भारतीय कपास निगम लिमिटेड
THE COTTON CORPORATION OF INDIA LTD.
(भारत सरकार का उपक्रम)
(A Government of India Undertaking)
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मंत्रालय की वेबसाइट/Ministry's Website:www.ministryoftextiles.gov.in

TERMS AND CONDITIONS FOR SALE OF FP COTTON BALES IN EXPORT THROUGH E-AUCTION (2026-27)

1. All sales are on FOB/CIF basis through JNPT/NSICT/GTI Ports in Navi Mumbai and other Indian ports. However, Bangladesh buyers will have option for sales on CIF Benapole basis (through Rail/Road route).

2. 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 / fax. The bid once made in e-auction will not be cancelled and shall be binding on the Bidder, therefore, the Buyers should take all precautions forbidding carefully particularly the bid rate. No change in variety/grade will be accepted from the bidder once the bid is made in e-auction.

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

3. Export sales will be concluded on net rate basis of H-1 bid. However, on receipt of written communication from the principal buyer to include commission of their authorized agent then the rate of commission shall be added in the Sale Price. The maximum ceiling of commission will be 3% of the sale price and it will be payable after satisfactory performance of the Contract.

4. On acceptance of buyer's bids by the principal buyer, contract is raised listing all the standard terms and conditions including variety/grade, quantity, price in US Cents/lb as well as shipment period. A copy of contract is sent to the buyer for his signature and returning of one signed copy.

5. The CCI shall offer bales (lots) to the extent of 120% of the contracted quantity simultaneously with sales confirmation/contract. 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 dispute thereafter shall be entertained by the Seller in respect of such approved lots. In the event of the Buyer and his Agent not agreeing quality of cotton as per the indicative parameters, the samples shall be drawn through internationally recognized controller to be appointed by Seller for testing in a reputed Laboratory whose results shall be final and binding to both Buyer and Seller.

6. If buyer has completed all formalities to facilitate shipment through opening of L/C but shipment is delayed due to delay in offering of bales then Corporation shall consider extension in free shipment period on proportionate basis on the quantities offered late, beyond stipulated 10 days.

7. **Lifting period:** The buyer shall be entitled for lifting period of 45 days from the date of contract. The buyer could be allowed shipment beyond this lifting period subject to payment of carrying charges **@1.10%** p.m. for the first 30 days and thereafter, **@1.25%** p.m. on monthly rest basis till date of Bill of Lading (*Vehicle Receipt/ Consignment Note in case of sale to Bangladesh buyers through* rail/*road route*). The amount of carrying charges shall be included in the L/C to be established by the buyer.

8. After lifting period, the maximum carry-over of cotton is restricted to 45 days.

9. In case of delay in shipment and for any quantity 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 dealings with such buyers shall be banned till the losses on resale of un-lifted quantity under this contract are made good by the buyers.

10. **Weighment/Country Damage Inspection**: 100% weighment at the Port of shipment vis-à-vis Country damage inspection as certified by an independent internationally recognized Controller.

11. **Payment:**

a) The buyers shall establish an irrevocable operative Letter of Credit (L/C) 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. (Proforma of L/C attached at Annexure-I)

b) In lieu of establishing letter of credit, buyers have option to make 100% advance payment in the account of CCI. For shipment allowed beyond lifting period, late lifting charges **@0.50%** per month will be levied from the next date of expiry of lifting period till the date of Bill of lading.

c) 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.

12. The buyer shall make all arrangement for timely shipment and send the shipping instructions well in time and in any case, 20 days before the expiry of contracted shipment period.

13. Taking into account the shipment period, opening of L/C and receipt of Shipping Instructions from the buyer, the seller shall make the necessary arrangements for shipments. Shipments will be effected only after establishment of irrevocable confirmed L/C with First Class International Bank. In case of Shipment beyond the permissible shipment period, provision for payment of carrying charges will have to be provided in the L/C itself.

14. Stuffing of bales into containers/lorry for shipment will be at spot under the supervision of Central Board of Indirect taxes and Customs who put their seals after stuffing of containers (or through self-certificates, as the case may be).

15. After shipments, the documents are prepared and presented to the Bank for payments by the seller, while one set of documents is sent to the buyer. In the event of delay in receiving payment beyond 15 days from the date of submission of documents to the bank, the seller shall be entitled to charge and the buyer liable to pay Interest @ **10%** p.a. on monthly rest basis on such delayed amount.

16. Quality Inspection: Quality inspection at spot shall be final and the buyers should satisfy themselves before completing selection. No Quality disputes thereafter shall be entertained in respect of approved lots.

17. Arbitration: By Cotton Association of India (CAI).

18. Conversion:

- Change in name of the mill buyer in the export contract: 0.25 USC/lb.
- Conversion charges from one branch to another either for the same variety or to a different variety, OR conversion from one variety/centre to other variety/centre within the branch is 0.50 USC/lb plus adverse price difference.

19. Appointment of Agent & Commission

One mill can appoint only one agent however; one agent can work on behalf of many mills, subject to authorization letter from the Mills/ Principal buyers as per prescribed format (Annexure-II).

Export sales are made normally on net rate basis as per daily Sale Quotes. However,if any Offer/ Bid is received with advice to include commission then the rate of commission shall be added in the Sale Price and it will be payable after satisfactory performance of the Contract. Maximum ceiling of commission will be 3%.

20. All other terms as per standard contract of the Cotton Corporation of India Ltd., (Annexure-III) available at our website: www.cotcorp.org.in.

21. Cash Discount:

The buyer shall be entitled for cash discount @ 5% per annum on pro-rata basisfor unavailed free period i.e. for the number of days for which payment is realized earlier than required as per the terms of contract provided buyer makes payment within 15 days from the date of contract. If payment made after 15th day from the date of contract i.e. 16th day onwards no cash discount is applicable.

In case of deliveries under L/C & BG the cash discount @ 4% per annum on pro- rata basis for unavailed free period from the date of realization of payment will be allowed by the Corporation.

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

b) All the expenditure in connection with discounting of L/C is borne by the buyers.

Note: The Buyers can access following information from the Corporation's website www.cotcorp.org.in

Annexure-I: Proforma of Letter of Credit.
Annexure-II: Proforma for authorization letter to be submitted by the buyer.
Annexure-III: Standard Export Contract
Annexure-IV: Procedure for registration for participating in e-Auction.

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