Table of Content

CHAPTER 1 - TRADING PARAMETERS

Authority

Trading in Cotton Wash Oil futures contracts may be conducted as specified in the Bye Laws, Rules and Regulations of the Exchange and as per the directions issued by the Exchange thereunder or the Securities and Exchange Board of India (SEBI) from time to time. A specimen of Cotton Wash Oil futures contract specification is indicated in Exhibit 1.

Unit of Trading

The unit of trading shall be 1 MT Bids and offers may be accepted in lots of 1 MT or multiples thereof.

Months Traded In

Trading in Cotton Wash Oil 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 Cotton Wash Oil shall be Rs. 0.10.

Basis Price

The basis price of Cotton Wash Oil shall be Ex-Tank Kadi exclusive of all taxes.

Unit for Price Quotation

The unit of price quotation for Cotton Wash Oil shall be in Rupees per 10 Kgs.

Hours of Trading

The hours of trading for futures in Cotton Wash Oil shall be as follows:

As notified by the Exchange from time to time, currently

Mondays through Fridays - 10.00 AM to 05.00 PM

or as determined and notified by the Exchange from time to time with due notice. All timings followed will be as per Indian Standard Timings (IST)

Last Day of Trading

Last day of trading shall be 20th trading day of the delivery month, if the 20th happens to be a holiday, a Saturday or a Sunday, then the due date shall be immediately preceding trading day of the Exchange.

Mark to Market

The outstanding positions in Futures contract in Cotton Wash Oil would be marked to market daily based on the Daily Settlement Price (DSP) as determined by the Clearing Corporation.

Position Limits

The following limits will be applicable on Exchange wise basis

Member-wise: 1,35,000 MT or 15% of the market wide open interest in the commodity, whichever is higher.

Client-wise: 13,500 MT.

Bona fide hedger may seek exemption as per approved Hedge Policy of the Exchange notified vide Circular No. NCDEX/TRADING-026/2021 dated August 30, 2021

For near month contracts:

The following limits would be applicable from 1st of every month in which the contract is due to expire. If 1st happens to be a non-trading day, the near month limits would start from the next trading day.

Member-wise: 33,750 MT or one-fourth of the member's overall position limit in that commodity, whichever is higher.

Client-wise: 3,375 MT.

Margin Requirements

NCCL will use risk based margin model, which will generate initial margin requirements, which will be adequate to cover at least 99% VaR (Value at Risk) and Margin Period of Risk (MPOR) will be 3 days.

NCCL reserves the right to change, reduce or levy any additional margins including any markup margins.

For further details, participants can refer to circular nos. NCCL/RISK -022/2025 dated April 29, 2025 on Master Circular - Risk Management and NCCL/RISK-042/2025 dated September 04, 2025 on Margin Framework for Commodity Derivatives Segment.

Additional/Special Margin

In case of unidirectional price movement/ increased volatility, an additional/ special margin at such other percentage, as deemed fit by the Regulator/ Exchange/Clearing Corporation may be imposed on the buy and the sell side or on either of the buy or sell sides in respect of all outstanding positions. Reduction/ removal of such additional/ special margins shall be at the discretion of the Regulator/ Exchange/Clearing Corporation.

Concentration Margin

The Clearing Corporation shall levy Concentration Margin, when the overall market wide Open Interest (OI) of a commodity exceeds the specified Threshold Limit of Open Interest (OI) for that commodity.

For details, participants can refer to NCCL circular nos. NCCL/RISK-028/2025 dated June 09, 2025 on Concentration Margin – Revision in Threshold Levels. The Threshold Limit is 38,700 MT for both Peak period and Lean Period. Participants can refer to NCDEX circular no. NCDEX/TRADING-038/2024 dated August 23, 2024 on Launch of Futures contracts – Cotton Wash Oil (COTWASOIL) for additional details.

The Threshold Limits, slabs and applicable margins are subject to change and participants are requested to refer to relevant Clearing Corporation circulars issued from time to time.

Delivery Margin

The contract would be settled in cash; therefore, delivery margin shall not be applicable.

Penalty for Default

On expiry all the open positions shall be settled in cash as per the Final Settlement price (FSP).

Dispute Resolution

Any Disputes, between the members of the Exchange or the Clearing Corporation inter-se and/or between members and constituents, arising out of or pertaining from the trades executed on the Exchange platform shall be settled through Online Dispute Resolution (ODR) mechanism or any other such mechanism prescribed by the Regulator. The ODR mechanism shall be governed as per the Exchange Rules, Bye Laws and Regulations and/or SEBI directives/ guidelines issued from time to time.

Compliance of Laws

It is clarified that 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 Exchange, the commodity deposited / traded / delivered through the Approved Warehouses of the Clearing Corporation either on their own or on behalf of them by any third party acting on behalf of the Market Participants/Constituents is in due compliance with the applicable regulations laid down by authorities like Food Safety and Standards Authority of India (FSSAI), AGMARK, Warehousing Development and Regulatory Authority (WDRA), Orders under Packaging and Labelling etc. and 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, GST, APMC Tax, Mandi Tax, LBT, stamp duty, etc. as applicable from time to time on the underlying commodity of any contract offered for deposit / trading / delivery and the Exchange/Clearing Corporation shall not be responsible or liable on account of any non-compliance thereof.

CHAPTER 2 - DELIVERY PROCEDURES

Unit of Delivery

The contract would be settled in cash.

Duties & levies

All duties, levies, taxes etc. up to the point of sale will have to be fully borne by the Seller and shall be paid to the concerned authority if applicable.

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 as per the Stamp Act of the State in which such Contract Note is received by the Client, if such client is located in another state.

Taxes

Goods and Services Tax (GST)

On services rendered by Members

GST shall be payable by the members of the Clearing Corporation on the gross amount charged by them, from their clients on account of dealing in commodities.

All Members and / or their constituents are required to adhere to the requirements under the Central Goods and Services Tax Act, 2017 (**"CGST Act"**) and the Rules made thereunder including the notifications issued by the Central or State Government and must comply with such requirements. The buyer and seller shall be responsible to comply with the obligations under the tax laws as applicable to the commodity and services provided herein.

Commodity Transaction Tax (CTT)

Commodity Transaction Tax, if and as applicable, will be collected as per the prescribed process. Accordingly, members are advised to update themselves with the change in rate of applicable CTT from time to time.

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 disseminated by the Clearing Corporation 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 Clearing Corporation upon maturity of the contract.

On expiry all the open positions shall be settled in cash as per the Final Settlement price (FSP).

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, 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:

Scenario	Polled spot price availability on				FSP shall be simple average of last polled spot prices on:
	E0	E-1	E-2	E-3	
1	Yes	Yes	Yes	Yes/No	E0, E-1, E-2
2	Yes	Yes	No	Yes	E0, E-1, E-3
3	Yes	No	Yes	Yes	E0, E-2, E-3
4	Yes	No	No	Yes	E0, E-3
5	Yes	Yes	No	No	E0, E-1
6	Yes	No	Yes	No	E0, E-2
7	Yes	No	No	No	E0

In case of non-availability of polled spot price on expiry (E0) due to sudden closure of physical market under any emergency situations noticed at the basis center, the Framework for Determination of Final Settlement Price (FSP) as laid down by NCDEX vide its circular No. NCDEX/TRADING-012/2019 dated April 05, 2019 shall be applicable.

Spot Prices

NCDEX will announce / disseminate spot prices for Cotton Wash Oil 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 Cotton Wash Oil. The security of data and randomness of the polling process will ensure transparency and correctness of prices. The Exchange has the absolute right to modify the process of determination of spot prices at any time without notice.

Dissemination of Spot Prices

Spot prices for Cotton Wash Oil will be disseminated on a daily basis.

Pay in and Payout 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 settlement 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 Clearing and Settlement Account with the Clearing bank."

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

Time (T/E+1)	Activity
On or before 8.30 hrs	PAYIN - Debit paying member Clearing and settlement a/c for funds
After 09.30 hrs	PAYOUT – Credit receiving member Clearing and settlement a/c for funds

Completion of Settlement

The settlement obligations shall be deemed to be completed as per the provisions of the Bye Laws, Rules and Regulations of the Clearing Corporation and the circulars issued by the Clearing Corporation thereunder from time to time.

Exhibit 1: Contract Specifications of Cotton Wash Oil Futures contract (Symbol: COTWASOIL)

(Applicable for contracts expiring in the months of December 2025 and thereafter)

Parameters	**Contract specifications**
Type of Contract	Future Contract
Name Of the Commodity	Cotton Wash Oil
Symbol	COTWASOIL
Basis	Ex-Tank Kadi (Exclusive of all Taxes)
Unit Of Trading	1 MT
Maximum Order Size	500 MT
Quotation/base value	Rs. per 10kg
Tick size	10 Paise
Quality Specification	Free Fatty Acid-0.2%Max
	Colour as Y+10R in 1/4" Cell- 35.0 Unit Basis
	M.I.V- 010Max
	Refractive Index 40 C- 1.4630 to 1.4660
	Iodine Value- 98 to 112
	Saponification Value- 190 to 198
	Unsaponifiable Matter-1.5% max
	Hold Test-Negative
	Castor test-Negative
	Argemone oil test-Negative
	Hcn Test- Negative
	B.T.T-19 ^{o}C to 21 ^{o}C
	Specific Gravity at 30^{o}C-0.910 to 0.920
	There shall be no turbidity after keeping the filtered sample at 30^{o}C for 24 hours
	If the oil is obtained by the method of solvent extraction and the oil imported into India, the oil shall not contain hexane more than 0.5 ppm.
	The contaminants, toxins, and residues must not exceed the limits specified in FSSAI Regulations.
Trading hours	As notified by the Exchange from time to time, currently: Mondays through Fridays: 10.00 A.M. to 05.00 P.M. The Exchange may vary above timing with due notice
Due date/Expiry date	20th day of the delivery month. If 20th happens to be a holiday,

	a Saturday or a Sunday then the due date shall be the immediately preceding trading day of the Exchange.
Delivery specification	Upon expiry of the contract, the positions would be cash settled and there will be no physical delivery.
Opening of contracts	Trading in any contract month will open on the 1st day of the month. If the 1st day happens to be a non-trading day, contracts would open on the next trading day.
Closing of contract	On the expiry of the contract, all outstanding positions shall be closed out at the Final Settlement Price announced by the Exchange.
No. of active contracts	As per the launch calendar
Daily Price limit (DPL)	Daily price limit is (+/-) 4%. Once the 4% limit is reached, then after a period of 15 minutes this limit shall be increased further by 2%. The trading shall be permitted during the 15 minutes period within the 4% limit. After the DPL is enhanced, trades shall be permitted throughout the day within the enhanced total DPL of 6%. The DPL on the launch (first) day of new contract shall be as per the circular no. NCDEX/TRADING-010/2021 dated March 22, 2021
Position Limits	**Member-wise:** 1,35,000 MT or 15% of market wide open interest in the commodity, whichever is higher. **Client-wise:** 13,500 MT Bona fide hedger clients may seek exemption as pre-approved Hedge Policy of the Exchange notified vide Circular No. NCDEX/TRADING-026/2021 dated August 30, 2021. **For near month contracts** The following limits would be applicable from 1st of every month in which the contract is due to expire. If 1st happens to be a non-trading day, the near month limits would start from the next trading day. **Member-wise:** 33,750 MT or One-fourth of the member's overall position limit in that commodity, whichever is higher **Client-wise:** 3,375 MT
Delivery Logic	Cash Settled
Special margin	In case of unidirectional price movement/ increased volatility, an additional/ special margin at such other percentage, as

<table>
<tr><td></td><td>deemed fit by the Regulator/ Exchange/ Clearing Corporation, may be imposed on the buy and the sell side or on either of the buy or sell sides in respect of all outstanding positions. Reduction/ removal of such additional/ special margins shall be at the discretion of the Regulator/ Exchange/ Clearing Corporation.</td></tr>
<tr><td>Final Settlement Price</td><td>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, 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></td></tr>
<tr><td>Minimum Initial Margin</td><td>10 %</td></tr>
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Contract Launch Calendar

Contract Launch Month	Contract Expiry Month
June 2025	December 2025
July 2025	January 2026
August 2025	February 2026
September 2025	March 2026
October 2025	No Launch
November 2025	No Launch
December 2025	April 2026
January 2026	May 2026
February 2026	June 2026
March 2026	July 2026
April 2026	August 2026
May 2026	September 2026
June 2026	December 2026

Disclaimer

Member(s) and market participant(s) by entering into any such buy and sell transaction(s), shall ensure that such member(s) and/or market participant(s) are aware of all the trading and clearing mechanism, as well as the Exchange and/or Clearing Corporation Rules, Bye Laws, Regulations, Product Notes, Circulars, Directives, Notifications issued in connection thereto. The member(s) and market participants shall be bound by the above Rules, Bye Laws, Regulations and the applicable statutory prescription as laid down from time to time.