</td></tr>
<tr><td colspan="2">Basis: 3.70 to 4.60</td></tr>
<tr><td>3.70 to 4.60</td><td>No Premium/ discount</td></tr>
<tr><td>Below 3.7 and up to 3.5</td><td>Discount of 0.50% pro rata</td></tr>
<tr><td>Above 4.6 and up to 4.9</td><td>Discount of 0.75% pro rata</td></tr>
<tr><td>Below 3.50 and Above 4.9</td><td>Reject</td></tr>
</table>
<table>
<tr><td colspan="2">Trash</td></tr>
<tr><td colspan="2">Basis: 3%</td></tr>
<tr><td>Above 3.0% and upto 4.0%</td><td>Discount of 1:1</td></tr>
<tr><td>Above 4.0%</td><td>Reject</td></tr>
<tr><td>Below 3.0%</td><td>No Premium</td></tr>
</table>
<table>
<tr><td colspan="2">Moisture:</td></tr>
<tr><td colspan="2">Basis: 9%</td></tr>
<tr><td>Upto 10% (average)</td><td>Discount of 1:1</td></tr>
<tr><td>Above 10%:</td><td>Reject</td></tr>
</table>
</td></tr>
</table>

	<table><tr><td>Tensile Strength: 28 GPT Minimum</td><td>No premium or discount</td></tr></table> The above premium/ discount will be calculated on a proportionate basis and rounded off in accordance with the grade matrix as communicated by MCXCCL from time to time.
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 Unit & quantity adjustment	100 bales and each bale of 170 kg with weight of 17,000 Kg for 100 bales Weight tolerance limit: ± /- 7% Acceptable weight range: 15,810 Kg – 18,190 Kg for 100 bales The weight differential quantity shall be settled as part of the supplementary settlement.
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.
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, and 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 authorities like Food Safety Standard Authority of India (FSSAI), 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/ 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 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/252/2025 dated November 11, 2025)