



INDIAN COTTON ASSOCIATION LTD.

(Formerly known as The Northern India Cotton Association Ltd.)

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08th October, 2022

To : All the Members of the Association:

Revision in Carrying Charges & Other Terms from 08.10.2022

For the need of present mode of payments and some clarifications in our earlier circular of carrying charges, a meeting of the Board of Directors of the Association was held on Saturday the 8th October, 2022 in the Meeting Room of the Association. The meeting was presided over by the President of the Association Shri Mukul Dev Tayal. After prolonged discussions, the following decisions were taken unanimously :-

PAYMENT:-

1. The due date for payment shall be 8 days from date of pressing i.e if a lot is pressed on 1st, the buyer should make payment on 9th by RTGS in bank advised by the seller.
2. If the buyer wishes to make payment by demand draft/local cheque/multicity cheque then it should be handed over to the seller before clearing hours of 9th. i.e. due date. Clearing hours will be different according to Local Station e.g. in case of Bathinda, clearing hours for 9th is 15.00 hours of 8th.
3. If due date of payment is bank holiday, then next bank working day will be taken as due date.
4. If the due date of payment is bank holiday then :
 - a). If the buyer makes payment on or before due date then due date will remain same i.e , pressing plus 8 days.
 - b). if the buyer makes payments on next bank working day after the bank holiday then no interest will charge to buyer.
5. If the buyer makes payment before due date, the buyer is entitled to early payment discount @ 1.25% p.m upto due date on invoice value.
6. If the buyer lifts cotton bales without payment, then the seller is entitled to interest @ 1.25% p.m. on invoice value from due date till payment.
7. But the Association does not support to lift cotton bales without payment .In case if there is an abnormal delay in payment by the buyer, it will be subject to mutually agreed terms between the buyer and the seller.
8. Calculation of interest/early payment discount will be on the basis of 360 days.

DATE OF PRESSING:-

The lot which is pressed upto 10 P.M. will be considered as pressed on the same day and in case it is pressed after 10 P.M., it will be considered as pressed on the next day. The bales pressed on Sunday will be treated as pressed on the next day.

CARRYING CHARGES:-

1. If cotton bales are pressed on 1st then its due date will be 9th. In case of ready lot due date will be subject to terms of bargain.
2. If cotton bales are not lifted by the buyer after due date, the seller will charge carrying charges for delayed lifting of cotton bales after due date till lifting date/ payment @ 1.60% p.m. (basis 360 days)

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3. If the payment of cotton bales which are under carrying charges is made after 30 days from date of pressing, then carrying charges will be chargeable from date of pressing. i.e if lot is pressed on 1st and payment is made after 31st, then carrying charges will be charged from 1st.
4. Carrying charges includes interest, insurance and godown rent. It is duty of the seller to store bales, which are under carrying charges, in proper way. If bales are damaged during period of carrying charges, the buyer will be entitled to claim damage to the cotton bales from the seller.
5. If the buyer is unable to lift material after due date then the seller can claim stacking charges from the buyer, if bales are stacked elsewhere.
6. If the buyer is unable to lift bales by due date, its seller responsibility to get 100% weightment done on due date. Labour expenses of weightment and stacking etc. will be borne equally between buyer and seller. This weight done on due date will be considered final.

READY LOT/PRESSED BALES :

1. Ready bales are transacted on mutually agreed terms of payment between the buyer and the seller. If a bargain is finalised on 1st with 10 days payment, it means due date of the bargain will be 11th.
2. Terms of payment and carrying charges will be same like pressing bargains. But in case, if the buyer is unable to make payment after 30 days from due date then carrying charges will be charged from bargain date. i.e if a ready lot bargain is finalised on 1st Dec with 10 days payment but the buyer is unable to make payment upto 10th Jan then carrying charges will be charged from 1st Dec.

DUE DATE BARGAINS :

- a) In case any bargain is closed for any particular Due Date for payment, the draft will be got made on Due Date and that will be handed over to the seller on the next day before clearing hours;
- b) The bales must be pressed at least two days before the payment date. In case where cotton is not ginned and pressed two days before payment date but the cotton is pressed one day earlier or on payment date, then the payment will be made as per Association Dhara; i.e the payment will be made 8 days from date of pressing.
- c) In case of late payment, the carrying charges will be payable from the Due Date;
- d) If the payment is not made within 30 days from due date then carrying charges will be charged from pressing date.

KATLA : The Katla should be done before due date.

MARGIN MONEY.

In case if the buyer does not make payment even after 30 days from date of pressing, the seller is entitled to receive margin money equal to 15% of invoice value of cotton.

All the Members are earnestly requested to abide by the above decisions in the best of interest of the Cotton Trade of this region.

Thanking you for your full co-operation.

CC: All the Cotton Brokers
of the Association
for information

For Indian Cotton Association Ltd.,
Sd/
(Jatinder Singh)
Secretary.