THE COTTON CORPORATION OF INDIA LTD.

KAPAS BHAVAN, CBD BELAPUR, NAVI MUMBAI 400 614.

Sub: Bid for availing unsecured loans from Banks

The Cotton Corporation of India Ltd., is a Public Sector Undertaking wholly owned by Govt. of India, under the administrative control of Ministry of Textiles. It was established in the year 1970 and having its Registered Office situated at CBD Belapur, Navi Mumbai. It has a network of 15 procurement branches situated in all 10 cotton growing States. It has 2 sales branches and also a godown complex at Kalamboli.

The main objective of the Corporation is to undertake Minimum Support Price (MSP) operations for purchase of raw cotton from the cotton farmers in various Agriculture Produce Market Committee (APMC) on behalf of Govt. of India as and when the prices of kapas (seed cotton) touch the minimum support price declared by the Govt. of India. The payment of kapas purchased is made to the cotton farmers directly in their respective bank accounts through e-payment. After procurement, the cotton is processed in various Ginning & Pressing factories hired in the beginning of cotton season through tender process. After processing, the cotton bales are stored in CWC/SWC/Co–operative godowns till its sale to the Textile Mills etc. However, in the absence of MSP operations, it also undertakes Commercial Operations at its own risk and cost.

Working Capital Requirements

The Corporation has a credit facility of Rs.25,000 crore sanctioned by a consortium of Public Sector Banks (PSB). The Cotton procurement operations are seasonal in nature. Cotton season starts from 1st October and ends in September in next year. Therefore, the Corporation avails the short term loans/working capital demand loans with the prepayment option without any penal charges. At present, the Corporation is availing short term loans for a tenure of 30 days. The said short term credit facilities are rated by M/s. Acuite Ratings & Research Limited and has been assigned the highest credit rating i.e. ACUITE AAA for long term credit ratings. The financial results of the Corporation in the last 3 years are as under:

(Rs. in crore)

Sr. No.	Financial Year	Profit/(Loss) After Tax
1.	2020-21	26.12
2.	2021-22	13.29
3.	2022-23	(55.54)

In order to meet its working capital requirements at a minimum interest cost, the Corporation intends to avail unsecured short term loans/working capital demand loans upto Rs.1000 crore from any scheduled commercial bank/Public Sector banks at most competitive rate of interest with the prepayment option without any penal charges. However, on need basis, we would like to re-avail the loan.

…2/-

The bidder banks may note the following while submitting their bids: -

1. The Corporation hereby invites bids from all the interested scheduled commercial banks for lending funds by way of short term loans/working capital demand loans on unsecured basis for a tenure of 30 days, quoting the limit of unsecured loan amount proposed to be lend along with their competitive minimum rate of interest, which should remain valid for next 15 days.

2. No conditional bid will be accepted.

3. The Corporation reserves the right to negotiate with any bidder to bring down the interest rate.

4. The Corporation, on acceptance of the bid, shall avail the loan in tranches, on its day- to-day need basis.

5. The Corporation shall have an option to pre-pay the loan at any point of time during the tenure of the loan without any prepayment charges or any other penalties whatsoever maybe.

6. The short term loans/working capital demand loans availed from any bank will remain within the overall borrowing powers sanctioned by the Board of the Corporation.

7. The interested banks may submit their bids latest by 11.15am on **01st January 2024** and dropped at the tender box kept at 6thfloor at its registered office as addressed below:

   Chief General Manager (Finance/Admin.)
   The Cotton Corporation of India Ltd.,
   Kapas Bhavan,
   Plot-3A, Sector-10,
   CBD Belapur, Navi Mumbai – 400614.
   Email id:rkgupta@cotcorp.com

   The bid shall be opened on the same day at 11.30 am. A brief profile and contact details of bank may be submitted with bid.

8. The Corporation reserves its right to accept or reject any of the bid without assigning any reason(s) thereof.

9. If successful bidder bank, fail to lend the amount to the Corporation, they shall not be entitled to participate in the bid process for next 3 months.

10. The bidder bank is required to submit a certificate that the Cotton Corporation of India Ltd. has not made any default in payment of Principal and/or Interest there on to bidder bank till date.

11. The successful bidder banks are required to remit the fund requested by CCI latest by 5.30 pm to CCI bank account on the requested date. In case, the funds are not received in CCI account till 5.30 pm, the availment will be treated on next working day.

Chief General Manager (Finance/Admin.)

Date:13.12.2023