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## CHAPTER 1 -TRADING PARAMETERS

### Authority

Trading of INDIAN 31 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 31 MM COTTON futures contract specification is indicated in **Exhibit 1**.

### Unit of Trading

The unit of trading for Indian 31 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 31 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 31 mm cotton shall be Re. 1.

### Basis Price

The unit of price quotation for Indian 31 mm cotton shall be in Rupees per Candy of Indian 31 mm cotton, basis Guntur, exclusive of all taxes.

### Unit for Price Quotation

The unit of price quotation for INDIAN 31 MM COTTON shall be in Rupees per Candy. The basis for INDIAN 31 MM COTTON traded as INDIAN 31 MM COTTON is Rupees per Candy of Indian 31 mm cotton, basis Guntur, exclusive of all taxes.

### Hours of Trading

The hours of trading for futures in INDIAN 31 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 Saturday) 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.

Delivery on the expiry of the contract, if any sellers having open position desires to give physical delivery at a particular delivery center, then the buyer with corresponding open position shall be bound to settle by taking physical delivery. NCDEX would thereafter complete the matching process based on the location and then by random, keeping in view the storage capacity of warehouse and Indian 31 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 31 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 31 mm cotton would be marked to market daily based on the Daily Settlement Price as determined by the Exchange.

### **Position limits**

- **Member level** : Maximum of 45,000 Bales or 15 % of Market Open Position in the commodity, whichever is higher  
**Client level**: 15,000 Bales

The above limits will not apply to bona fide hedgers. For bona fide hedgers, the Exchange will, on a case to case basis, decide the hedge limits. Please

refer circular no. NCDEX/TRADING-100/2005/219 dated October 20, 2005

Near month limit (The following limits would be applicable from 28 days prior to expiry date of a contract)

**Member Level:** Maximum of 9,000 Bales or 15 % of total near month Open Position in the commodity, whichever is higher

**Client Level:** 3,000 Bales

### **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.

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

There will be an additional margin imposed for the last 5 trading days, including the expiry date of the Indian 31 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.

### **Special Margin**

Special margin of 4% of the value of the contract will be levied whenever the rise or fall in price exceeds 20% of the 90 days prior settlement price. The margin will be payable by buyer or seller depending on whether price rises or falls respectively. The margin shall stay in force so long as price exceeds the 20% limit.

### **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**

A penalty will be imposed on sellers who chose not to deliver the commodity. The penalty amount will be 0.5% of the Final Settlement Price.

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

**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 31 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

### **Delivery Requests**

The procedure for Indian 31 mm cotton delivery is based on the contract specifications as per Exhibit I. Accordingly, 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 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. The Exchange would thereafter complete the matching process based on the location and by random, keeping in view the storage capacity of warehouse and Indian 31 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.

### **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 31 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 31 mm cotton is sold for delivery in a specified month, the seller must have requisite electronic credit of such Indian 31 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 31 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 31 mm cotton. Indian 31 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 31 mm cotton futures contracts made under NCDEX Regulations shall be Indian 31 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.

#### **Packaging**

Indian 31 mm cotton bales delivered should be well compressed and packed as per standard industry methods preferably with white twill cloth (woven cloth) and adequate spiral bands. 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.

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**Standard Allowances**

Sample weight per validation of quality – 5Kg on account of sample testing

**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.

**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 31 mm cotton received and / or delivered at the NCDEX designated warehouse would be determined / calculated by the pre-designated weighbridge / weigh scale at the premises or the vicinity of designated warehouse and the quantity so determined would be binding on all parties.

**Good / Bad delivery Norms**

Indian 31 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 31 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 31mm 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 assayer/Testing Lab the fourth part shall be provided to assayer/ Cotton Classer and the fifth will be with assayer for records.

#### **Accredited Assayer**

NCDEX has appointed the Assayer for quality testing and certification of Indian 31 mm cotton received at the designated warehouse. The quality testing and certification of Indian 31 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 31 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:

<b>Sr.No.</b>	<b>Activity Day</b>	<b>Activity</b>
1	Day1	a) Delivery of cotton
2	Day1	b) Sampling and dispatch to testing laboratory.
3	Day 3	Receipt of cotton at testing laboratory
4	Day 4	Conditioning of cotton at Lab. Premises
5	Day 5	Testing and availability of report of cotton

### **Assayer Certificate**

Testing and quality certificate issued by NCDEX appointed Assayer for Indian 31 mm cotton delivered at designated warehouse in Guntur 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 31 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 31 mm cotton is 2 months or till the first withdrawal from the warehouse whichever is earlier.

### **Electronic transfer**

Any buyer or seller receiving and or effecting Indian 31 mm cotton would have to open a depository account with an NCDEX empanelled Depository Participant (DP) to hold the Indian 31 mm cotton in electronic form. On settlement, the buyer's account with the DP would be credited with the quantity of Indian 31 mm cotton received and the corresponding seller's account would be debited. The Buyer wanting to take physical delivery of the Indian 31 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 31 mm cotton to the buyer and debit his account, thus reducing the electronic balance to the extent of Indian 31 mm cotton rematerialized.

### **Charges**

All charges and costs payable at the designated warehouse towards delivery of Medium Staple Cotton including sampling, grading, weighing, handling charges, storage etc. from the date of receipt into designated warehouse upto date of pay in & settlement shall be paid by the seller.

No refund for warehouse charges paid by the seller for full validity period shall be given to the seller or buyer for delivery earlier than the validity period.

All charges and costs associated & including storage, handling etc. after the pay out shall be borne by the buyer. Warehouse storage charges will be charged to the member / client by the respective Depository Participant.

The Assayer charges for testing and quality certification should be paid to the Assayer directly at the delivery location either by cash / cheque / demand draft.

#### **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 31 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**

Local taxes/ VAT wherever applicable is to be paid by the seller to the sales tax/VAT authorities on all contracts resulting in delivery. Accordingly the buyer will have to pay the taxes/VAT to the seller at the time of settlement. Members and / or their constituents requiring to receive or deliver Indian 31 mm cotton should register with the relevant tax/VAT authorities of the place where the delivery is proposed to be received / given. In the event of sales tax exemption, such exemption certificate should be submitted before settlement of the obligation. There will be no exemptions on account of resale or second sale in VAT regime.

**Premium / Discount**

Premium & Discount on the Indian 31 mm cotton delivered will be provided by the Exchange on the basis of quality specifications:

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 31 mm cotton there are four quality parameters where premium/discount is applicable. The four quality parameters are Staple length, Micronaire, Strength and Grades.

<b>Length</b>	<b>Micronaire</b>	<b>Strength</b>	<b>Grades</b>	<b>Moisture</b>	<b>Trash Content</b>
30=1	3.3=1	30=1	FG=1	8.5=1	0=1
30.5=2	3.4=2	31=2	F=2	9=2	1=2
31=3	3.5-4=3	32=3	SF=3	9.5=3	2=3
31.5=4	4.1=4			10=4	3=4
32=5	4.2=5				4=5
	4.3=6				

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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:

1. Delivery information not provided.
2. Unmatched delivery information.

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 31 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 such as traders, importers / exporters, processors etc. 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 31 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 31 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 (T/ E+1)</b>	<b>Activity</b>
On or before 11.00 hrs	PayIn – Debit paying member a/c for funds
After 13.00hrs	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 31 mm cotton with their respective Clearing member before “pay in”.

<b>Pay in and Pay out for Final Settlement in case of physical deliveries</b>	
<b>Time (E+2)</b>	<b>Activity</b>
On or before 12.00 hrs	PAYIN - Debit Buyer Member Settlement a/c for funds Debit Seller Member’s CM Pool Account for Indian 31 mm cotton.
After 14.30 hrs	PAYOUT – Credit Seller Member Settlement a/c for funds Credit Buyer Member’s CM Pool Account for Indian 31 mm cotton.

The supplemental settlement for Indian 31 mm cotton futures contracts to include premium / discount adjustments for quality of Indian 31 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	
Time (E + 2)	Activity
On or before 15.00 hours	PAY IN - Debit Member Settlement a/c for funds
After 15.00 hours	PAY OUT – Credit Member Settlement a/c for funds

**Supplementary Settlement for Taxes**

The Exchange will conduct a separate supplementary settlement, as illustrated below, three 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 hrs on E+3 day failing which the buying member is considered as the end buyer and accordingly invoice is issued in his/their name.

The Seller Clearing Members are required to give the seller client details to the exchange latest by 15.00 hrs on E + 4 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 + 5)</b>	<b>Activity</b>
On or before 11.00 hours	PAY IN: Debit Buyer Member Settlement a/c for funds.
After 11.00 hours	PAY OUT: Credit Seller Member Settlement a/c for funds

For further clarification and detailed procedure on sales tax settlement, participants can refer to circular number NCDEX/CLEARING-001/2008/002 issued on January 04, 2008.

**Exhibit 1 Indian 31mm Cotton Contract Specifications**  
(Updated on April 2, 2009)

Type of Contract	Futures Contract Specifications
Name of Commodity	Indian 31mm Cotton
Ticker symbol	COTI31GTR
Trading System	NCDEX Trading System
Basis	Ex - warehouse Guntur, 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.1.00
Quality specification	<p><b>Indian 31 mm Cotton</b></p> <p><b>a. Staple length: As per HVI mode of assaying</b></p> <ul style="list-style-type: none"> <li>• Basis: 31 mm</li> <li>• Tenderable Range: 30 – 32 mm with no premium above 32 mm.</li> </ul> <p><b>b. Micronaire:</b></p> <ul style="list-style-type: none"> <li>• Basis: 3.5 – 4</li> <li>• Tenderable Range: 3.3 – 4.3</li> </ul> <p><b>c. Strength: As per HVI mode of assaying</b></p> <ul style="list-style-type: none"> <li>• Basis: 31 G/Tex</li> <li>• Tenderable Range: 30 – 32 G/Tex</li> </ul> <p><b>d. Grades:</b></p> <ul style="list-style-type: none"> <li>• Basis: Fine</li> <li>• Tenderable range of grades: `Fully Good`, `Fine`, `Superfine`</li> </ul> <p><b>e. Moisture:</b></p> <ul style="list-style-type: none"> <li>• Basis: 8.5%;</li> <li>• Max. tenderable up to 10% moisture with discount in the ratio of 1:1.</li> </ul> <p><b>f. Trash content:</b></p> <ul style="list-style-type: none"> <li>• Basis: 3%</li> </ul>

	Max. tenderable up to 4% with discount in the ratio 1:1; also tenderable below 3% trash with premium in the ratio of 1:1
Quantity variation	+/- 5% for total weight of each deliverable lot
Trading and Delivery months	January, February, March, May, July, August, October, November and December
Delivery center	Guntur (Andhra Pradesh)
Trading hours	As per directions of the Forward Markets Commission from time to time, currently Mondays through Fridays : 10:00 AM to 05:00 PM Saturdays : 10.00 AM to 2.00 PM The Exchange may vary the above timing with due notice
Delivery specification	Upon expiry of the contracts, if any seller with open position desires to give delivery at a particular delivery center, then the corresponding buyer with open position as matched by the process put in place by the Exchange shall be bound to settle by taking physical delivery
No. of active contracts	As per launch calendar
Opening of contracts	Trading in new contract month(s) will open on the 10th day of the month. If 10th day happens to be a non- trading then the contract will open on the next trading day.
Due date/Expiry date	20th day of the delivery month If 20th 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	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 shall be raised by another (+/-) 1% 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 (+/-) 4%.

Position limit	<p><b>Member level</b> : Maximum of 45,000 Bales or 15 % of Market Open Position in the commodity, whichever is higher <b>Client level:</b> 15,000 Bales</p> <p>The above limits will not apply to bona fide hedgers. For bona fide hedgers, the Exchange will, on a case to case basis, decide the hedge limits. Please refer circular no. NCDEX/TRADING-100/2005/219 dated October 20, 2005</p> <p>Near month limit (The following limits would be applicable from 28 days prior to expiry date of a contract)</p> <p><b>Member Level:</b> Maximum of 9,000 Bales or 15 % of total near month Open Position in the commodity, whichever is higher <b>Client Level:</b> 3,000 Bales</p>
Special margins	<p>Special margin of 4% of the value of the contract will be levied whenever the rise or fall in price exceeds 20% of the 90 days prior settlement price. The margin will be payable by buyer or seller depending on whether price rises or falls respectively. The margin shall stay in force so long as price exceeds the 20% limit</p>

**COMMODITY: INDIAN 31 MM COTTON**

Commodity Specifications	Basis	Acceptable quality range as per contract specification	Permissible Tolerance
Staple Length	31mm	30mm - 32mm	+/-0.25 mm tolerance
Mic	3.5-4	3.3 - 4.3	+/-0.5
Strength	31 G/Tex	30 - 32 G/Tex	+/-0.5 g /tex
Grade	Fine	Fully Good, Fine , Superfine	
Moisture	8.5%;	upto 10% moisture with discount in the ratio of 1:1.	+/- 1%
Trash	3%	tenderable up to 4% with discount in the ratio 1:1	+/-0.25%
Max Tolerance (for all characteristics)	1.5 %		

**Note:** Tolerance limit is applicable only for outbound deliveries. Variation in quality parameters within the prescribed tolerance limit as above will be treated as good delivery when members/clients lift the materials from warehouse. These permissible variations shall be based on the parameters found as per the immediate preceding test certificate given by NCDEX approved assayer.

#### Contract Launch Calendar

Contract Launch Month	Contract Expiry Month
February 2009	May 2009

**Exhibit 2 Warehouse & Assayer Details**

For the updated list of Warehouse & Assayers kindly refer to the NCDEX Website  
<http://www.ncdex.com/Downloads/ClearingServices/>

**Exhibit 3 Good / Bad delivery norms**

No.	Particulars	Good / Bad delivery
1.	Quality not meeting futures contract specification.	Bad delivery
2.	Delivery at non designated warehouse.	Bad delivery
3.	Delivery completed but without sampling & testing / certification / expired validity.	Bad delivery
4.	Delivery without weight certificate.	Bad delivery
5.	Weighed at other than recognized by designated warehouse/ weigh bridge / weigh scale	Bad delivery
6.	When sample is not drawn as per sampling norms and not carried out at the time of unloading	Bad delivery
7.	Delivery not as per the packaging specification	Bad delivery
8.	Delivery found contaminated on visual inspection	Bad delivery

**Exhibit 4 Specimen of Indian 31 mm Cotton Testing Report**

Report Ref: Date:  
ANALYSIS:  
The above sample was analysed by us and the average results are as under  
**Moisture, HVI & Trash Test Report**

Institute Sample No.			
Marked as			
<b>1. Moisture Test (IS 199: 1988)</b>			
Moisture Content			
<b>2. High Volume Instrument (HVI) (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)