



THE COTTON CORPORATION OF INDIA LTD.

(A Government of India Undertaking)

'Kapas Bhavan', Plot No.3-A, Sector 10, CBD-Belapur, Navi Mumbai 400 614

Tel No: +91-22-27579217, Fax No: 022-27576030, 27579219

Email: headoffice@cotcorp.com; Website: www.cotcorp.gov.in;

Ministry's Website: www.ministryoftextiles.gov.in

TENDER NOTICE

FOR SALE OF COTTON IN EXPORT ON FOB NET NAVI MUMBAI BASIS THROUGH HIGHEST BID

The cotton Corporation of India invites highest bids for Export of 49,500 staple cotton bales of Crop Year 2012-13 on the following Terms & Conditions:

1. Varieties & Quantities Offered by CCI for Export Sale

Sr. No.	Variety	Branch	Indicative Parameters		Quantity	
			Staple Length	Mic	Bales	MT
1.	BB MOD	Guntur	30.5	3.8-4.3	18,000	3000
2.	BB MOD	Warangal	30.5	3.8-4.3	18,000	3000
3.	BB MOD	Adilabad	30.5	3.8-4.3	9,000	1500
4.	BB MOD	Rayagada	30.5	3.8-4.3	4,500	750

2. Bid Quantity/ Bid Price duly signed by the buyer / bidder

Sr. No.	Variety	Branch	Bid Quantity		EMD Required (Rs in Cr.)	Highest Bid (US C/LB)
			Bales	MT		
1.	BB MOD	Guntur	18,000	3000	5.40	
2.	BB MOD	Warangal	18,000	3000	5.40	
3.	BB MOD	Adilabad	9,000	1500	2.70	
4.	BB MOD	Rayagada	4,500	750	1.35	

Note:

- Bid Price is to be quoted in US Cents per lb FOB Net Navi Mumbai ports.
- The Corporation shall consider bids only for full quantity in any of the above variety jointly or severally. The bid for partial quantity in any one variety will not be considered by the Corporation.
- For information of the buyers, 1 M.T. = Around 6 Bales.

3. Earnest Money Deposit (EMD)

The buyer or his agent shall be required to submit EMD alongwith their offer/bid @ **Rs.3000/- per bale** by way of Demand Draft/ Pay Order/ RTGS/ SWIFT, drawn on any Scheduled Bank except Cooperative Bank favouring "The Cotton Corporation of India Limited", payable at Mumbai. **Bank Account details is as under:**

Banker's Name & : Bank of Baroda,
Address: Corporate Financial Services Branch,
Ballar-Pier, Mumbai-400001
Nature of Account : Cash Credit
Account Number : 29100500000074
SWIFT Code : BARBINBBBAL
RTGS/IFSC : BARB0(ZERO)CFSBAL

Note:

- In case, bidder has deposited the EMD directly to the Corporation's Bank Account, they have to enclose the remittance details along with their offer/bid.
- EMD of unsuccessful bidder shall be returned within three working days. In case EMD is received in USD through SWIFT, the amount received in Indian Rupees by the corporation shall be refunded in equivalent number of USD drawn on the exchange rate prevailing on the date of refund.
- EMD of successful bidder will be retained by the Corporation as security deposit. In case, 'buyers' fails to open L/C or to arrange shipping instructions in time or any eventuality of non-performance of the Contract, 'sellers' shall forfeit such security deposit.
- EMD shall be refunded to the buyer or his agent as per the written instructions of the buyer.

- 4. Inspection of Quality** : The Corporation is selling ready bales on 'As-is Where-is' basis and the buyer or their authorized representative should fully satisfy themselves before submitting their bids. The actual lot samples shall be available in the respective Branch Offices for quality inspection between 10.30 hrs (IST) to 17.30 hrs (IST) on any working day before submission of bids.
- 5. Payment** : The buyer has to submit irrevocable confirmed L/C of First Class Bank in US \$ payable in Mumbai (India) for 100% value of contracted quantity **within 7 days** from the date of contract. In lieu of establishing an irrevocable L/C, the buyer shall have option to make advance payments to facilitate shipments as per terms of this contract. **(Format of L/C is enclosed herewith at Annexure-I).**
- 6. Shipping Instructions/ Shipment Period** : i) Buyers shall send shipping instructions within **15 days** from the date of Contract.
ii) Free Shipment Period: **30 days** from the date of contract.
- 7. Weighment/Country Damage Inspection** : Weighment /Country damage inspection at port of shipment as certified by an independent Internationally recognized Controller.
- 8. Arbitration** : By Indian Council of Arbitration (ICA).
- 9. Offers to Include** : Buyer may submit their bid directly; however, if through an authorized Agent then authorization letter of the Principals have be given alongwith offer/bid as per the prescribed format which is enclosed herewith as **Annexure-II**.
- 10. Port of Shipment** : All export sales for any Overseas are on FOB basis through Navi Mumbai ports.
- 11. Other Terms** : All other terms as per standard Export Contract of the Cotton Corporation of India Ltd. **(Annexure-III).**
- 12. Submission of Bid** : • The Bids should be submitted in sealed envelope to Dy. General Manager (Export Promotion) at following address. However, the buyer may also send their bids through e-mail on gmit@cotcorp.com or gmpur@cotcorp.com or through fax at **022-27564660/27576030**.
• Bid should reach to:
Dy. General Manager (Export Promotion)
The Cotton Corporation of India Limited,
Kapas Bhavan, Plot no. 3A, Sector-10, P. B. No. 60,
CBD Belapur, Navi Mumbai – 400 614 (India).
- 13. Date & Time** : • **The bids will be received between 11.00 hrs (IST) to 17.30 hrs (IST) on 28th February 2013** and should **remain valid till 21.00 hrs (IST) of the same day**.
• Acceptance of bid shall be E-mailed or Faxed and shall also be intimated over telephone on the same day.

Note:

The Cotton Corporation of India reserves its' Right to Accept or Reject any bid partly or fully without assigning any reason.

| SW
SWIFT-

- 3) PHYTOSANITARY'S CERTIFICATE IN 1 (ONE) ORIGINAL AND 4 (FOUR) COPIES, ISSUED BY OFFICIAL AUTHORITIES, IF REQUIRED
- 4) CERTIFICATE OF ORIGIN IN 1 (ONE) ORIGINAL ISSUED BY COMPETENT AUTHORITIES AND 3 (THREE) COPIES,
- 5) PACKING LIST IN 5 (FIVE) COPIES OR WEIGHT CERTIFICATE
- 6) COPY OF SHIPPING INSTRUCTIONS ISSUED BY (M/S.....), SENT EITHER BY FAX OR E-MAIL TO THE BENEFICIARIES (FAX:022-27564660) (E-MAIL:GMIT@COTCORP.COM)

:47A:A)

DOCUMENTS ISSUED BY THIRD PARTY ACCEPTANCE, EXCEPT COMMERCIAL INVOICE

B)

ALL DOCUMENTS MUST BE IN ENGLISH LANGUAGE OR WITH ENGLISH TRANSLATION

C)

DESTINATION PORT(S)

D)

MARINE INSURANCE TO BE COVERED BY THE OPENER

:71B: TT REIMBURSEMENT ACCEPTABLE

ALL BANKING CHARGES OF THE L/C INCLUDING TT REIMBURSEMENT CHARGES ISSUING BANK ARE FOR ACCOUNT OF APPLICANT AND ALL BANKING CHARGES IN INDIA OF THE L/C ADVISING BANK ARE FOR ACCOUNT OF BENEFICIARY.

:48: DOCUMENTS TO BE PRESENTED WITHIN 21 DAYS/30 DAYS AFTER B/L DATE.

:49: CONFIRM

:78: UPON RECEIPT OF TESTED SWIFT FROM THE NEGOTIATING BANK CLAIMING REIMBURSEMENT OF VALUE CONFIRMING RECEIPT OF SHIPPING DOCUMENTS STRICTLY IN CONFIRMITY WITH THE TERMS & CONDITIONS OF THE LETTER OF CREDIT ALONG WITH THE COURIER DETAILS REGARDING DESPATCH OF DOCUMENTS IN ONE SET, WE SHALL ARRANGE FOR TT REIMBURSEMENT IMMEDIATELY AS PER THEIR INSTRUCTIONS.

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Annexure-II

**PROFORMA FOR AUTHORISATION LETTER
(ON FIRM / COMPANY'S LETTER HEAD)**

We M/s. _____ having its office at _____
hereby authorize M/s. _____ (with Full address/
Tel. Nos./E-mail/Fax No.) to participate on our behalf in the Export
Global Tenders floated by The Cotton Corporation of India Ltd., Kapas
Bhavan, CBD Belapur, Navi Mumbai, INDIA for Crop Year 2012-13.

We further authorize M/s. _____ to transact
business, submit EMD, complete selection and other acts as required
on our behalf in respect of Export Contracts that may be entered into
by us with The Cotton Corporation of India Ltd., Navi Mumbai.

DATE:

NAME AND DESIGNATION

COMPANY SEAL

EXPORT CONTRACT

	THE COTTON CORPORATION OF INDIA LTD. (A Government of India Undertaking) 'Kapas Bhavan', Plot No.3-A, Sector 10, CBD-Belapur, Navi Mumbai 400 614 Tel No: +91-22-27579217, Fax No: 022-27576030, 27579219 Email: headoffice@cotcorp.com ; Website: www.cotcorp.gov.in ; Ministry's Website: www.ministryoftextiles.gov.in
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No.CCI/EXP/2012-13/- -

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 **2012-13** Crop year as under:

Variety/ Grade	Quantity in M.Tons/Bales	Price in US Cents / lb FOB Net Navi Mumbai	Free Shipment period
			30 days from the date of contract

2. TERMS OF PAYMENT

(a) The buyer shall establish an irrevocable operative Letter of Credit without recourse to Sellers by Cable / Telex / Swift as per the Sellers pro-forma in US Dollars for 100% value of cotton quantity contracted with a first class International Bank, authorising 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 7 days** from the date of Contract.

(b) 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 realisation 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, 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 / authorisation etc. In the event of delay in receiving payment beyond 5 working days, the sellers shall be entitled to charge and the buyers liable to pay Interest @ 13.5 %.p.a. on monthly rest basis on such delayed amount.

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(g) In lieu of establishing an irrevocable Letter of Credit as provided under clause 2 (a) above, the buyer shall have the option to make advance payments in the account of the seller to facilitate shipments as per terms of this contract. For this amount received in advance, cash discount @ 8.0% p.a. on sale consideration excluding statutory Taxes & Duties shall be payable to the buyer on pro-rata basis for the unavailed shipment period to be reckoned from the date of realization upto the last date of free shipment period. However, if any quantity of the contract remains unshipped within the shipment period then the buyer shall be liable to pay late lifting charges @ 0.40 % 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.

(h) In case of non receipt of LC/ Shipping Instructions in time or any eventuality of non-performance of the contract, seller shall forfeit the EMD/deposit money of the buyer.

3. DESPATCH OF BALES:

(a) The seller has sold ready bales on 'As-is Where-is' basis; therefore, dispatch will be made as per above indicative parameters.

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

4. WEIGHTMENT & 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. EXPORT AUTHORIZATION REGISTRATION CERTIFICATE FOR SHIPMENT:

a) In pursuance of Notification No. 17 (RE-2012)/2009-14 dated 1st Oct. 2012 read with Notification No. 63 (RE-2010)/2009-2014 dated 4th Aug.2011 and no. 74 (RE-2010)/2009-14 dated 12th Sept.2011 issued by Govt. of India, Ministry of Commerce & Industry, Dept. of Commerce, New Delhi, the exporter have to obtain Export Authorization Registration Certificate (EARC) from the office of the Directorate General of Foreign Trade prior to the date of actual shipment by submitting RC application along with the copy of i)-Export Contract; ii)- Irrevocable L/C (Duly authenticated by the confirming bank) or Advance payment receipt (FIRC) mentioning contract no. & date. Besides this, Export must be completed within 30 days from the date of issuance of Registration Certificate.

In view of the above notification and **clause no.2**, buyer or his authorized representative shall submit L/C of full contracted value within 7 days from the date of contract to enable CCI to arrange EARC from the Office of the Directorate General of Foreign Trade to facilitate shipment within specified time.

b) The buyers shall make all arrangements for timely shipment and send the shipping instruction well in time and in any case, 15 days before the expiry of contracted shipment period.

c) The Buyers shall arrange nomination of vessel for FOB contracts and provide adequate no. of containers well in time and prior to the last date of the shipment.

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

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- e) The buyers shall allow part shipment as well as reallocation of approved lots in shipping instructions, to facilitate shipments in time.
- f) The buyers or their local agent shall arrange the release of bill of lading as per terms of L/C and shipping instructions, by the shipping company in favour of the sellers immediately after carting / loading of the cargo / consignments on the nominated vessel.
- g) Depending upon the requirements of the importing country and subject to provision in the L/C, the sellers shall arrange for Phyto-sanitary 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 kinds of risks, strikes, riots and civil commotions etc.

7. SHIPMENT:

- (a) In the event of non-shipment within the stipulated free shipment period 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 @ **1.20% p.m.** of 30 days on monthly rest basis **w.e.f. _____** till the date of bill of lading.
- (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 @ **1.40% p.m.** of 30 days on monthly rest basis **w.e.f. _____** 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 90 days from the date of contract 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.

9. 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.

10. 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.

11. 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 Indian Council of Arbitration (ICA) and the award made in pursuance there-of shall be binding on the parties.

“The venue of arbitration shall be Mumbai only.”

12. 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

**(AUTHORISED SIGNATORY)
NAME_____**

(AUTHORISED SIGNATORY)

(Address with Seal)

AGENT: (NAME & ADDRESS)

C/...