EXPORT CONTRACT

भा.क.नि. CCI	**THE COTTON CORPORATION OF INDIA LTD.** **(A Government of India Undertaking)** **BRANCH OFFICE:** **CIN:** Phone **Website: www.cotcorp.gov.in. E-Mail:** **Ministry web: www.texmin.nic.in**

No.CCI/__ /EXP/__ /2026-27/____ Date:

THE COTTON CORPORATION OF INDIA LIMITED, a company registered under the Companies Act, having its registered office at Kapas Bhavan, Plot No. 3A, Sector 10, CBD Belapur, Navi Mumbai – 400614, hereinafter referred to as the **'SELLERS'** and M/s._____ hereinafter referred to as the **'BUYERS'**, enter into this contract, for sale/purchase of Indian Cotton, for Export, on the terms and conditions mentioned hereunder:

1. QUALITY, QUANTITY, SALE RATE & FREE SHIPMENT PERIOD:

The Sellers have agreed to sell and the buyers have agreed to buy from the Sellers the following quantities of Indian Cotton of _____ Crop year as under:

Variety/ Grade	Quantity in M.Tons/Bales	Price in US Cents / lb C&F Ex-Chittagong / Ex-Benapole / FOB-ExPort	Free Shipment period
			45 days from the date of contract

2. TERMS OF PAYMENT

(a) The buyers shall establish an irrevocable operative Letter of Credit At Sight in US Dollars for value of cotton quantity contracted with a first class International Bank, authorizing reimbursement by Cable/Tested Telex/ Swift with the New York Correspondent / agency of the L/C issuing Bank and available at the counter of any Scheduled Bank in India, so as to be in the seller's hand within 15 days from the date of contract. Such a Letter of Credit shall be valid for negotiation for a minimum period of 30 days after the last date of shipment stated in the L/C. In case of delay in providing L/C as aforesaid, the buyer shall also provide in the L/C for payment of carrying charges up-to the date of shipment as per clause 7 of the contract.

(b) The charges for establishing the Letter of Credit and any Bank charges outside India will be on Buyer's account.

(c) The Buyers shall immediately on hearing from sellers amend the Letter of Credit so as to make it fully operative for effecting shipment and realization of proceeds. The Bank charges and expenses incidental to such amendment shall be borne by the Buyers. The date of receipt of such amendment, operative L/C will be deemed as the effective date of receipt of L/C.

(d) Only on receipt of shipping instructions / nomination of vessel and provision of adequate containers by Buyers (in case of sea port), L/C shall be deemed fully operative.

(e) It shall be the responsibility of the buyer to keep the L/C operative for shipment for a minimum period of 45 days from the last date of shipment as per contract or till the entire contracted quantity is shipped whichever is later and related documents are negotiated by the Sellers.

(f) The Sellers shall be entitled to draw the full amount against the Letter of Credit immediately after shipment and on presentation of the shipping documents without any further need for certification/authorization etc. In the event of delay in receiving payment beyond **15 days**, the sellers shall be entitled to charge and the buyers liable to pay Interest @10% p.a. on monthly rest basis on such delayed amount.

(g) If any quantity of the contract remains unshipped within the shipment period then the buyer shall be liable to pay late lifting charges @ 0.50% p.m of 30 days will be levied from the next day of expiry of free shipment period till the date of Bill of Lading.

(i) In case of non-receipt of LC/Shipping Instructions in time or any eventuality of non-performance of the contract, the Contract shall be liable for cancellation at the option of the seller and seller shall be free to resell the same at buyer's risk and cost. The business dealing with such buyers shall be banned till the losses on resale of un-lifted quantity under this contract are made good by the buyer.

3. APPROVAL:

(a) The seller shall arrange to complete offering of actual lot samples for approval within 10 days either in parts or in full to the extent of 120% of the contracted quantity and buyer or his authorized representative shall complete the approval of contracted quantity within 15 days from the date of contract. The cotton lots once approved by the buyers or their agents shall be final and no quality disputes thereafter shall be entertained by the sellers in respect of such approved lots.

(b) In the event of buyer or his agent not agreeing to the quality of cotton as per the indicated parameters, the samples shall be drawn through an internationally recognized controller to be appointed by the seller, for testing in a reputed laboratory whose results shall be final and binding to both buyer and seller.

(c) The approximate net weight of each bale will be about 170 kgs. Variation in contracted quantity to the extent of ± 5 % of number of bales/ M. T. should be acceptable to the buyers.

4. WEIGHMENT & INSPECTION OF COUNTRY DAMAGE :

(a) The sellers shall arrange weighment of approved cotton lots at the port of shipment / spot through an internationally recognized controller and the weight certificates so issued by the controller appointed by the Sellers shall be final.

(b) The sellers shall arrange country damage inspection of the approved lots at the port of shipment through an independent and internationally recognized controller. The country damage inspection report so issued by the controller appointed by the sellers will be final and binding on both sellers as well as the buyers. However, the buyers or their local agents shall be free to inspect the bales for country damage prior to shipment at the port of shipment at their own expenses.

5. OTHER TERMS FOR SHIPMENT:

a) The buyers shall make all arrangements for timely shipment and send the shipping instruction well in time and in any case, 20 days before the expiry of contracted shipment period.

b) Terminal handling charges (THC) at the port of shipment will be on seller's account.

c) The buyers shall allow part shipment as well as reallocation of approved lots in shipping instructions, to facilitate shipments in time.

d) The buyers or their local agent shall arrange the release of bill of lading/ vehicle carrying consignment to destination port as per terms of L/C. Any delay in unloading the cargo at destination port will be on the buyer's account.

e) Depending upon the requirements of the importing country and subject to provision in the L/C, the sellers shall arrange for Phytosanitary certificate, Certificate of origin and Fumigation certificate only. Any requirement of additional certificates / documents shall be arranged by the buyers at their own cost.

6. C&F/FOB SALES MARINE & WAR RISK (WATER BORNE ONLY)

The sellers agree to notify the buyers, name of the vessel and other particulars of consignment shipped, after shipment. The buyer shall cover insurance for 110% of the invoice value with a first class insurance company from the port of shipment in India to Warehouse in the country of destination covering all kind of risks, strikes, riots & civil commotions etc.

7. LIFTING PERIOD:

(a) In the event of non-shipment within the stipulated lifting period of 45 days for any default of the buyer, the Corporation could consider allowing the shipment within the next 30 days for which buyer will have to pay carrying charges **@ 1.10% p.m.** for the first 30 days and thereafter, **@1.25% p.m** on monthly rest basis till the date of Bill of Lading (Vehicle Receipt/Consignment Note in case of sale to Bangladesh buyers through rail/road route).

(b) If the shipment under the contract is delayed even beyond 30 days as provided under clause 7 (a) above, for any reason for which the sellers are not responsible, Corporation at its sole discretion, may allow shipment of bales within the next **30** days for which buyer will have to pay carrying charges **@1.25% p.m.** of 30 days on monthly rest basis **w.e.f.** ***76th day from the date of contract*** till the date of bill of lading.

(c) The amount of carrying charges payable for such delayed shipments, shall be included in the L/C to be established by the buyer as provided under clause 2(a) of the contract.

(d) However, the total extended shipment period shall not exceed 45 days after lifting period and for any quantities remaining unshipped beyond this period; the Contract shall be liable for cancellation at the option of the seller and seller shall be free to resell the same at buyer's risk and cost. The business dealing with such buyers shall be banned till the losses on resale of un-lifted quantity under this contract are made good by the buyer.

8. LICENCE & DUTY

(a) Export Licence shall be the responsibility of the Sellers. Export duty in India will be on seller's account.

(b) Import Licence, if required by the Buyer's country will be the responsibility of the Buyers. Any import duty, Tax, or any other levies and Expenses at the destination port, will be on buyer's account.

9. FORCE MAJEURE

(a) Should any circumstances arise preventing the Sellers from wholly or partly carrying out the obligation under the present contract due to circumstances beyond the Seller's control such as Natural Calamity, Strike, Riots, Acts of Elements, War Military operations of any nature, Blockade, Quarantine, Disruption of communication, Fire, any act of Government or by other circumstances of FORCE MAJEURE, the contract shall be cancelled to the extent of damage/ destruction/

short-fall arising due to above causes and no replacement shall be offered to cover the shortfalls.

(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 buyer and in all such cases, the contracted quantity will be reduced to the extent of fire damages.

The seller shall intimate quantum of such destruction/damage/short-fall to the buyers within 15 days either directly or through the Buyer's Agent.

THAT THE BUYERS HEREBY CATEGORICALLY AGREE TO ACCEPT such cancellation to the extent of the damage/destruction/short-fall and shall not have any recourse to any action, legal or otherwise thereafter, on the sellers.

10. ARBITRATION

The sellers having allowed approval and quality inspection of contracted cotton before shipment shall not entertain any claim relating to quality and country damage. Other disputes arising under the contract shall be as far as possible resolved mutually and only the unresolved disputes or breach of any term of the contract shall be settled by Arbitration in accordance with the Rules of Arbitration of the Cotton Association of India (CAI) and the award made in pursuance there-of shall be binding on the parties.

"The venue of arbitration shall be Mumbai (India) only."

11. The buyers shall return to the sellers three copies of this contract duly signed by them, in confirmation of all its terms, within 5 days from the receipt thereof by the buyers/Agents, failing which, this contract will be treated as accepted.

BUYERS **SELLERS**

For _____ **For The Cotton Corporation of India Limited**

(AUTHORISED SIGNATORY) **(AUTHORISED SIGNATORY)**

NAME_____

AGENT: _____