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CHAPTER 1 - TRADING PARAMETERS**Authority**

Trading in Kapas Futures contracts may be conducted under such terms and conditions as specified in the Rules, Bye Laws and Regulations of the Exchange and as per circulars and notifications issued by the Exchange thereunder or the Securities Exchange Board of India (SEBI) from time to time. A specimen of Kapas Futures contract specification is indicated in **Exhibit 1**.

Unit of Trading

The unit of trading for Kapas contracts shall be 200 maunds of 20 kg each. Bids and offers may be accepted in lots of 200 maunds of 20 kg each i.e. 4 MT.

Months Traded In

Trading in Kapas future may be conducted in the months as specified by the Exchange from time to time.

Tick Size

The tick size of the price of Kapas Futures contract shall be 50 paisa.

Basis Price

The unit for Price quotation for Kapas Futures contract would be in Rupees per maund (20 kg) basis Rajkot exclusive of GST.

Hours of Trading

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 the above timing with due notice.

Last Day of Trading

Last day of trading shall be the last trading day of the contract month. If the last day happens to be a holiday, Saturday or a Sunday, then the last trading day shall be immediately preceding the trading day of the Exchange. No trades in Kapas Futures deliverable in the current month shall be made after 5.00 PM on the expiry day of- that month and if such 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. Delivery on the expiry of the contract, if both sellers and buyers having open position desire to give and take physical delivery at a particular delivery center, then such buyers with open position shall be bound to settle by taking physical delivery. NCCL would thereafter complete the matching process based on the location, the quantity for which intention has been marked for and other factor(s) that the Clearing Corporation deems appropriate for completion of the matching process. The settlement for sellers and buyers having open positions and not providing information for physical delivery of Kapas future shall be completed by cash settlement.

Mark to Market

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

Position limits

Limits on Open position for aggregate as well as near month will be as under

Member-wise: 14,70,000 MT or 15% of market wide open interest in the commodity, whichever is higher

Client-wise: 1,47,000 MT

Bona fide hedger clients 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 One Month prior to expiry date of a contract)

Member-wise: 3,67,500 MT or one-fourth of the member's overall position limit in that commodity, whichever is higher

Client-wise: 36,750 MT

Further, Members are not allowed to create fresh positions during the last five (5) days of the expiry of the contract. Penalty would be levied as prescribed by the Exchange, besides any further action as deemed fit by the Exchange. Please refer to Circular No. NCDEX/TRADING-142/2006/327 dated December 07, 2006 in this regard.

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.

Additional Lean Period Margin

NCCL shall levy additional lean period margin of 2% on the futures contracts which shall expire during lean period.

Participants can refer to NCCL Circular no. NCCL/RISK-029/2025 dated June 09, 2025 on Lean Period in Agricultural Commodities

Concentration Margin

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

For details, participants can refer to NCCL circular no. NCCL/RISK-028/2025 dated June 09, 2025 on Concentration Margin – Revision in Threshold Levels. The Threshold Level is 17,600 Lot for Peak period and Lean Period.

The threshold levels, 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

In case of positions materializing into physical delivery, delivery margin will be charged for each commodity to mitigate the risks arising thereof. The Delivery Margin shall be higher of 3% + 5 day 99% VaR of spot price volatility or 20% on the long and short positions marked for delivery till the pay-in is completed by the member.

For further details, participants may refer to circular no. NCCL/RISK-022/2025 dated April 29, 2025 on Master Circular - Risk Management

Penalty for default

1. Penalty on Delivery Default

The penalty on the seller in case of delivery default shall be as follows.

Total amount of penalty = 4.0 % 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.)

The norms for apportionment of the 4.0 % penalty collected as mentioned above shall be as follows:

- a) 1.75 % of Settlement Price shall be deposited in the Settlement Guarantee Fund of the Clearing Corporation
- b) 0.25 % of Settlement Price shall be retained by the Clearing Corporation towards administrative expenses.
- c) 2% of Settlement Price in case of Agri Goods + replacement cost shall go to the Buyer who was entitled to receive delivery.
- d) Any intentional / wilful delivery default by seller would be viewed seriously and NCCL shall take suitable penal / disciplinary action against such members over and above the prescribed penalty.

Buyers' defaults are not permitted.

In the case of a default by a buyer in both agricultural and non-agricultural commodities i.e. in case a Clearing Member fails to make delivery pay-in of funds, it shall be considered as a member default. NCCL 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 NCCL, from such defaulting buyer clearing members.

2) Additional Penalty on Intentional /Wilful Delivery Default

A seller who has got requisite stocks in the NCCL Approved Warehouses and / or has marked an intention during staggered delivery period is not allowed to default and any such delivery default by seller would be viewed seriously and an additional penalty of 3% over and above the penalty prescribed for delivery default shall be levied. In addition to the penalty, the Clearing Corporation shall take suitable penal / disciplinary action against such members.

3) Penalty for Repeated Delivery Default

i. In the case of repeated default by a seller or a buyer, for each instance of repeated default, an additional penalty shall be imposed, which shall be 3 % of the value of the delivery default.

ii. Repeated Default shall be defined as an event, wherein a default on delivery obligations takes place 3 times or more during a six months period on a rolling basis.

iii. The penalty levied shall be transferred to the SGF of the Clearing Corporation.

For further details, participants can refer to Master Circular – Clearing & Settlement circular no. NCCL/CLEARING-019/2025 dated April 09, 2025.

Dispute Resolution

Any disputes, between members of the Exchange or the Clearing Corporation inter-se and/or between members and constituents, arising out of or pertaining to deals/transactions 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 facilitate conciliation/arbitration through online/digital process and 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, AGMARK BIS, Warehousing Development and Regulatory Authority (WDRA), Orders under Packaging and Labeling etc. and 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 , Goods and Services Tax(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 unit of delivery for Kapas future shall be 1 lot (200 Maunds of 20 kg each, i.e. 4 MT).

Delivery Size

Delivery is to be offered and accepted in lots of 4 MT with 200 maunds of 20 kg each, i.e. 1 lot. Weight variation of +/- 1 % maximum for each lot is acceptable subject to overall acceptable limit of quantity variation or multiples thereof.

Delivery Requests

The procedure for Kapas delivery is based on the contract specifications as per **Exhibit 1**. Sellers & Buyers having open positions are required to give their intention/notice to deliver to the extent of his open position, at least 5 days before the expiry of the contract. 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 (including the expiry date) of the contract.

Members giving delivery requests for the commodities are not permitted to square off their open positions once such request is made. A penalty of 3% of final settlement price on the position squared off, if any, will be levied besides any further action as deemed fit by the Clearing Corporation.

Clearing Corporation would thereafter complete the matching process based on the location and by random, keeping in view the storage capacity of warehouse and Kapas already deposited/ available in electronic credit form for delivery or any other factor(s) that the Clearing Corporation deems appropriate for completion of the matching process.

The Penalty structure for failure to meet delivery obligations will be as per circular no. NCCL/CLEARING-019/2025 dated April 09, 2025 on Master Circular - Clearing & Settlement.

Delivery Allocation

The Clearing Corporation would compile delivery information received from the selling and buying members on the last trading day and shall allocate delivery to buyers having open long positions 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. The buyer having open position and matched as per process put in place by NCCL, shall be bound to settle by taking delivery from the Approved Warehouse where the seller effects delivery in accordance with the contract specifications

The buyers/ sellers who have to receive/ give delivery would be notified on the same day after the close of trading hours. Delivery of Kapas has to be accepted by buyers, who have provided intention to take deliveries and that have been matched, from the Approved Warehouse where the seller effects delivery in accordance with the contract specifications.

Actual Delivery

Where Kapas is sold for delivery in a specified month, the seller must have requisite electronic credit of such Kapas 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. The clearing member is expected to transfer the same to the buyer's Repository account. However, the buyer must take actual physical delivery of Kapas before expiry of the validity date as indicated in the quality test report/ Assayers Certificate of the Assayer.

Approved Warehouse

NCCL has an Approved Warehouse for receipt and delivery of Kapas. Receipt and delivery of Kapas will be undertaken only from the Approved Warehouse as per **Exhibit 2**.

The Kapas received at the NCCL Approved Warehouse will be tested and certified by Assayer appointed by the warehouse among the empanelled list, before acceptance as good delivery in the warehouse. Likewise, Kapas delivered to buyers will be from the Approved Warehouse only.

Quality Standards

The contract grade for delivery of Kapas made under NCDEX Regulations shall be Kapas 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 provided in the contract specifications. Delivery of other grades would be accepted with suitable premium/discounts as indicated in the contract specifications. Further all deliveries made on the Exchange should be free of contaminants.

Packaging

Kapas delivered should be well compressed and packed with white twill cloth (woven cloth) without any stains. All sides of the packaging material should be stitched manually. The Kapas delivered should not bear any stains or be contaminated with any other foreign matter. The Kapas should be packed in bags of 50 kg each. For each lot a total of 80 bags are to be delivered.

Standard Allowances	
Sample weight per validation of quality & spillage	80 Kg 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.

Weight

The bags filled with Kapas (50 kg gross weight) received and / or delivered at the Approved Warehouse would be determined / calculated by the pre designated weighbridge / weigh scale at the premises or in its vicinity of the designated warehouse and would be binding on all parties. Any evidence of false packing or deviation from prescribed requirements, if found, would result in the rejection of the entire lot.

Good / Bad delivery Norms

Kapas future delivery into NCCL 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 3** is only illustrative and not exhaustive. NCDEX would from time to time review and update the good / bad delivery norms as per the trade / industry practices.

Kapas Sampling

Sample of 80 Kg. will be drawn from every delivery lot of 4 MT received at the designated warehouse. Moisture testing of the lot will be done by assayers immediately on arrival at the warehouse. The Kapas delivered should be free of contaminants and would be inspected by assayers while bags are opened for sampling. Each bag would be opened and 1 kg of sample will be drawn randomly. Sampling would be as per prescribed procedure. The samples drawn will be packed in clean and dry plastic bags or any other standard material & marked to recognize NCDEX member/client identity, quantity, date, time etc. The Kapas samples drawn will be dispatched to the testing laboratory.

Approved Assayer

NCCL has empanelled the Assayer for quality testing and certification of the Kapas received at the designated warehouse. The warehouse can appoint any empanelled assayer for Kapas. The quality testing and certification of the Kapas will be undertaken only by such empanelled Assayer appointed by the warehouse. The assayer details are given in **Exhibit 2**.

Quality Testing Report

Samples will be drawn by assayer and sent for testing. Moisture testing will be done at the time of deposit for each bag. The assayer will arrange for sending the Kapas samples to the testing laboratory, packed in sealed plastic bags for quality testing only if lot passes in Moisture and visual observation for presence of contaminants.

Testing Procedure

In view of the time taken for sampling, dispatch and receipt of the test report from the testing laboratory, delivering members are advised to effect delivery of Kapas bags at the earliest. An illustration of the minimum expected time taken for receipt of Kapas bags at the designated warehouse, sampling, testing and receipt of test report is indicated below:

Sr. No.	Activity day	Activity
1	Day 1	Delivery of Kapas Sampling and dispatch to the testing laboratory.
2	Day 3	Receipt of Kapas at testing laboratory
3	Day 4	Conditioning of Kapas at laboratory premises
4	Day 5 to 7	Testing of Kapas
5	Day 8	Availability of Report

Assayer Certificate

Testing and quality certificate issued by NCCL approved Assayer for Kapas delivered at Approved

Warehouse at delivery locations announced by the Exchange from time to time shall be acceptable and binding on all parties. Each delivery of Kapas at the warehouse must be accompanied by a certificate from NCCL empanelled assayer in the format as per **Exhibit 4**.

Validity period

Months of Deposit /Date of entry by warehouse in system (Jan - Dec)*	Expiry period from the date of Fresh Deposit (no. of months)	Validity period at the time of fresh deposit (no of months)
January	1	1
February	1	1
March	1	1
April	1	1
May	1	1
June	1	1
July	1	1
August	1	1
September	1	1
October	1	1
November	1	1
December	1	1

*20th of previous month to 19th of the current month as mentioned in the table above

The stock of **Kapas** is deposited in the NCCL. Approved Warehouses shall necessarily be removed after the Exchange Deliverable Date (EDD) as indicated above and continuation of the storage beyond EDD shall be entirely a private arrangement between the Warehouse and the depositor/beneficiary holder. The Exchange/Clearing Corporation shall not be responsible in any manner whatsoever for those stocks which have not been received by any buyer through an immediate preceding settlement on the Exchange platform and for those stocks which have crossed the EDD.

Electronic transfer

Any buyer or seller receiving and or effecting Kapas future would have to open a Repository account with an empanelled Repository Participant (RP) to hold the Kapas in electronic form. On settlement, the buyer's account with the RP would be credited with the quantity of Kapas received and corresponding seller's account would be debited. The Buyer wanting to take physical delivery of the Kapas holding has to make a request in the prescribed form to his RP, with whom a Repository account has been opened. The RP would route the request to the warehouse for issue of the physical commodity i.e. Kapas to the buyer and debit his account, thus reducing the electronic balance to the extent of Kapas withdrawn.

Charges

All charges and costs payable at the Approved Warehouse towards delivery of Kapas including sampling, testing, weighing, handling charges, storage etc. from the date of receipt into Approved Warehouse up to date of pay in & settlement shall be paid by the seller. All charges and costs after the payout shall be borne by the buyer. Warehouse storage charges will be charged to the member client by the respective Repository Participant.

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 Kapas into the NCCL Approved 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 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 on the gross amount charged by them, from their clients on account of dealing in commodities.

On Deliveries effected on the NCCL Platform:

GST on the deliveries effected on the NCCL Platform as the case may be, would be applicable on the delivered commodities and a buyer on the NCCL platform shall make payment to his corresponding seller the value of GST payable by buyer on the commodities received by the seller in the settlement. The buyer and the seller shall be responsible for fulfillment of the obligations under the GST act on all contracts. The seller shall issue appropriate invoices to his corresponding buyer as may be required under the GST act. The seller is required to remit the GST amount so collected/received from the buyer wherever applicable to the GST authorities within such time frame as may be prescribed under the GST rules. Members and / or their constituents requiring to receive or deliver Kapas should register themselves with the relevant GST authorities of the place where the delivery is proposed to be received/ given. In the event of any GST

exemptions, such exemption certificate as may be required under the GST law would have to be issued/provided to his seller before the settlement of the obligation.

All Members and / or their constituents are required to adhere to the requirements under the GST act and the Rules made thereunder including the notifications issued by the Central or State Government and must have valid GST registration in place for transacting in physical deliveries and also comply with the requirements under the GST Act.

The taxes payable on the commodity contracts shall be governed by the relevant Govt. legislations and notifications issued by the State or the Central Govt. from time to time and the buyer and seller is responsible to comply with the tax laws as applicable to the commodity.

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.

Premium / Discount

Premium & Discount on the Kapas delivered will be provided by NCCL on the basis of quality specifications:

The NCCL will communicate the premium / discounts amount applicable. Such amount will be adjusted to the members account through the supplementary settlement. The decision of NCCL in determination of premium/discount is final and binding on all market participants.

Currently, there is no premium/discount on the basis of quality specifications applicable for the Kapas.

Location Premium Discount will be notified by the Exchange 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.

Daily Settlement Prices

The Daily Settlement Price (DSP) is determined by the Exchange at the end of every trading day. The DSP will be utilized 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 of the contract, the following types of open positions would be cash settled:

- a) Delivery information not provided.
- b) Unmatched delivery information

The open positions for which information have been provided for and have been matched by the Clearing Corporation, would result in physical delivery.

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 Kapas 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, brokers, 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 Kapas. The security of data and randomness

of polling process will ensure transparency and correctness of prices. The Exchange has absolute right to modify the process of determination of spot prices at any time without notice.

Dissemination of Spot Prices

Spot prices for Kapas will be disseminated on a 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 Clearing & Settlement Account with the Clearing bank.

Time (E+1)	Activity
On or before 08.30 hrs	PAYIN: Debit paying member clearing & settlement a/c for funds
After 09:30 hrs	PAYOUT: Credit receiving member clearing & settlement 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 / Kapas with their respective Clearing member before “pay in”.

Pay in and Pay out for Final Settlement in case of physical deliveries	
Time (E+2)	Activity
On or before 12.00 hrs	PAYIN Debit Buyer Member Clearing & Settlement A/C for funds Debit Seller Member’s CM Pool Account for Kapas.
After 15.00 hrs	PAYOUT Credit Seller Member Clearing & Settlement A/C for funds Credit Buyer Member’s CM Pool Account for Kapas.

Additionally, the supplemental settlement for Kapas Futures contracts for Premium / discount adjustments relating to quality of Kapas delivered, actual quantity 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 Clearing & Settlement A/C for funds
After 15.00 hours	PAY OUT: Credit Member Clearing & Settlement A/C for funds

Early Pay-in of Commodities

Members can make an early pay-in of commodities to get exemption from the applicable initial margin, extreme loss margin, additional margin, pre-expiry and delivery margin and the same would be considered for the purpose of adjustment against their settlement obligations. However, Concentration Margin shall be charged on early pay-in of commodities.

The member shall mark EPI using the NCFE web application. The user guide for the same is available for download under: -

NCFE Menu: Downloads → Download files → Under User Manual folder-> EPI user guide

For further details, refer to circular no. NCCL/CLEARING-019/2025 dated April 09, 2025 on Master Circular - Clearing & Settlement.

Supplementary Settlement for GST

NCCL will conduct a separate supplementary settlement, as illustrated below, three days after normal pay out for completion of GST 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 Clearing Corporation 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 Clearing Corporation latest by 15.00 hrs on E + 4 day.

The amounts due to the above differences will be debited / credited to Member's Clearing & Settlement account similar to normal settlement.

Pay in and Pay out for GST	
Time (E + 5)	Activity
On or before 09:30 hours	PAY IN: Debit Buyer Member Settlement a/c for funds.
After 09:30 hours	PAY OUT: Credit Seller Member Settlement a/c for funds.

For further details on the procedure for Supplementary Settlement for GST and the procedure for exchange of physical delivery information please refer circular number NCCL/CLEARING-019/2025 dated April 09, 2025 on Master Circular - Clearing & Settlement Procedures.

Completion of Settlement

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

Exhibit 1 - Contract Specifications of Kapas (Symbol: KAPAS) Futures Contracts

(Applicable for contracts expiring in the month of November 2025 and thereafter)

Type of Contract	Futures Contract
Name of Commodity	Kapas
Ticker symbol	KAPAS
Trading System	NCDEX Trading System
Basis	Rajkot (Exclusive of GST)
Unit of trading	1 lot (200 maunds of 20 kg each i.e. 4 MT)
Delivery unit	1 lot (200 maunds of 20 kg each i.e. 4 MT)
Quotation/base value	Rs. 20 Per kg
Tick size	50 paisa
Quality specification	Raw Cotton Staple Length Basis: 29 mm Tenderable Range: 29 mm and above and not deliverable below 29 mm Outturn Minimum 34% with no premium above 34% and not Tenderable below 34% Trash content: Maximum 3% Tenderable Range: Maximum up to 3% with no premium below 3% Micronaire: Basis: 3.8-4.0 Micronaire Tenderable range of 3.8–4.0 Micronaire with no premium/discount. 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. Reflectance (Rd value) Deliverable Range: 75-81 Yellowness (+b value) Deliverable Range: 7.5-9.5 Moisture: Max. 8% with no premium below 8%
Quantity variation	+/- 1% for total weight of each deliverable lot
Trading months	November, February and April
Delivery center	Rajkot (Gujarat)
Trading hours	As notified by the Exchange from time to time, currently: - Mondays through Fridays: 10:00 a.m. to 5:00 p.m. The Exchange may vary the above timing with due notice.

Delivery specification	Upon expiry of the contracts, the delivery position would be arrived at by the Exchange based on the information to give/ take delivery furnished by the sellers and buyers as per the process put in place by the Exchange for affecting physical delivery.
No. of active contracts	As per the launch calendar
Opening of contracts	As per the launch calendar
Closing of contract	All open positions will be settled as per general rules and product specific regulations
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	Limits on Open position for aggregate as well as near month will be as under Member-wise: 14,70,000 MT or 15% of market wide open interest in the commodity, whichever is higher Client-wise: 1,47,000 MT Bona fide hedger clients 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 One Month prior to expiry date of a contract) Member-wise: 3,67,500 MT or one-fourth of the member's overall position limit in that commodity, whichever is higher Client-wise: 36,750 MT
Special margins	In case of unidirectional price movement/ increased volatility, an additional/ special margin at such other percentage, as deemed fit by the Regulator/Exchange, 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
Delivery Logic	Intention matching

Final Settlement Price	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
Maximum Order Size	50 Lots i.e. 200 MT					
Minimum Initial Margin	10%					

Contract Launch Calendar

Contract Launch Month	Contract Expiry Month
November 2024	November 2025
February 2025	February 2026
March 2025	April 2026
November 2025	November 2026
February 2026	February 2027
March 2026	April 2027
November 2026	November 2027
February 2027	February 2028
March 2027	April 2028

Disclaimer

Members and market participants who enter into buy and sell transactions may please note that they need to be aware of all the factors that go into the mechanism of trading and clearing, as well as all provisions of the Exchange's and/or Clearing Corporation's Rules, Bye Laws, Regulations, Product Notes, circulars, directives, notifications of the Exchange as well as of the Regulators, Governments and other authorities.

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, AGMARK BIS, Warehousing Development and Regulatory Authority (WDRA), Orders under Packaging and Labelling etc. and 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 , Goods and Services Tax(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.

Exhibit 2 - Warehouses for the delivery of Kapas

For the updated list of Warehouse & Assayers, kindly refer to the NCDEX Website
<https://ncdex.com/clearing/others>

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 / of expired validity.	Bad delivery
4.	Delivery without weight certificate.	Bad delivery
5.	Weighed at other than the 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

The above list is only indicative and not exhaustive.

Exhibit 4 - Specimen of Kapas testing report

Report Ref:

Date:

ANALYSIS:

The above sample was analyzed by us and the average results are as under

Test Report			
Institute Sample No.			
Marked as			
1: Turnout %			
2. Moisture Test			
Moisture Content			
3. Trash Test			
Trash (%)			
4. Mic			
5. Strength			
6. Length			
7. Rd value			
8. +b value			

The material delivered by the above NCDEX member is in accordance with the specification provided by NCDEX and valid up to _____ subject to appropriate storage.

The goods delivered may be accepted.

Verified by

Checked by

Page _____ of _____ (signature)

(Technical officer In Charge)