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**THE COTTON CORPORATION OF INDIA LTD**
(A Govt of India Undertaking)
**KAPAS BHAVAN, 4/2ASHOK NAGAR,.P.B NO: 227 GUNTUR- 52200 2**
PH.NO:0863-2233472/2253796,:0863-2251270
**EMAIL: guntur@cotcorp.com,**

No: CCI/GNT/MKTG (SALES)/2024-25/ Date: 05.03.2025

**OPEN AUCTION NOTICE FOR SALE OF 928 F.P. COTTON BALES ON "AS IS WHERE IS BASIS"**

The Cotton Corporation of India Ltd., proposes to sell 928 F.P. cotton bales of cotton season 2023-24 on "as is where is basis", pertaining to branch office Guntur, Warangal, Indore & Rayagada branches through open auction to be held on 11.03.2025 at 11:30 AM at Branch Office, Guntur. The interested Buyers may inspect the lot samples at The Cotton Corporation of India Ltd., at 4/2 Ashok Nagar, Lakshmipuram, Guntur from 08.03.2025 onwards from 10.00 AM to 5.00 PM or at the respective godowns (as per Annexure-A) of concerned branches where the bales have been stored before participating in open auction. The terms & conditions of the open auction and details of stocks will be made available in the website of the Corporation i.e. www.cotcorp.org.in or it may be obtained from Branch Office, Guntur / Warangal / Indore / Rayagada.

**Sd/-**
**GENERAL MANAGER**

**ANNEXURE – A**

**Crop Year: 2023-24** **B.O: GUNTUR**

| S. No | Center | Variety | Lot no. | No. of bales | Place of Storage |
|---|---|---|---|---|---|
| 1 | Penchikalpadu | BB MOD | 1002 | 27 | CWC Adoni |
| 2 | Phirangipuram | BB MOD | 1068 | 66 | CWC Kakani |
| 3 | Satenapalli | BB MOD | 1001 | 15 | CWC satenapalli |
| 4 | Gampalagudem | MECH MOD | 6046 | 12 | CWC Kakani |
| 5 | Gampalagudem | MECH MOD | 6043 | 55 | CWC Kakani |
| 6 | Mylavaram | MECH MOD | 6012 | 100 | CWC Kakani |
| | | | Total | 275 | |

**Crop Year: 2023-24** **B.O: Warangal**

| S. No | Center | Variety | Lot no. | No. of bales | Place of Storage |
|---|---|---|---|---|---|
| 1 | Torrur | BB MOD | 167 | 40 | CWC Suryapet, |
| 2 | Warangal | BB MOD | 377 | 9 | Sainath Godown, Dharmaram |
| 3 | Madhira | MECH MOD | 2092 | 62 | AMC, Madhira |
| 4 | Warangal | MECH MOD | 3019 | 72 | AMC,Warangal |
| | | | Total | 183 | |

**Crop Year: 2023-24** **B.O: Rayagada**

| S. No | Center | Variety | Lot no. | No. of bales | Place of Storage |
|---|---|---|---|---|---|
| 1 | KhariarRD | BB MOD | 132 | 54 | CWC Koksara, |
| 2 | KhariarRD | BB SPL MOD | 1037 | 33 | CWC Koksara, |
| 3 | Parlkmundi | BB MOD | 102 | 42 | CWC Berhampur |
| 4 | Parlkmundi | BB SPL MOD | 1004 | 41 | CWC Berhampur |
| | | | Total | 170 | |

**Crop Year: 2023-24** **B.O: Indore**

| S. No | Center | Variety | Lot no. | No. of bales | Place of Storage |
|---|---|---|---|---|---|
| 1 | Bakaner | H 4 MOD | 1108 | 100 | MPWLC, Dharampuri |
| 2 | Bakaner | H 4 MOD | 1109 | 100 | MPWLC, Dharampuri |
| 3 | Khargone | H 4 MOD | 1187 | 100 | MPWLC C/o Oracle Food Pvt Limited |
| | | | Total | 300 | |

**Note: Quantity is subject to the actual availability on the date of Open Auction.**

**TERMS AND CONDITIONS FOR SALE OF 928 FP COTTON BALES BY CCI THROUGH OPEN AUCTION ON "AS IS WHERE IS BASIS" TO BE HELD ON 11.03.2025 (11:30 am) AT BRANCH OFFICE, GUNTUR**

The quotes received from H-1 bidder will be placed before the Purchase & Sales Committee and the decision on the bid will be conveyed to the H-1 bidder on the same day through e-mail. The bid once made in open auction will not be cancelled and shall be binding on the Bidder, therefore, the Buyers should take all precautions for bidding carefully particularly the bid rate. No change in variety/grade will be accepted from the bidder once the bid is made in open auction.

The Corporation reserves its right to accept or reject all or part of the bid.

1. **SECURITY DEPOSIT:**

   a) The parties who have already registered with CCI for sale of FP bales may participate directly in Open auction without Security Deposit.

   b) Unregistered buyers shall have to deposit Rs. 2,00,000/- by way of Demand Draft/ Pay Order/ Banker's cheque in favour of "THE COTTON CORPORATION OF INDIA LTD' payable at Guntur or by means of Electronic fund transfer in bank account in any of the Branch of the Corporation before commencement of auction, otherwise they will not be entitled to participate in the auction. The deposit of successful bidder shall be adjusted in the last delivery of bales and no interest shall be payable on this deposit.

   c) Govt/Institutional/Co-op mills/MSME mills registered with CCI for participation in e-auction of FP bales are exempted from payment of EMD for participation in open auction.

2. **DEPOSIT MONEY**

   a) The Successful bidder – H-1 (Buyer) shall pay within five days excluding the date of contract, a minimum amount as per the below table of the value of cotton towards deposit as per the sale quantity.

| Buyer Type | Quantity upto 2999 bales | Quantity of 3000bales or more |
|---|---|---|
| KVIC Units/ Co-operative/ MSME/Institutional Spinning Mills | 10% | 10% |
| Private Textile Mills | 10% | 15% |
| Cotton Traders | 15% | 20% |

If Buyer fails to pay deposit within five days excluding the date of contract, their participation in the open auction /e auction shall be blocked without any intimation.

b) Buyers's failure to deposit advance value of the contracted cotton within the stipulated time shall make the contract liable for cancellation at the option of the Seller and the Security Deposit for registration will be forfeited.

c) The said amount will be adjusted proportionately after retaining required amount as per Clause No. 3 and 9 with each delivery and shortfall, if any, will be made good in such a manner that___% of the value of all the contracted cotton

Remaining to be delivered under different indents will be maintained at all the time till the entire contracted cotton is lifted.

d) Total 928 FP Cotton Bales being kept for open auction shall be sold on " As is where is Basis". Therefore, the Buyer shall satisfy themselves about the quality of cotton and condition of bales etc,. before participation in auction. The buyers may also visit The Cotton Corporation of India, 4/2 Ashok Nagar, Lakshmipuram, Guntur or at the respective godowns for physical inspection of lot samples at spot. Once the bid is accepted, the Buyer shall not be allowed to withdraw. The bales will be sold on "as is where is basis".

e) The Branch wise, Centre-wise, variety-wise details of stock along with place of storage available for auction is enclosed as per Annexure-A. However, the actual quantity/ lots may vary and the quantity available on the date of auction shall be put for final auction.

**3. MOISTURE PERCENTAGE :**

a) Procedure for ascertaining the actual moisture percent:-

At the time of delivery of bales seller i.e. CCI in presence of Buyer's representative will measure the moisture of minimum 10 bales from lot as per choice of the Buyer, minimum one bale should be measured from each stack. Average of moisture measured from all such bales of the lot will be considered for calculating discount/premium amount.

b) Discount amount will be given to the Buyer if average moisture percentage is higher than 9% as calculated in 3(a)

Discount= (Actual Moisture % - 9%) X Net Delivery Weight X Sale rate per quintal.

c) Premium amount will be charged to the Buyer if average moisture percentage is lower than 7% as calculated in 3(a)

Premium= (7% - Actual Moisture %) X Net Delivery Weight X Sale rate per quintal.

**4. LIFTING PERIOD**

The total free period will be 30 days from the date of contract irrespective of the quantity purchased.

**5. REGISTRATION WITH TAX AUTHORITIES**

The Buyer shall be a registered dealer with Goods and Services Tax and Income Tax Authorities and shall provide the necessary GST Registration Number, PAN of his firm to the Corporation.

**6. INVOICE OF THE CONTRACTED QUANTITY**

The invoice of the contracted quantity will be made in the name of the original Buyer. Any other relevant form for tax purposes shall be given to the Corporation by the Buyer who has given the offer to purchase the bales.

**7. WEIGHMENT, DELIVERY AND PAYMENT TERMS**

Buyer shall be entitled for lifting period to take delivery of the contracted cotton against full payment of cotton value and taxes, as detailed hereunder:-

a) _____Days from the date of contract.
b) _____Days from the date of intimation of readiness of cotton bales.

100% weighment of bales shall be carried out at spot at the time of delivery in the presence of the Buyer's representative/controller and such weighment shall be final

and binding. In case of advance payment by the Buyer, the payment shall be worked out for weight calculated at the rate of 48 candies per 100 bales for all Southern Branches and 47 candies per 100 bales for Central and Northern Branches. All sales shall be on spot basis & expenses after weighment, shall be on the Buyer's account.

The insurance risk on Buyer's account will start from the moment the bales are loaded into Buyer's truck. In case, if any fire/theft/mishap take place after loading the bales into the Buyer's truck till its weighment (at the weighbridge outside the godown premises) the insurance claim will have to be settled by the Buyer's insurance company. In this case the invoice will be raised at press weight of the bales and the Buyer will have to pay accordingly.

The Buyer shall make all payments in crossed A/c Payee Demand Drafts, Pay Orders, Banker's Cheques in favour of the Corporation or by means of Electronic Fund Transfer Debit card powered by RuPay, Unified Payments Interface (UPI), Unified Payments Interface Quick Response Code (UPI QR Code) in Bank Account of the Corporation only. In case of payment by cheques, or through Electronic Fund Transfer delivery shall be allowed to take place only on confirmation of realization of payment in the Seller's account.

The Buyer has to effect payment and take delivery of bales within the lifting period given from date of contract/date of confirmation. In case of failure on the part of the Buyer to do so, the contract is liable to be cancelled at the option of the Seller. In the event of such a cancellation, the Seller shall be entitled to resell the entire or balance quantity thereof, at any time and in any manner it deems fit and at the same time, reserving its right to recover any damage/losses sustained by such resale.

**8. <u>CASH DISCOUNT:</u>**

The buyer shall be entitled for cash discount @5% p.a. on pro-rata basis for unavailed lifting period for the bales for which full payment is made within 30 days from the date of contract.
However, the rate of cash discount will be 4% p.a. in case of deliveries under L/C & BG provided:-

a) The discounting of L/C is done at the request of the Buyers and "without recourse of the drawer"

**9.** All the expenditure in connection with discounting of L/C is borne by the Buyers.
CARRYING OF COTTON:

Without prejudice to the provisions stated above, the seller may carry or hold cotton on behalf of the Buyer beyond lifting period, subject to Buyer complying with the following conditions:

a) The Buyer shall make a request to the seller to carry cotton on its behalf, before expiry of lifting period and give lifting schedule for the balance unlifted quantity which can be extended maximum period of 60 days after expiry of lifting period.

b) The rate of carrying charges shall be as mentioned hereunder:
@ 1.25% per month for first 30 days and thereafter @ 1.35% per month per 30 days + GST as applicable till the delivery of cotton. The amount of carrying charges shall be calculated on monthly rest basis. Till payment of the price of the bales to be delivered is fully realized, carrying charges as per the aforesaid rates shall be chargeable.

c) Notwithstanding the above conditions and without any prejudice thereto, the Seller may carry cotton or any part thereof on behalf of Buyer for a maximum period of 60

days after the expiry of lifting period at the entire discretion of the Seller subject to the condition that Buyer shall pay additional deposit of 10%. Interest benefit on proportionate additional deposit of lifted bales will be allowed at the rate of 5.0% p.a. from the date of realization of deposit till adjustment on delivery.
If payment is not made and delivery not taken within maximum allowable 60 days period after lifting period, under such circumstances the contract is liable to be cancelled at the option of seller without any notice to the Buyer and the said deposits or other payment, if any, shall be forfeited by the Seller.

d) In the event of a default, the Seller may resell the cotton at any time and in any manner it deems fit and recover the balance losses/damages from the Buyer, if any, sustained in such a resale, inclusive of price difference, carrying charges and interest. The provisions under this contract with respect to a breach of the contract shall be invoked and operated automatically without any need for a notice from the Seller to the Buyer.

e) The business dealings with Buyers shall be banned till the losses on resale are made good out of this contract by the Buyer.

**10. LATE LIFTING CHARGES:**

If after making payment of the value of cotton sold under this contract, the Buyer does not take physical delivery of cotton within 15 days from the date of making payment, the Buyer shall be liable to pay late lifting charges @0.50% per month (30 days) + GST up to first 30 days, 0.75% per month + GST for next 30 days on monthly rest basis and thereafter, 1.00% per month + GST on monthly rest basis. Till the delivery of cotton is taken the cotton shall lie at the risk and liability of the Buyer.

**11. GOODS & SERVICE TAX(GST)**

The Buyer shall pay GST on the value of cotton at the rate applicable on the date of final billing.

**12. INTEREST:**

The rate of interest on deliveries under clean credit, L/C and against Bank Guarantee will be 10% per annum+ GST as applicable, on monthly rest basis.

**13. PENAL RATE OF INTEREST**

Penal Interest on overdue UB, L/C and Bank Guarantee will be charged @ 11% per annum+ GST as applicable on monthly rest basis.

**14. PROCESSING CHARGES IN CASE OF DELIVERY AGAINST L/C AND ITS DISCOUNTING.**

The Seller shall charge processing fees on each L/C discounted @ 0.10% of its value or Rs.200/+GST as applicable, whichever is higher.

**15. ARBITRATION:**

In case of any dispute or difference arising out of or in relation to the contract, except any dispute regarding the quality of cotton which is specifically excluded under clause 2 of the terms and conditions will be referred to the Sole Arbitrator.

Such sole arbitrator must be a person who has retired from a State Judicial Service or has served as a Judge of the Supreme Court or of a High Court.

The said arbitrator may be appointed by the authorized person of the party raising dispute under the contract except any dispute regarding the quality of cotton and shall be binding on both the parties. All the subsequent disputes arising out of or in

relation to the contract shall be referred to such arbitrator only.

**16. <u>FORCE MAJEURE</u>:**

a) 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 arising due to the above causes. The Seller shall intimate quantum of such shortfall to the Buyer within 30 days. The Buyer hereby categorically agrees to such cancellation of shortfall quantity and shall neither have recourse to any action, legal or otherwise, nor demand any compensation in respect thereof.

b) However, in respect of contracts, where advance payments in the account of seller has been received in respect of bales approved, the claim as settled by the Insurance Company on account of fire damages shall be passed on to the Buyers and in all such cases, the contracted quantity will be reduced to the extent of fire damage.

**17. <u>POWER TO AMEND RULES</u>**

The Corporation reserves its rights to amend, alter, modify or change any of the terms and conditions looking to the availability of stocks, credit worthiness and past performance of the Buyer etc.

**18.** The duplicate copy of the contract duly signed by the Buyer be returned within 7 days from the receipt of the contract 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 Buyer.

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**AUTHORIZATION LETTER FOR PARTICIPATING IN OPEN AUTHORIZATION**

**(On Letter Head of Party)**

We hereby authorize our representative Mr._____(Name) who is our_____(designation) to participate on our behalf for open auction to be held on 11.03.2025(11.30 AM) at B.O Guntur for Sale of 928 F.P Cotton Bales pertaining to B.O Guntur, Warangal, Indore and Rayagada of crop year 2023-24.

Signature of our Representative is verified as under.

Signature of our Representative

Name and Signature
Mills/Party Authorized
Person with seal

Place_____:

Date:_____