



MCX Circular No.: MCX/TRD/306/2025

June 20, 2025

Modifications in contract specification and Launch of Cotton Futures Contract

In terms of the provisions of the Rules, Bye-Laws and Business Rules of the Exchange, the Members of the Exchange are hereby notified as under:

The Exchange has decided to modify the contract specifications for Cotton Futures from November 2025 and onwards expiry contracts.

Members are requested to take a note of various modifications in the contract specification and requested to notify the changes to their respective clients and constituents.

The revised Cotton Futures Contract specifications will be applicable w.e.f. July 01, 2025 from November 2025 and onwards expiry contracts.

The summary of modifications in contract specifications and launch calendar is enclosed as Annexure-I and the modified contract specifications is enclosed as Annexure-II.

The Delivery & Settlement Procedure will be informed separately by Multi Commodity Exchange Clearing Corporation Limited (MCXCCL).

The warehousing procedure at MCXCCL Accredited Warehouses will be informed separately by Multi Commodity Exchange Clearing Corporation Limited (MCXCCL).

Please note that Trading will be allowed only up to 5:00 p.m. on the date of expiry of the contract.

Members are requested to take note of the above.

Rohit Lunker
Assistant Vice President- Market Operations

Encl.: As above

Kindly contact Customer Support on 022 - 6649 4040 or send an email at customersupport@mcxindia.com for any clarification.

-----Corporate office -----
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Annexure-I

The summary of modifications in contract specifications and launch calendar are as follows:

Particulars	Existing	Modified
Symbol	COTTONCNDY	COTTON
Description	COTTONCNDYMMYY	COTTONMMYY
Trading Unit	12 Candy (25 Bales)	25 bales
Delivery Unit	12 Candy (25 bales of 170 kg \pm 7%)	100 bales (170 quintal) of 170 kg \pm 7%)
Quotation/Base Value	Rs per Candy (355.56 Kg)	Rs per bales (bale of 170 kg)
Maximum Order Size	576 Candy	1200 bales
Maximum Allowable Open Position	For Individual Clients: 24,000 candy (50,000 bales). For a member collectively for all clients: 2,40,000 candy (5,00,000 bales). Near month Delivery: For individual clients: 6,000 candy (12,500 bales). Near month member level position limit shall be equivalent to the one fourth of the overall member level position limit.	For Individual clients: 3,40,000 bales. For a member collectively for all clients: 34,00,000 bales or 15% of the market wide position whichever is higher. Near month delivery: For individual clients: 85,000 bales. For a member collectively for all clients: 8,50,000 bales or 15% of the market wide position whichever is higher.
Staple 2.5% span length:	29 mm (-1mm) with discount. Below 28 mm reject and above 29 mm no premium.	29 mm (-1mm) with discount of 1.5% on pro rata basis. Below 28 mm reject and above 29 mm no premium.

Existing Launch Calendar

Contract Launch Months	Contract Expiry Months
May 2025	November 2025
	January 2026
September 2025	March 2026
November 2025	May 2026
January 2026	July 2026
March 2026	September 2026

Modified Launch Calendar

Contract Launch Months	Contract Expiry Months
July 2025	November 2025
	December 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

Contract specification of Cotton futures contract

Symbol	COTTON
Description	COTTONMMYY
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: 3,40,000 bales. For a member collectively for all clients: 34,00,000 bales or 15% of the market wide position whichever is higher. Near month Delivery: For individual clients: 85,000 bales. For a member collectively for all clients: 8,50,000 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	<p>Goods should lie within the Tenderable Range according to defined quality specifications. Outlaying goods will not be accepted for delivery.</p> <p>Ginning Pattern: Roller Ginned Cotton.</p> <p>1) 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.</p> <p>2) 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.</p> <p>3) Micronaire (MIC): 3.7 – 4.6 +0.30/-0.20 with discount. Below 3.5 and above 4.9 reject.</p> <p>4) Tensile Strength: 28 GPT Minimum, No premium or discount</p> <p>5) Trash: 3%. +1% with discount of 1:1 ratio. More than 4.0% reject.</p> <p>6) Moisture: Up to 9%. Acceptable up to 10% (average) at discount of 1:1.</p> <p>The premiums/discounts are subject to change with adequate notice/circular to the market before launch of the contract.</p>
Physical Condition of Bales	<p>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.</p> <p>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.</p>
Crop conditions	Only Current season Indian crop is deliverable
Delivery Period Margin**	<p>Delivery period margins shall be higher of:</p> <p>a. 3% + 5 day 99% VaR of spot price volatility</p> <p>Or</p> <p>b. 25%</p>
Staggered Delivery Tender Period	<p>The staggered delivery tender period would be the last 3 trading days (including expiry day) of the contracts.</p> <p>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.</p> <p>On expiry of the contract, all the open positions shall be marked for compulsory delivery.</p>
Delivery allocation	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.

	<p>However, preference may be given to buyers who have marked an intention of taking delivery.</p> <p>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 taking delivery. If the seller fails to deliver, the penal provisions as specified for seller default shall be applicable.</p>																																																				
Delivery order rate	<p>On Tender Days:</p> <p>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.</p> <p>On Expiry:</p> <p>On expiry date, the delivery order rate or final settlement price shall be the Due Date Rate (DDR) and not the closing prices.</p>																																																				
Due Date Rate (Final Settlement Price)	<p>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 asunder:</p> <table><tr><th rowspan="2">Scenario</th><th colspan="4">Polled spot price availability on</th><th rowspan="2">FSP shall be simple average of last polled spot prices on:</th></tr><tr><th>E0</th><th>E-1</th><th>E-2</th><th>E-3</th></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> <p>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.</p>	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
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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																																																
Delivery Logic	Compulsory																																																				

* 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.

** 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
July 2025	November 2025
	December 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
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