



**THE MAHARASHTRA STATE COOP. COTTON GROVERS'
MARKETING FED. Ltd.**

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TERMS AND CONDITIONS FOR SALE OF F.P. COTTON BALES.
SEASON 2017-18

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 for bidding 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 MSCCGMF Ltd reserves its right to accept or reject all or part of the bid.

1. 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.

Quantity up to 2999 bales	Quantity of 3000 bales or more
15% +GST as applicable	20% + GST as applicable

- b) Buyer'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.10** 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) Interest benefit on proportionate deposit of lifted bales will be allowed at the rate of 6.0% p.a. from the date of realization of deposit till adjustment on delivery.

2. SELECTION OF THE CONTRACTED COTTON:

The MSCCGMF LTD shall offer the bales (lots) simultaneously with sales confirmation/contract. The Buyer or its representative shall confirm the cotton under this contract within a period of **10 days** from the date of sale confirmation irrespective of quantity purchased.

The Buyer or its authorized representative should fully satisfy itself about the indicated quality parameters and no dispute, whatsoever; regarding quality shall be entertained in respect of the cotton afterwards.

Since the cotton is an agricultural commodity and hygroscopic in nature, therefore the quality parameters of the FP bales offered for sale in e-auction are indicative only and may vary $\pm 2\%$. The Buyers may take note of the above normal variation while completing the confirmation.

3. FREE PERIOD: -

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

4. REGISTRATION WITH TAX AUTHORITIES

The buyer shall be a registered dealer with Sales Tax and Income Tax Authorities and shall provide the necessary GST Registration Number, PAN of his firm to the Federation.

5. TYPE SAMPLES

In case any buyer wants to have type samples of any variety/grade being procured by the Federation under any Zone the same would be made available to him on payment basis and the buyer shall make payment @ Rs. 90 per kg. + GST as applicable by way of cash/demand draft to the concerned Zone of the Federation for obtaining such samples.

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 Federation by the buyer who has given the offer to purchase the bales.

7. WEIGHMENT, DELIVERY AND PAYMENT TERMS:

Buyer shall be entitled to a free delivery period of 30 days to take delivery of the contracted cotton against full payment of cotton value and taxes.

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. All sales shall be on spot basis & expenses after weighment, shall be on the Buyer's account.

The Buyer shall make all payments in crossed A/c Payee Demand Drafts, Pay Orders, Banker's Cheques in favour of the Federation or by means of Electronic Fund Transfer in Bank Account of the Federation 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 free 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. CARRYING OF COTTON:

Without prejudice to the provisions stated above, the seller may carry or hold cotton on behalf of the Buyer beyond free delivery 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 free delivery period or give lifting schedule for the balance unlifted quantity, but within the maximum carrying period of 45 days after expiry of free period. The Buyer shall also deposit advance carrying charges for unlifted quantity at specified rate for intended period of carrying cotton as permitted under the contract.
- b) The rate of carrying charges shall be as mentioned hereunder:
@ 1.25% per month for first 30 days and thereafter @ 1.45% 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 45 days after the expiry of free period at the entire discretion of the Seller subject to the condition that Buyer shall pay additional 15% deposit alongwith carrying charges. If payment is not made and delivery not taken within maximum allowable 45 days period after free period, under such circumstances the contract shall stand automatically cancelled without any notice to the Buyer and the said deposits and advance payment made towards carrying charges 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 may be banned till the losses on resale are made good out of this contract by the Buyer.

9. 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 @ 0.75% per month per 30 days + **GST as applicable** from 16th day of payment of such unlifted stock till the delivery of cotton is taken, the cotton shall lie at the risk and liability of the Buyer.

10. GOODS & SERVICE TAX (GST) :

The Buyer shall pay GST on the value of cotton at the rate applicable on the date of taking delivery.

11. 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 an Arbitrator (other than an employee of the Seller) to be appointed by the Managing Director of the Cotton Federation 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.

12. FORCE MAJEURE:

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.

13. OTHER TERMS

a)

	Terms	Rate
1	Where Buyers request for samples to be sent to them for approval instead of going to spot for confirmation	Rs. 200/- per lot of 100 bales or part thereof +GST as applicable
3	Request from the Buyer for allowing appointment of Muccadam for lifting of bales on its behalf	Rs. 1000/- per lot of 100 bales or part thereof + GST as applicable

b) Where the Buyer requests to include the name of its Broker in the sale then Rs. 50/- PC will be added to the sale price of that Buyer. The Federation will pay brokerage @ Rs.23/- per bale after successful performance of the sale contract.

14. POWER TO AMEND RULES

The Federation 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.

15. 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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