

# CAI-CITI MODEL COTTON CONTRACT

SR. NO.	PARTICULARS	DESCRIPTION
<b>1.</b>	<b>BASE QUALITY:</b>	
1.1	Quantity	_____ bales
1.2	Length	29 mm
1.3	Micronaire	3.7 to 4.6
1.4	Colour / Grade: RD	75
1.5	G. Tex	29
1.6	Trash	3.5%
1.7	Moisture	9%
<b>2.</b>	<b>PAYMENT TERMS:</b>	
2.1	Payment Terms:	15 days from the date of passing.
2.2	Discount / Interest for early and late payments	15% per annum discount for early payments and 15% interest on late payments on pro-rata basis.
<b>3.</b>	<b>OTHER TERMS:</b>	
3.1	Sampling	2% sampling (for 100 bales 5 kg. sampling is allowed)
3.2	Passing	Spot passing / destination passing
<b>In case of rejection, replacement compulsory.</b>		
3.3	Weighment	Spot weighment. Lower weight of two weigh-bridges will be accepted.  If at any station, facility of two weigh-bridges is not available, a tolerance of 50 kg in weight will be allowed to seller. In case of weight being finalised at destination, the buyer has to provide independent weigh-bridge slip to the seller.
3.4	KYC	Initial KYC is mandatory between the buyer and seller.
3.5	State / Station	State / Station of the cotton will have to be specified in the contract.
3.6	GST, Lorry Freight & Transit Insurance	GST, Lorry Freight and Transit Insurance will be on buyer's account.

**GST:**

The seller shall inform the buyer on payment of GST and shall also furnish copy of form GSTR 3B to the buyer.

The buyer has to pay the said GST to the seller within 7 working days from the date of reflection of GST credit on portal in Form GSTR 2A, after tallying the said data with Form GSTR 3B. No interest on GST shall be payable by the buyer to the seller if such payment of GST is made by the buyer to the seller within the aforesaid time. Buyer is liable to pay interest @ 15% p.a. for the period after expiry of said time.

It shall be the responsibility of the consignee or his appointed controller to verify the correctness of all the documents as per the latest GST norms, before leaving the factory gate. The consignor shall not be responsible and liable for any penalty raised by the authorities, if the said documents are found discrepant later on during transit.

3.7	Delivery / Dispatch period	As per the terms to be mutually agreed between both parties.
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*Description at Sr. No. 1 to 3.7 can be decided by the buyer and seller with mutual consent.*

**4. QUALITY DISPUTE:**

In the case of a quality dispute, the same can only be raised within a period of 10 days from the date of arrival of the cotton at the point of delivery. Upon such dispute being raised, the buyer / seller will appoint CAI approved controller within a period of 7 days from the date of raising of such dispute, who shall draw an adequate sample, seal it in the presence of both parties and send it to the CAI laboratory directly for testing.

The test result of the CAI laboratory will be final and binding on both parties in respect of the dispute raised.

**5. GOVERNING LAW:**

This contract will be governed by the Rules and By-laws of Cotton Association of India, Mumbai, in force at the time of execution hereof and is deemed to be a contract made in India and governed by Indian Law.

**6. TENDERABLE QUALITY WITH DISCOUNTS/PREMIUMS:**

6.1	Staple – 29 mm (Base)	(i)	Upto 28.71 mm with no discount.
		(ii)	Below 28.71 mm upto 28.5 mm – with a discount of Rs.50/- per 0.1 mm per candy (e.g. for the cotton of 28.6 mm, seller will have to pay a discount of Rs.200/- per candy.
		(iii)	Below 28.5 mm upto 28 mm – with a discount of Rs.100/- per 0.1 mm per candy (e.g. for the cotton of 28 mm, the seller will have to pay a discount of Rs.900/- per candy.
		Below 28 mm – cotton will be rejected. Replacement or invoice back at Buyers option.	
6.2	MIC–3.8 to 4.6 (Base)	(i)	Upto 3.7 acceptable with no discount.
		(ii)	Upto 3.6 acceptable with Rs.300/- per candy.
		(iii)	Above 4.6 but not above 4.7, acceptable with no discount.
		(iv)	Above 4.7 but not above 4.8, acceptable with Rs.300/- per candy.
		Below 3.6 and above 4.8 – cotton will be rejected. Replacement or invoice back at Buyer's option.	

6.3	RD-75 (Base)	<p>(i) Below 75 but not below 74.7 – acceptable with no discount.</p> <hr/> <p>(ii) Below 74.7 but not below 74 – acceptable with Rs.40/- per point (e.g. for the cotton with 74.1 Rd., the seller will have to pay Rs.360/- per candy.</p> <hr/> <p>(iii) Below 74 but not below 73 – acceptable with Rs.50/- per each point.</p> <hr/> <p>Below 73 – cotton will be rejected for replacement or invoice back at Buyers option.</p> <hr/> <p>(iv) Above 75 but not above 75.3 – with no premium.</p> <hr/> <p>(v) Above 75.3 but not above 77 – with a per point premium of Rs.40/- per candy.</p> <hr/> <p>(vi) Above 77 RD – with no additional premium.</p>
6.4	G. Tex -29 (Base)	<p>(i) Below 29 but not below 28.5 G. Tex – acceptable with no discount.</p> <hr/> <p>(ii) Below 28.5 but not below 28 G. Tex – acceptable with a discount of Rs.300/- per candy.</p> <hr/> <p>(iii) Below 28 but not below 27.5 G. Tex – acceptable with a discount of Rs.600/- per candy</p> <hr/> <p>Below 27.5 mm G. Tex – cotton will be rejected. Replacement or invoice back at Buyers option.</p>
6.5	Trash (3.5% Base)	<p>(i) Upto 4.5% acceptable with a deduction on pro-rata basis.</p> <hr/> <p>Above 4.5% - cotton will be rejected. Replacement or invoice back at Buyers Option.</p> <hr/> <p>(ii) Below 3.5 but not below 3% - with no premium.</p> <hr/> <p>(iii) Below 3% but not below 2% - with a premium on pro-rata basis.</p> <hr/> <p>(iv) Below 2% - with no additional premium.</p>
6.6	Moisture (9% base)	<p>(i) Upto 10.5% acceptable with a deduction on pro-rata basis.</p> <hr/> <p>Above 10.5% - cotton will be rejected. Replacement or invoice back at Buyers option.</p> <hr/> <p>(ii) Below 9% but not below 8.5% - with no premium.</p> <hr/> <p>(iii) Below 8.5% but not below 7% - with a premium on pro-rata basis.</p> <hr/> <p>(iv) Below 7% - with no additional premium.</p>
<p>Premium or discount will be subject to changes made by the CAI Value Difference Committee on monthly basis.</p>		
6.7	Packing of Bale	<p>All the F.P. bales will be fully covered with good quality cloth bag weighing approximately 400 grams including top and bottom with iron hoops/plastic straps and will have permanent marking on them stating Lot Number, PR Number, PM, Bale Number (as and when applicable) and name of the party. An additional premium of Rs.50/- per bale shall be paid compulsorily to the ginner/seller.</p>

**7. METHOD OF MEASUREMENT OF MOISTURE:**

Probe method with a needle of the length of 9 – 9.5 inches Average 20% bales will be checked for moisture.

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**8. ARBITRATION CLAUSE:**

Any dispute or difference whatsoever arising between the parties out of this contract shall be settled by arbitration in accordance with the By-laws and Rules of Arbitration of the Cotton Association of India. The award made in pursuance thereof shall be binding on the parties. The juridical seat and venue of arbitration will be Mumbai. Subject to what is stated hereinbefore, the courts of Mumbai will have exclusive jurisdiction in relation to any matter arising under or in connection with this Agreement or any agreement entered into pursuant to this Agreement except with respect to enforcement/ execution proceedings, which may be pursued before any court having competent jurisdiction.

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**9. BROKERAGE:**

Rs.75/- per bale.

It will be the choice of the broker whether to deduct his brokerage from the seller or collect it from the buyer. The brokerage is required to be paid contract-wise immediately on receipt of 100% principal amount within 15 days.

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**10. CONTRACT COPY:**

The Seller/Broker will send the contract to Buyer by email.

If no reply is received from the Buyer within 3 working days, the contract will be deemed to have been confirmed and accepted.

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