

THE COTTON CORPORATION OF INDIA LIMITED
(A GOVERNMENT OF INDIA UNDERTAKING)

Branch Office: _____

FORMAT

Address _____

Contract No. _____

Date: -----

M/s _____

Type of Purchase: e-auction

Sub: Ready Bales Purchase Contract

It is confirmed that the Cotton Corporation of India Ltd., having its branch office at _____ hereinafter referred to as "**the Buyer**" has Purchased and M/s _____, having its Registered Office at _____, the Ginner, hereinafter referred to as "**Seller**" has sold _____ bales of indigenous cotton through e-auction held on _____ on the terms and conditions set out herein below:

Indent No./ Date	Crop Year	Branch	Quality			Quantity in bales	Spot Rate
			Variety	Staple Length	Mic.		Rs. Per Candy

TERMS & CONDITIONS:

1) SELECTION OF READY BALES:

- i) Cotton has to meet the various quality parameters specified in the tender. The seller would make available sufficient lots (not less than 120% of contracted bales) to enable the Corporation to complete the selection of bales.
- ii) Bales should be offered for selection within two days from the date of confirmation of purchase of ready bales and such stock should be physically available in the respective State only.
- iii) **5 Samples** will be drawn randomly from each lot of 100 bales by Authorized representatives of the Corporation at the factory.
- iv) The samples may be drawn in the presence of ginner or his representative.
- v) The Corporation shall send the samples for testing in its nominated independent lab for testing.

- vi) The selection of lot shall be based on the test results and **grade of samples** drawn before taking delivery of bales from ginners. Approval will be conveyed within 5 days from the date of drawing.
- vii) Sellers failure to offer sufficient lots as prescribed above, the contract shall be liable for cancellation to the extent of unapproved quantity at the option of the buyer. The registration fees and any other credit balances lying with CCI shall be forfeited and further business dealing will be restricted.
- viii) If the actual sample test results of **samples** drawn at factory are below the parameters then the seller shall offer further lots for selection to the extent of 120 % of the unapproved quantity and accordingly CCI shall complete the selection.
- ix) Further moisture content would also be verified at the time of drawing samples by CCI in the factory. The moisture content should not exceed 8%. In any case lot containing moisture above 9% shall not be accepted.
- x) Parameters:-**
- a. Moisture contents:
 Upto 8% moisture shall be allowed in the ready bales. However;
- If, moisture exceeds from 8% to 8.5% - ½ % amount shall be deducted from the value of Cotton, but if moisture exceeds from 8.5% to 9% - 1% amount shall be deducted from the value of cotton.
 - Lot containing moisture above 9% will be rejected at the cost of the Seller.
- a) Staple length:
- If, the staple length is less between 0.01 to 0.3 mm - Rs.150/- per candy shall be deducted from the value of cotton.
 - If, the staple length is less between 0.31 to 0.50 mm - Rs.200/-per candy shall be deducted from the value of cotton.
 - If, staple length is less by more than 0.50 mm, the lot will be rejected at the cost of the Seller.
- b) Micronaire value:
- If, the micronaire values are outside either side the range specified by upto 0.2 mic - Rs.150/- per candy shall be deducted from the value of cotton.
 - If, the micronaire values are outside the range on **higher side** between 0.2 to 0.4 mic - Rs. 300/- per candy shall be deducted from the value of cotton.
 - If, micronaire values are outside the range (lower by 0.2 and on higher side by 0.4), the lot shall be rejected at the cost of the Seller.
- c) Weight difference between factory to CCI godown :
 The weight of the lot shall be re-checked in the godown of CCI after taking delivery from the factory/godown of the ginner. The weight shortage, if any, shall be debited to the seller.
- d) Trash Content :

The Corporation shall buy readybales having trash %age not more than as stated below:

Name of Zone	Name of the State	Trash %age upto
North	Haryana, Punjab, Rajasthan	4%

Central	MP, Gujrat, Maharashtra, Orissa, West Bengal	2.5%
South	AP, Telangana, Karnataka, Tamil Nadu	2.5%

- If, trash content exceeds by 0.50% then specified – 1/2% amount shall be deducted from the value.
- If, trash content exceeds 0.50% then the specified but upto 1.00% – 1% amount shall be deducted from the value.
- If, trash content is exceeding by more than 1% than the specified, the lot shall be rejected at the cost of the Seller.

2) **WEIGHMENT/FREE PERIOD/ DELIVERY TERMS:**

- i). 100% weighment of bales shall be carried out at spot at the time of delivery in the presence of CCI Representative/ Authorized weighment controller.
- ii). All the expenses till weighment of bales at the factory/godown of the ginner would be borne by seller. Sample cutting charges of all the **5 samples shall be borne by the seller.**
- iii). Till the physical delivery is taken by the buyer, the F.P. bales would be lying at the risk of the seller and insurance has to be covered by the seller.
- iv). The goods should be free from all encumbrances.
- v). The buyer would be entitled for free period of **15 days** from the date of confirmation of purchase order irrespective of quantity.

3) **PAYMENT TERMS:**

- i. CCI will release **95% payment** to the seller within 3 days from the date of lifting of bales from factory/godown of the ginner and after receipt of tax invoice at respective branch office.
- ii. **5% security deposit will be released immediately after expiry of 30 days from the date of lifting of bales by CCI's client(CCI buyer).**
- iii. The **interest @ 6% p.a shall be** paid on this amount from the date of expiry of free period till release of the payment by the CCI.
- iv. In case of any false packing found in the cotton bales, seller will be liable to pay compensation.

4) **PHYSICAL CONDITION:**

- i. All the F.P. bales should be in good condition and fully covered with good quality of grey cloth/bag from all sides including top & bottom with iron hoops/plastic straps and should have permanent marking on them stating lot no., PR no., PM, bale no. and name of the party.
- ii. The seller would be responsible for any damages in cotton bales till delivery of bales at the spot.

5) **INVOICE OF THE CONTRACTED QUANTITY:**

The Tax Invoice shall be raised by the seller in the name of the Cotton Corporation of India

Ltd. with the address of nearest respective Branch of the Corporation within the State.

6) ARBITRATION:

In case of any dispute or difference arising out of or in relation to the contract, it will be referred to an Arbitrator (other than an employee of the CCI) to be appointed by the Director (Marketing) or the Director (Finance) of CCI and the decision of the Arbitrator shall be final and binding upon the parties hereto. The Arbitration will be governed by the provisions of the Arbitration and Conciliation Act, 1996 or any statutory amendments or re-enactment thereof.

7) FORCE MAJEURE:

Should any circumstances beyond the control of the Seller such as natural calamity, strike, riot, elements, war, quarantine, fire or any act of circumstances of force majeure, the contract shall be cancelled to the extent of damage/ destruction/ shortfall bales arising due to the above causes. The Seller shall intimate quantum of such bales to the Buyer within 5 days.

The duplicate copy of the contract duly signed by the Ginner shall be returned within 5 days from the receipt of the contract from CCI in token of confirmation of all the terms and conditions of the contract. If signed copy is not received within stipulated time, the contract shall be treated as accepted and confirmed by the Seller.

for THE COTTON CORPORATION OF INDIA LTD.

WE CONFIRM

(BRANCH HEAD)

For & on behalf of the Seller

(Name of the Authorized person with Seal)