

THE INDIAN COTTON FEDERATION
(Registered under ACT XXI of 1860 – S.No. 88 of 1978)

**Post Box No. 3310,
477, Kamarajar Road, Uppilipalayam Road
Coimbatore – 641 015**



**BYE – LAWS
(14th April, 1980)**

Reprinted in April 2016 incorporated the amendments.

CERTIFICATE UNDER SUB SECTION 2 OF SECTION 11 OF THE
TAMIL NADU SOCIETIES REGISTRATION ACT, 1975
(TAMILNADU ACT 27 OF 1975)

CERTIFICATE OF REGISTRATION OF SOCIETIES

Sl.No. 88/1978

I hereby certify that **THE SOUTH INDIA COTTON ASSOCIATION** has changed its name as **INDIAN COTTON FEDERATION** and the changed name **INDIAN COTTON FEDERATION** has this day been incorporate under the Tamil Nadu Societies Registration Act 1975 (Tamil Nadu Act 27 of 1975).

Given Under my hand at COIMBATORE this **22nd** day of **SEPTEMBER 2011.**

Seal :

SIGNATURE OF THE REGISTRAR OF
SOCIETIES

Station :

THE INDIAN COTTON FEDERATION
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**BYE – LAWS
(14th April, 1980)**



A set of amendments to the Bye Laws of the Association have been adopted by the General Body in their Meeting held on 3rd April, 2016 .



INDEX			
Sl.No.	Subject	Bye-law No.	Page No.
1.	Definitions	1	5 – 9
2.	Membership	2	9
3.	Operation of Contracts	3,3A,3B	9 - 10
4.	Notices	4	10
5.	Administration	5	10
6.	Committees	6	10
7.	Survey	7, 7A, 7B, 7C	10 - 12
8.	Appeals	8, 9, 9A	12 - 13
9.	Arbitration for Disputes other than quality	10, 10A-12	13 - 15
10.	Rates Committee	13 A	16
11.	Daily Special Rates Committee	13 B	17
12.	Vigilance Committee	15	18
13.	Vacation of Office	16	18
14.	Sampling Procedure	17	18
15.	Weightment & Tare	18	18
16.	Brokerage	19	18
17.	Authorised Controllers	20	19
18.	Levy	21	19
19.	Fees	22	19-21
20.	Disciplinary Bye-laws		
	a) Suspension of payment, Insolvency & Liability of Members	23-25	22
	b) Closing of Contracts, in case of Insolvency, Lunacy, Death etc.	26	22
	c) Expulsion, Suspension and Fines	27	22-23
21.	Trading Bye-laws – Ready Contracts	28-38	24-25
22.	N.T.S.D. Contracts	39-75	26-34
23.	Standards	76-78	33

INDIAN COTTON FEDERATION, COIMBATORE

BYE-LAWS

GENERAL

Definitions

- 1) In these Bye laws unless there be something in the subject matter or context inconsistent there with-

The **Association** means Indian Cotton Federation.

2. **President** means the President or Vice-president or Acting President of the Board of Directors for the time being.
3. The **Secretary** includes a Honorary Secretary, Joint secretary an officiating Secretary, a Deputy Secretary, an Assistant Secretary and an officiating Deputy or Assistant Secretary.
4. **Member** means a person as described in Rule 1(h) of the Association's Rules and Regulations and includes all references to members in singular, plural, masculine or feminine.
5. A **Nominated Representative** means a person who has been appointed by a member as his or its nominated representative and whose appointment has been communicated to the Secretary. No member shall appoint more than two nominated representatives who must be a member or an Senior executives partner or director of/or a member.
6. **Authorised Representative** or Authorised Representative **of a Member** means a person registered as such under Rule (1) (q) of the Association's Rules and Regulations.
7. The **Board Directors** means the Board of Directors of the Indian Cotton Federation, acting through at least a quorum of their number at a meeting of the Board of Directors duly called and constituted. It may also be referred to as 'Board' in the Bye Laws and elsewhere.
8. The existing Bye law 1(8) shall be substituted by the following, namely :-

The **Surveyors** mean the list of persons appointed by the Board to settle the disputes arising out of or in connection with contracts, whether forward or ready, whether between members or between a member and a non-member regarding weight and quality matters.

- 9) The existing Bye law 1 (9) is deleted.

The amendments in various pages of this book were adopted by the Board of Directors of ICF on 30th November 1981 and approved by the Forward Markets Commission, Bombay in their letter 2.2.81/SICA dated 8th December 1981.

10) For the existing Bye law 1.(10), the following shall be substituted, namely: -

'The Appeal Committee means the Committee Constituted by the Board every year, consisting of not less than three and not more than twelve persons, who shall either be full members or their authorised or nominated representatives, one of whom shall be the President of the Board who shall also be the President of the Committee. Of the remaining persons, two persons shall be chosen by drawing lots and they including the President shall form the Appeal Committee of the week, irrespective of whether or not a member so chosen had his turn the previous week. If the President is not available, then three persons chosen as above shall nominate the President of the Committee for the week. If any vacancy arises in the Appeal Committee, the same shall be filled by the Board.

The Existing Bye law 1(11) shall be substituted by the following, namely:-

11) The **Daily Rates Committee** means the Committee appointed by the Board every year, consisting of not less than three and not more than twenty-four full members or their authorised or nominated representatives. Three members of the Committee shall form a quorum. In the absence of a quorum, the members present shall call in any other member or members of the Committee or in their absence any other knowledgeable member of the Association to form the quorum. The Committee shall meet daily for the purpose of fixing and registering as at 3-30 p.m. or as at such other hour as the Board may decide, from time to time, the market rates of different varieties of cotton sold at spot markets per quintal/candy.

The Committee in fixing such rates shall take into account the then prices, at which cotton was sold in the spot market at Coimbatore and other interior and important markets.

12) The Special Rates Committee means the Committee appointed by the Board every year consisting of not less than three and not more than six persons actively connected with the Spot Market and consisting of representatives of all Panels from Full Members of the Association. Three Members of the Special Rates Committee shall form a quorum and in the event of a quorum not being available, the President or in his absence the Vice- President of the Board shall appoint a duly qualified person or persons to enable the quorum to be formed. In the event of a member of the Special Rates Committee being granted leave, the Board, shall appoint a duly qualified person to fill the vacancy during the absence of such member on leave.

For the existing Bye law 1(13), the following shall be substituted, namely: -

13) The **Technical Valuation Committee** means the Committee appointed by the Board every year, consisting of not less than six and not more than twelve persons chosen from the full members of the Association or their authorised representatives or nominated representatives. This Committee will decide the technical properties of cotton on special reference and any dispute regarding dampness allowance. This Committee will also assist the Board in examining and preparing recommendations on all such matters which may be referred to them for expert opinion. The quorum for a meeting of the Technical Valuation Committee shall be three.

14) The **Vigilance Committee** means the Committee appointed by the Board consisting of not more than six persons drawn from each pane! of Full Members of the Association.

The Forward Markets Commission, shall, however, have power to appoint, at any time or from time to time, not more than two persons, to be members of the said Vigilance Committee, in addition to the members appointed in the foregoing paragraph.

The Vigilance Committee shall have power to investigate into a report on the violations of any provisions of the Bye laws or of the Rules, Regulations, Orders or Instructions issued there under or under Forward Contracts (Regulation) Act, 1952, or on such other matters of a like nature as may be entrusted to it by the Board either on its own initiative or on receipt of complaints of such violations. The Committee shall meet at least once in every three months or oftener, if necessary, and send a report to the Board about the works done by it.

- 15) **Ready Contracts** mean a ready delivery contract as defined in the Forward Contracts (Regulation) Act, 1952 viz., a contract which provides for the delivery of goods and payment of the price therefor, either immediately or within such period not exceeding eleven days after the date of the contract and subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in respect of any goods, the period under such contract not being capable of extension by mutual consent of the parties there to or otherwise.
- 16) **Delivery Contract** means a non-transferable specific delivery contract as defined in the Forward Contracts (Regulation) Act, 1952, viz., a specific delivery contract the rights or liabilities under a railway receipt, lorry receipt, bill of lading, warehouse receipt or any document of title relating thereto, are not transferable.
- 17) **Non-transferable Specific Delivery Contract** means a non-transferable specific delivery contract entered into as defined in the Forward Contracts (Regulation) Act, 1952.
- 18) **Transferable Specific Delivery Contract** (also referred to as TSD Contract for sake of brevity) means a Specific Delivery Contract, which is not a Non-transferable Specific Delivery Contract and which is subject to such conditions relating to its transferability as the Board may decide.
- 19) **Forward Contracts** mean a forward contract as defined in the Forward Contracts (Regulation) Act, 1952, viz., a contract for delivery of goods at a future date, and which is not a ready delivery contract as described in these Bye laws.

The existing Bye law 1(20) shall be substituted by the following, namely:-

- 20) **Contract on Description Basis** means a contract entered into before or after the commencement of the season to tender cotton of the specified description relating to quality, class and staple against contracts entered without samples. The Contract should be as specified by ICF from time to time.
- 21) **Due Date** means the last day for delivery. In the case of Delivery Contracts, it is the last day of the period of delivery specified in the contract. In the case of Transferable Specific Delivery Contracts, it is the last day of the month of delivery, A due date which would otherwise fall on a holiday or Sunday, shall in every such case be deemed and taken to be the immediately succeeding working day.
- 22) **Working Day** means a day on which all transactions, matters and things authorised by these Bye laws (including the sale and purchase of cotton) are permitted.
- 23) **Public Holiday** means Sunday and any other day declared by the Government by notification in the official Gazette to be a public holiday or any other day declared as holiday by the Board.
- 24) **Hours** refer to Indian Standard Time.
- 25) **Cotton Year** means the period from the 1st October to 30th September or as decided by the appropriate authority, from time to time
- 26) **Notice** means an intimation in writing.
- 27) **Notice Board** means each and all of the notice boards of the Association in the premises occupied by them at (a) their registered office and (b) other offices of the Association wherever the same may be.
- 28) **Office** means the registered office of the Indian Cotton Federation.
- 29) **Godown** means a structure having a plinth, roof and continuous external walls and includes any other structure approved in this behalf by the Board.
- 30) **Standard Bale** means a metric bale weighing about 170 kg (plus or minus 3%).
- 31) **Standard Borah** means a borah weighing about 120 kg (plus or minus 3%).
- 32) **A Burst Bale**, means in the case of Indian Cotton, a bale which has had more than one hoop opened, if it is bound with not less than three hoops; provided that the Board shall have power from time to time to define a Burst Bale in the case of a bale bound otherwise than with hoops(metal/plastic), the tender of which with such other binding is permissible; but does not include a bale which has been opened outright. A bale is considered opened outright when all the hoops or such other binding have been burst; a re-pressed bale is a Burst Bale which has been fully re- pressed. A bale repaired by hand should be described as a repaired bale.

Explanation

The word 'hoop (metal/plastic)' includes, in the case of Indian Cotton, a rope when rope binding is prescribed or permitted by the Board under these Bye laws.

- 33) A **Burst Borah** means, a borah with both ends intact but the entire portion is either torn or burst to a length not exceeding 1/3rd of the total length of the borah, provided that the Board shall have power from time to time to define a burst borah in the case of a borah other than standard hessian borahs; but does not include a borah which has opened outright or whose top or bottom or both have been opened or torn.
- 34) A **Full Pressed Bale** in the case of Indian Cotton means a bale of cotton covered with hessian/cloth, bound with hoops and pressed to a density of not less than 13.50 Kg per cubic foot or bound with such other binding as may be prescribed or permitted by the Board and pressed to such density as may be prescribed by the Board.
- 35) A **Full Borah** in the case of Indian Cotton means a borah of cotton, covered with hessian/cloth, stitched by jute twine and also includes in the case of the State of Karnataka and Andhra Pradesh the Dhokda which is woven in the form of a net and made of jute twine.
- 36) **Classes or Grades** of cotton include Lower fine, Fine, Super fine.
- 37) **Buying on Account** means buying actual spot cotton on account of a seller who has either failed to tender or whose tender has been rejected or is deemed to have been rejected, in which case the buyer shall pay to or receive from the seller the difference if any between the rate he thus actually pays for such spot cotton and
- a) if a tender has been made, the rate in the contract, or
- b) if no tender has been made the settlement rate or the contract rate, whichever is the later in date, after adjusting mutual allowances according to Bye law 57.
- 38) **Selling on Account** means selling actual spot cotton on account of a buyer who has either failed to take delivery or refused to take delivery, in which case, the seller shall receive from or pay to the buyer the difference, if any, between the rate he thus actually receives for such spot cotton and the contract rate.
- 39) The Expression **Closing Out The Contract** means that when a seller, instead of selling on account of the buyer accepts the spot rate of the cotton for the appropriate day receives or pays, as the case may be, the difference between such spot rate and the contract rate or the last settlement rate, whichever is the later, in date. Contract can be settled mutually if both buyer and seller agrees and inform ICF within seven days.
- 40) **Invoice Back** means when a buyer, instead of buying on account of the seller, accepts the spot rate or such other rate as may be prescribed in these Bye laws for the appropriate day and pays or receives, as the case may be, the difference between such spot rate and the contract rate.
- 41) **Market Rate of the Day or The Room Rate** means the daily rate for ready and/or forward cotton fixed and registered by the Authority competent under these Bye laws to do so i.e. Daily room rates of cotton fixed by ICF for that day as per Bye law 13A.
- 42) **Spot Rate** ordinarily means the market rate of the day for ready cotton and shall when the circumstances so require, be deemed to include any rate for ready cotton fixed by the Authority competent under these Bye laws to do so, e.g., in the case of insolvency of or suspension of payment by a member or of an emergency in the trade actual or anticipated, or any spot rate fixed under Bye law 13(A).
- 43) **F.O.R. Terms** are terms under which cotton for delivery is tendered for the specified destination by delivery of a Railway Receipt, Lorry Receipt or a Bill of Lading.
- 44) Weighment Allowance means the allowance fixed by the Standards and Technical Valuation Committee or its representatives nominated for the purpose, within 3 days of arrival of cotton, if the cotton is found in damped condition and if it is not settled amicably between the seller and buyer; the allowance so fixed shall be binding on both parties.
- 45) False or Fraudulent Packing means packing of a bale or borah of cotton:

1) in such a manner as to contain in different parts of the bale or borah, cotton of different growths or varieties, or cotton of materially different staples or cotton of different crops;

or

2) in such a manner as to contain in any part of the bales or borahs any by-products of a cotton mill available after raw cotton is passed through the blow room;

or

3) in such a manner as to contain in any part of the bale or borah any concealed substances other than raw cotton;

or

4) in such a manner as to contain interiorly cotton decidedly inferior to that upon the exterior and not readily detectable on the customary examination;

Provided that as regards each and all of clauses (1), (2), (3) and (4) above the packing complained of is such as materially reduces the value of the bale or borah and/or appears to have been done deliberately; Also the packing is not as per ISI bale specification.

Provided also that when samples drawn from the top and bottom sides and middle of the bale or borah show a difference of more than three grades or a difference in colour exceeding three grades in value such bale or borah shall be considered to be false packed.

- 46) **Tender** means the delivery of cotton under a contract on or before the due date. The Railway Receipt or Lorry Receipt or Bill of Lading shall constitute a valid tender provided such receipt or bill of lading bears a date stipulated in the contract or earlier.
- 47) These bye-laws are subject to Indian Arbitration and conciliation act 1996(26 of 1996)& Arbitration act 1940(10 of 1940) and State/Central Govt .amendments from time to time .Board is authorized to incorporate such needed change.

Membership

2. Every application for membership of the Association shall be submitted in the prescribed form and as per procedure laid by the Board of ICF.

Operation of Contracts.

3. Every cotton transaction entered into between Members, and every contract, whether forward or ready, whether between members or between a member and non-member and made subject to these Bye laws or subject to I.C.F. arbitration or containing words or abbreviations to a similar effect and every arbitration agreement to which these Bye laws apply, shall be deemed in all respects to be subject to these Bye laws and the parties to such transactions, contracts or agreements shall be deemed to have submitted to the jurisdiction of the Courts in Coimbatore for the purpose of giving effect to the provisions of these Bye laws.

3A 1) The death of any party to a contract made subject to these By- laws shall not discharge the right of any other party to such contract or the legal representative of the deceased to refer to arbitration under these Bye laws any dispute or claim whether as to quality or otherwise and in such event such right shall be exercisable by or against the legal representative of the deceased. A time limit of thirty days from the date of death to be adhered to.

2) Where a party to an arbitration dies during the pendency of an arbitration before a final award is made and published the authority of the Surveyors, Arbitrators, Umpire and Panel of Surveyors and the Board shall not thereby be revoked but the proceedings shall be continued by or against the legal representative of the deceased.

3) Legal Representative in this Bye law means a person who in law represents the estate of the deceased party and includes any person who intermeddles with the estate of such deceased party, and where a party acts in a representative character, the person on whom the estate devolves on the death of the party so acting.

3B All Contracts shall be made at the rate of one quintal.

Notices

4. Any notice whether to a member or non-member required to be given under these By-taws may be served by hand or by Registered Post Acknowledgement Due, E-mail/, speed post, courier at the address registered with the Association or at his last known address.

In no case shall refusal to take delivery of the notice affect the validity of its service.

Administration

5. The affairs of the Association shall be managed by the Board of Directors which shall be elected annually by the members at the annual general meeting as per rule No. 24(2) Clause i to iv of the Rules & Regulations of the Association.

Committees

6. For the existing Bye law 6, the following shall be substituted, namely:-

The Board shall appoint every year the following Committees from among the full members of the Association, or their authorised or nominated representatives/ experts on cotton who are well experienced. Such members shall be drawn from the three panels, viz., Manufacturers, Traders and Brokers:

1. Appeal committee
2. Rates Committees
 - a) Daily Rates Committee
 - b) Special Rates Committee
3. Technical Valuation Committee
4. Vigilance Committee

The Board may also appoint any other Committees as may be found necessary from time to time. The Directors of the Board shall be eligible to be members of one or more of the Committees so appointed.

Survey

The existing Bye law 7 shall be substituted by the following, namely:-

7. Surveyors mean the list of persons appointed by the Board to settle the disputes arising out of or in connection with contracts, whether forward or ready whether forward or ready, whether between members or whether between a member and a non-member regarding weight and quality matters.

i) The Board shall appoint not less than three and not more than twenty-one persons to act as surveyors.

ii) Persons to be appointed as Surveyors shall have a sound and practical knowledge of cotton, its quality, class and staple. No person appointed as such surveyor shall have any dealings direct or indirect in cotton, forward or ready. Each surveyor, on appointment, shall enter into an agreement with the Association regarding the terms of his engagement or service and shall sign a declaration to the effect that having been appointed as a surveyor, he shall faithfully perform the duties of his office without fear or favour, to the best of his ability, knowledge and Judgment and shall not have any dealings direct or indirect in cotton, forward or ready, and that he shall be subject to the disciplinary jurisdiction of the President of the Association and as per rules prevalent.

The Surveyors so appointed shall be paid an annual honorarium and a specified fee for each survey conducted, which shall be decided by the Board from time to time.

iii) If at any time, the full complement of surveyors is not available, for any reason whatsoever, it shall be competent to the President of the Association, subject to the approval of the Forward Markets Commission, to appoint any person having a sound and practical knowledge of cotton, its quality, class and staple as a Surveyor so as to make up the full complement of the Surveyors. Any person so appointed may be paid such fees as may be decided by the Board from time to time. Such person shall before acting as Surveyor sign a declaration to the effect that having been appointed as Surveyor, he shall faithfully perform the duties of his office without fear or favour to the best of his ability, knowledge and judgement and shall not have any dealings direct or indirect in cotton, forward or ready, and that he shall be subject to the disciplinary jurisdiction of the President of the Association .

iv) The Board may advise the Technical Valuation Committee to review and advise the President, from time to time, as to the work of the Surveyors. Their recommendations in this regard will be purely advisory. The President shall have the authority to take disciplinary action against any Surveyor provided that the power to remove or dismiss any surveyor shall not be exercisable by the President except with the prior sanction of the Board .

Disputes Regarding Quality

For the existing Bye law 7(A)(1), the following shall be substituted, namely:-

7(a)1 All disputes as to quality between a buyer and a seller arising out of a contract made subject to the Bye laws or subject to the Indian Cotton Federation arbitration, or words or abbreviations to a similar effect shall be referred to the Association for survey. Either party shall have the right to call for an arbitration.

On receipt of such references, the sample for survey and where the cotton is sold against basic sealed sample, such basic sealed sample shall be handed over to two Surveyors for conducting the Survey. The two Surveyors selected to act as Surveyors on a particular day shall be chosen by the Surveyors from among themselves through a system of rotation. The Surveyors shall survey within seven days from the receipt of the intimation for survey. If the Surveyors shall differ as to their award or if they fail to complete the

survey within such period, they shall refer the dispute to a third Surveyor, as Umpire. The umpire shall complete the survey and give the award within two days thereof.

The existing Bye law 7(B) shall be substituted by the following, namely:-

7(B) Any party desiring survey shall, within the time allowed for survey, send to the Secretary of the Association, samples drawn as per Bye law 17 and if the contract is on basic sample, the sample so drawn, along with such basic sample duly sealed by both the buyer and the seller together with the survey application duly filled in and signed by both parties stating -

- i) the variety, staple, origin and station of cotton
- ii) the standard box against which the cotton is to be surveyed and in case no standard box is maintained by the Association for the variety mentioned that the parties agree to the classification by the Surveyors or Appeal Committee according to their conception, or that it is to be surveyed against the sealed basic sample.
- iii) Whether the contract is Ready or Forward, and
- iv) Whether both the buyer and seller desire that machine testing might be done to determine the particular aspect of quality found inferior.

The Secretary shall cause the sample for survey and where the cotton is sold against a basic sealed sample, such basic sealed sample, to be handed over to two Surveyors without disclosing to them the names of the parties to the survey or any marks or other indications which may enable them to ascertain the names of the parties or which of the parties has claimed survey, or the relationship of the parties one to the other. If the buyer under a ready or delivery contract shall demand a 'full allowance' the Secretary shall so inform the surveyors. If the Surveyors differ as to their award, they shall refer the dispute to a third surveyor, as Umpire, and the Surveyors or the Umpire, as the case may be, shall reduce their or his decision to writing and sign the same and shall forward such award to the Secretary, who shall as soon as may be thereafter communicate such decision to the parties.

Notice in writing calling for a survey under this Bye law is not necessary.

After the existing By - Law 7(B), the following new Bye law shall be added, namely :

7(C) In a survey for inferiority of quality, the Surveyors and/or Appeal Committee shall have power to fix the difference in value between the Grades according to the rate at which such cottons are sold in spot markets when no grade difference is fixed by any authority competent under these Bye laws to do so and also difference in value, for less than 1 mm 'off* in staple. The difference in value for 1 mm 'off' in staple and for more than 1 mm 'off' in staple awarded in such survey shall be fixed by the Special Rates Committee under Bye law 13(B) on application of either of the parties".

Appeals

The existing By - Law 8(A) shall be renumbered as Bye law 8.

8. If either party to a dispute in quality is not satisfied with the award of the Surveyors or the Umpire, they have a right of appeal to the Appeal Committee against such award within five days of receipt of the award.

The existing Bye law 9 shall be substituted by the following, namely:-

9. The Board shall every year constitute an Appeal Committee consisting of not less than three and not more than twelve persons, who shall either be full members or their authorised or nominated representatives, one of whom shall be the President of the Board who shall also be President of the Committee. Of the remaining

persons, two persons shall be chosen by drawing lots and they including the President, shall form the Appeal Committee of the week, irrespective of whether or not a member so chosen had his turn the previous week. If the President is not available, then three persons chosen as above shall nominate the President of the Committee for the week. If any vacancy arises in the Appeal Committee, the same shall be filled by the Board. The Appeal Committee shall regulate its own proceedings. Every decision of the Appeal Committee shall, in the event that the members of the Committee are not unanimous, be by a majority vote and the award given unanimously or by a majority shall be in writing and signed by the President of the Committee".

9(A) The Appeal Committee shall hear and decide the appeals in respect of the following:

- i) Award given by the Surveyors and/or Umpires in survey as to quality
- ii) Appeal as to the fixation of rates by the Special Rates Committee.

Arbitration other than quality

10. All unpaid claims whether admitted or not, and all disputes and differences (other than those relating to quality) arising out of or in relation to:

- a) Cotton transactions between members including any dispute as to the existence of such transactions, or
- b) Cotton contracts (whether forward or ready and whether between members or between a member and non-member) made subject to these Bye laws, or
- c) Disputes of Commission Agents and Brokers with either buyer or seller;

shall be referred to the arbitration of two disinterested persons one to be chosen by each party from amongst the full members, or their authorised or nominated representatives for the purpose of determination, settlement and adjustment of disputes or differences in respect of cotton transactions referred to above the arbitrators shall have power to appoint an Umpire and shall do so if and when they differ as to their award.

The arbitrators shall make their award within one fortnight of their appointment unless the President shall when appointing arbitrators (in the manner prescribed below) or upon the subsequent application of the arbitrators, whether appointed by the parties or by the President grant an extension of this period. .

The Association will conduct Arbitration as per this bye law only. Since Arbitrators will follow technical details of cotton trade and as per terms of contract oral/written. The parties have a duty to do all things for the proper and expeditious conduct of the proceedings and this includes complying without delay, with any order of the tribunal in respect of evidential or procedural matters.

If either party fails to comply with a procedural order of tribunal, then they shall have the power to proceed with arbitration and make an Award. The parties may be represented only by one of their employees.

Explanation

An award shall be deemed to have been made on the date when the arbitrators shall have first recorded their decision in writing. If the two arbitrators cannot agree upon an award they shall appoint an Umpire, within one week of the date on which they were appointed or within such extended period as may on their application be allowed by the President.

The Umpire shall make his award within one week of date of his appointment unless the time is extended by the President.

10A Upon application and on payment in advance of the prescribed fees of arbitrators as provided by Bye law 22 by either disputant the President shall appoint the two arbitrators (having power to appoint an Umpire) in any of the following cases:

i) If after one party has nominated/appointed an arbitrator ready and willing to act, the other party refuses or neglects to appoint a second arbitrator (ready and willing to act) within four days after service or written notice of that appointment in Coimbatore or within seven days after service thereof elsewhere in India.

ii) If the arbitrators nominated/appointed do not within a fortnight or such extended period as may have been fixed by the President, either make an award or appoint an Umpire.

iii) If either of the arbitrators dies, refuses or neglects to act or becomes incapable of acting before an award is made by them.

In cases (ii) and (iii) above the arbitrators or the surviving or acting arbitrator shall at once give notice thereof to the parties either of whom (parties) may then apply to the appointment of new arbitrator/s within a fortnight from receipt of such notice. If no such application is received the proceedings shall come to an end.

10B The President may appoint an Umpire as under;

i) If from any cause the two arbitrators appointed by him fail within a fortnight of their appointment, or within such extended period as may have been fixed to make an award or appoint an Umpire.

ii) if from any cause the Umpire fails to make his award within one week from the date of his appointment or within such period as may have been extended by the President.

in) In case of the death, refusal or neglect to act or incapacity of the Umpire occurring at any time before his award is made.

In any of these cases the arbitrators or the acting arbitrator shall give notice to the President.

The President, may, if he thinks fit, whether the time for making the award has expired or not and whether the award has been made or not extend from time to time the time for making the award.

10C The arbitrators or umpire appointed under this Bye law must in all cases, at the time of appointment must be Full Members or their authorised or nominated representatives. The President if eligible under this Bye law shall have the right to appoint himself as arbitrator or umpire provided he has no interest in the matter under dispute.

10D The award of any two arbitrators or their umpire shall be binding on both parties, subject (on payment of prescribed appeal fee) to a right of appeal to the Board within ten days in the case of parties in Coimbatore and fifteen days in the case of either of the parties being elsewhere in India from the date of receipt of the award.

10E Arbitrators or the Umpire whether appointed by the parties or the President or the Board shall have the right to decide and state in their award how and by whom the arbitration fees and costs of awards and other charges incidental to the Arbitration shall be paid. In the absence of any specific direction in the award such cost shall be paid by the disputing parties in equal proportion.

If either party to a dispute submitted to arbitration refuses to abide by and perform the decision of the arbitrators or the Umpire or the Board, as the case may be, and the award is filed in the appropriate Civil

Court having jurisdiction in the matter he shall pay the cost between attorney and client in connection with the tiling the enforcement of the award unless the Court shall otherwise direct.

When a dispute between a member and a non-member is submitted to arbitration, the non-member shall pay in .advance the arbitration or appeal fees and shall enjoy all the privileges and be subject . to all the obligations of members under this Bye law and under all other Bye laws affecting arbitration whether original or an appeal; should the non-member when requested to do so by the member, fail or refuse to appoint an arbitrator ready and willing to act and the arbitrator is appointed by the President or the Board at the request of the member, the member shall be responsible to the Board for the arbitration fees, and in the case of an appeal, for the appeal fees, without prejudice nevertheless to the right, if any, of such member to recover the same from the non-member.

Notice to be served on a non-member shall be served at his ordinary business address or failing . that his ordinary place of residence or failing that the notice may be given by advertisement.

10F The award made by the Board shall be in writing and shall be signed on behalf of the Board by the President of the meeting or meetings of the Board at which the appeal was heard and by no other member and shall be counter-signed by the Secretary. :

Instruction to Arbitrators

a) When two arbitrators have been appointed (whether by the parties or by the President or by the Board) they must give notice to the parties of the date fixed for the first hearing.

In arranging a date for the hearing the arbitrators should take into consideration:

i) the time within which they are required to make their award or appoint an Umpire, and

ii) the time necessary to enable both parties to attend the hearing if they so desire, when the time allowed appears insufficient arbitrators should apply for an extension to the President or failing him to the Board.

b) Having arranged the date of the hearing, the arbitrators should send the notice by e-mail/post/courier which ever is convenient, duly filled in and signed to both parties and obtain an acknowledgement of receipt. In the case of up-country parties, the notice should be sent by Registered post Acknowledgement Due courier/email and a Postal Receipt/courier receipt/email sent record, and a Postal Receipt/courier receipt/email sent record, obtained shall constitute a notice of service. Arbitrators must satisfy themselves that notices have been duly despatched before proceeding with the arbitration.

c) A draft copy of the award duly signed by the arbitrators should be sent by the arbitrators to the Secretary, who will have it typed on stamped paper, and sent back to the arbitrators for signature. The award should be returned to the Secretary who will countersign it and send it to the parties (retaining the draft copy for record), and will collect the fees. Arbitrators are not entitled to collect their own fees.

All documents relating to the arbitration except such as the parties are allowed to retain should be sent with the award for record by the Secretary,

d) An Umpire shall hear the arbitrators or shall call for a written statement from each of them. He shall hear the parties if either of them writes to the Umpire that he wishes to be heard by him.

e) Without the permission of the Board being had and obtained no reference shall be made by arbitrators or umpire whether appointed by the parties or by the President to any Court of Law on any matter arising out of any arbitration:

Note: The stamp duty depends upon the amount or the value of the property to which the award relates as set forth in such award and is to be calculated on the basis of scales prescribed in the Stamp Act from time

to time.

11. In all appeals (other than those relating to quality) the appeal shall lie to the Board,
12. No Director of the Board having an interest in any particular matter in dispute shall vote on question of the appointment of arbitrators or umpire, and no member of the Association having an interest in the particular matter in dispute shall be competent to sit on any arbitration or appeal or to vote on any Committee or Subcommittee.

Daily Rates Committee

For the existing Bye law 13(A), the following shall be substituted, namely:-

13(A) The Board of Directors shall every year appoint from out of the full members, a Daily Rates Committee consisting of not less than three and not more than twenty four members or their authorised or nominated representatives. Three members of the Committee shall form a quorum. In the absence of a quorum, the members present shall call in any other member or members of the Committee or in their absence any other knowledgeable member of the Association to form the quorum. The members of the Committee shall *meet* or contact on phone daily for the purpose of fixing and registering as at 3-30 p.m. or as at such other hour as the Board may decide from time to time the market rates of different varieties of cotton sold under *NTSD*/ spot contracts. The members of the Committee in fixing such rates shall take into account the then prices, at which cotton was sold in the spot market at Coimbatore and other interior and important markets. Committee to meet as they feel required to decide the quality/variety of cotton lint to quote.

Special Rates Committee

13) B. The Board shall appoint a Special Rates Committee consisting of not less than three and not more than six persons actively connected with the Spot Market and consisting of representatives of all Panels from Full Members of the Association. Three members of the Special Rates Committee shall form a quorum and in the event of a quorum not being available, the President or in his absence the Vice-President of the Board shall appoint a duly qualified person or persons to enable the quorum to be formed. In the event of a member of the Special Rates Committee being granted leave, the Board shall appoint a duly qualified person to fill the vacancy during the absence of such member on leave.

a) The Special Rates Committee shall fix on the application of either of the parties to a contract entered into subject to these Bye laws

i) The Special Rates for invoicing back cotton sold on private types or basic samples.

ii) The Special Rates for invoicing back cotton permitted to be traded in Delivery Contracts under Bye law 44.

iii) the difference in value between the staple length of the cotton contracted or and the staple length of the cotton tendered as awarded in survey.

b) on an application, any rate which is required to be fixed under Bye law 13(A) but not fixed;

c) on an application, any other rates or rates;

d) any other rates or rates which the Board may direct the Committee to fix;

e) value of cotton awarded as country damaged, watered or water packed, false or fraudulently packed, or containing extraneous matters etc.

2) On an application to fix special rates for invoicing back cotton sold on private types or basic samples or stamped bales or borahs or to fix difference in value between the staple length of the cotton tendered as awarded in arbitration.

3) On an application to fix any other rate as aforesaid, the application shall specify the variety of cotton and the date in respect of which the rate is to be fixed, and the applicant shall pay to the Association the prescribed fee. The Committee in fixing such rate, for cotton shall take into account the then prices at which cotton was sold in the Spot Market.

4) A rate fixed under Clauses (2) and (3) hereof, subject to a right of appeal to the Board, provided it be lodged with the Secretary before 1 p.m. on the fifth day following the date of fixation of the rate appealed against and on payment of a prescribed appeal fee shall be binding on the parties concerned,

Technical Valuation Committee

The existing Bye law 14(1) shall be substituted by the following, namely:'

14 (1) The Board shall every year appoint a Technical Valuation Committee consisting of not less than three and not more than twelve persons chosen from the full members of ICF or their duly authorised representatives or nominated representatives. This Committee will decide the technical properties of cotton on special reference and any dispute regarding dampness allowance as per Bye law 1(44). This Committee will also assist the Board in examining and preparing recommendations on all such matters which may be referred to them for expert opinion. The quorum for a meeting of the Technical Valuation Committee shall be three.

14(2) Deleted.

Vigilance Committee

15. The Board shall, every year as soon as it is constituted, appoint a Vigilance Committee of not more than six persons drawn from each panel of Full Members of the Association.

The Forward Markets Commission, shall, however, have power to appoint, at any time or from time to time, not more two persons, to be members of the said Vigilance Committee, in addition to the members appointed in the foregoing paragraph.

The Vigilance Committee shall have power to investigate into a report on the violations of any provisions of the Bye laws or of Rules, Regulations, Orders or Instructions issued there under or under Forward Contracts (Regulation) Act, 1952, or on such other matters of a like nature as may be entrusted to it by the Board either on its own initiative or on receipt of complaints of such violations. The Committee shall meet at least once in every three months or oftener, if necessary, and send a report to the Board about the works done by it.

Vacation of Office

16. The office of member of any committee or sub-committee under these Bye laws shall be vacated ipso facto;

a) If he or his firm becomes insolvent, or suspends payment or compounds with his or their creditors, or if his company goes into liquidation whether by resolution or order of the court;

b) If he be found lunatic or become of unsound mind or incapable of efficient attention to business;

c) If he absents himself from the meetings of the Committee continuously during a period of three months.

d) If he or his firm or company be suspended or expelled from membership of the Association;

e) Upon his ceasing to be qualified for the office of membership of Committee whether by ceasing to be the authorised or nominated representative of a member or otherwise.

Sampling Procedure

17. For the purpose of inspection and approval the buyer shall have the right of opening 4 per cent of the bales. For the purposes of survey and arbitration a maximum of 8 per cent, and a minimum of 4 per cent, of the bales shall be opened (2 per cent, may be opened outright). The samples are to be drawn jointly by parties representing buyers and sellers from both sides of the bales, the buyer selecting the bales to be opened; the samples drawn shall not exceed 3 kg from each bale, and all samples drawn shall be used for determining the question of quality. Due allowance shall be made for the change in appearance of the hard side of the bale owing to cross packing.

In case of loose cotton delivered in borahs, samples shall be drawn from 10 per cent of the borahs.

For the purpose of drawing samples, the buyer and seller may nominate any controller registered with the Association.

Weighment & Tare

18. a) The buyer and the seller both are entitled to be present at the time of weighment of the bales/borahs either in person or by nominating a controller registered with the Association.

b) The seller shall give the weighment of full pressed bales/borahs to the purchaser on even scales or platform scales and minimum upto 500 grams weight shall be used for the weighment.

c) The seller shall give credit of tare of full pressed bales to the purchaser. The tare of the bales shall be mutually ascertained and agreed at the time of weighment.

i) The Tare in the case of borah shall be taken as provisional at the time of weighment. The actual tare shall be ascertained by emptying 10% of the borahs within 30 days of weighment

ii) The net weight shall be arrived at after deducting tare and adding weight of sample drawn for passing.

d) The Cotton delivered under a Ready or N.T.S.D. Contract shall be of an average of about 170Kg per bale or of about 120 Kg per borah. However, the buyer shall not be bound to accept any lot of bales the average net weight of which is less than 140 Kg or more than 190 Kg and any lot of borahs the average net weight of which is less than 90 Kg or more than 150 Kg unless weights have been specified in the memoranda of sales and purchase.

Brokerage

19. The rate of brokerage is mutually settled by the broker, and the party (buyer or seller) who pays the same. The broker shall be paid his brokerage as soon as the goods are paid/delivered for in full and such brokerage shall not be disputed or denied due to any delay in such payments which are not due to the fault of the broker.

Where there is default on the part of the buyer in taking delivery, or the seller in giving delivery, the broker shall be entitled to his brokerage as soon as the delivery period is over, notwithstanding any disputes that

might have arisen between the buyer and seller in this regard.

All unpaid claims for brokerage shall be referred to arbitration and arbitration shall be held and award issued in accordance to the arbitration Bye laws stated earlier subject to a right of appeal as per Bye law 10(D).

For interpreting this Bye law, Brokers and Commission Agents shall mean one and the same.

Authorised Controllers

20. a) Only persons registered with Association as Controllers shall be nominated for drawing samples and attending weighments on behalf of either Buyer and Seller. The Association shall maintain a Register of Controllers for this purpose.

b) The applications for registration as Controllers shall be recommended by two Full Members of the Association. The Board shall decide to register them if it is satisfied about their capacity and ability on payment of prescribed fees. Controllers have to pay an admission fee and an annual subscription as decided by the Board from time to time

Levy

For the existing Bye law 21, the following shall be substituted, namely:-

21. A Levy at the rate of one rupee per bale or fifty paise per borah shall be paid to the Association on all contracts entered into under these Bye laws. The Levy shall be shared equally between the buyer and the seller. The buyer shall collect from the seller his share of Levy and remit it to the Association along with his share.

The Board shall have powers to revise the levy from time to time.

Fees

22. Item No 1 to 12 in the previous bye law is replaced as follows.

The following scales of fees are payable to the Association:

1) For quality survey under Bye law 7(A)(1) Rs. 2000/- for the first 100 bales or part and Rs. 1000/- for every additional 100 bales or part thereof.

SCHEDULE OF ARBITRATION, APPEALS FEES

Item No.(a)

INDIAN COTTON

Fees for Arbitration as to quality:

Members - For first 100 bales or less Rs.2000/- For every additional 100 bales or less Rs,1000/-

Non-Members For first 100 bales or less Rs.3000/- For every additional 100 bales or less Rs.1500/-

Fees for Survey for Country Damaged Cotton

Members For first 100 bales or less Rs.2000/-For every additional 100 bales or less Rs.1000/-

Non-Members-For first 100 bales or less Rs.2500/-For every additional 100 bales or less Rs.2000/-

Fees for Appeals against Survey Awards

Members For first 100 bales or less Rs.3000/-For every additional 100 bales or less Rs.2000/-
 Non-Members For first 100 bales or less Rs, 4000/-For every additional 100 bales or less Rs.3000/-

IMPORTED COTTON (Fees for both members & Non-Members)

(a) Fees for Arbitration as to quality :

For all imported cottons :

For first 100 bales or less Rs.3000/-For next 100 bales or less Rs.2000/-

(b) Fees for Appeals against Survey Awards :

For all imported cottons :For first100 bales or less Rs.4,000/-For next 100 bales or less Rs.3,000/-

(c). Fees for supply of Classification of Grades &

Staples of American Cotton : Rs.5000/-

3. Fees for Arbitration & Appeal

(a) Registration Fee: (To be paid in advance by the claimant and by respondent in case respondent files a counter claim) :

i) For Members Rs.6,000/-

ii) For Non-members Rs.10,000/-

Registration fee/Administrative fees is non-refundable and becomes the property of the Association

(b) Administrative Fees

Slabs	Administration Fees	
	Members	Non-Members
Upto 50 lakh	25000	30000
Above 50 lakh upto 1 crore	35000	60000
Above 1 crore upto 5 crore	50000	80000
Above 5 crore	80000	100000

i) All fees to be paid in advance by the claimant when reference for arbitration is made to the Association and also by respondent when he files counter cla

ii) If application for arbitration and counter claim by respondent is rejected before commencement of arbitration proceeding, administrative fees deposited by claimants and by respondent if any will be refunded. However Registration fees are not refundable.

Arbitrators fees/Umpire/any professional fees/Association expensesat actual to be paid on demand

(c) Adjournment Fees for Arbitration Hearing

Adjournment fee: Rs.3000/- per adjournment to be paid to ICF by party(ies) requesting for adjournment- Non-refundable.

As far as possible Plaintiffs & Defendants may be allowed minimum adjournments subject to payment of adjournment.

(d) Fees for Appeal to Board

Same as above in clauses

Adjournment Fees for Appeals

i) In case the application(s) for adjournment is made and granted by the President adjournment fees of Rs.10,000/- to be paid in advance – which is non-refundable.

ii) Only one adjournment to be granted.

4. For arbitration of Brokerage under By-laws 19 not less than Rs.500/- and not more than Rs.1500/-

5) Appeal in respect of Clause (1) above Rs. 1000/" for the first 100 bales and Rs.500 /- for every additional 100 bales or part thereof.

6) .to be deleted

7) to be deleted

8) to be deleted

9) Application to fix any other rate under By-law 13(B)(a) Rs.500/-

10) Appeal against fixation of rates under By-law 13 Rs. 500/-

11) Registration of Authorised Controller under By-law 20 Rs. 1000/- per year

12) Appeal against any Standards fixed under By-laws 14 Rs. 1000/- per standard.

The Board shall have power to modify the scales of fees from time to time. It shall be a condition precedent, that all the fees shall be payable in advance. All fees payable shall wholly belong to the Association.

DISCIPLINARY BYE LAWS

Suspension of Payment Insolvency & Liability of Members

23. The Board shall cause a notice to be put up on the notice board of the Association and that shall remain exhibited for consecutively five days in the following contingencies:

i) When a member gives notice to the Association as to his inability to meet his obligations at maturity of the contracts.

ii) When any report is received by the Association that a member has failed to meet his obligations at maturity of the contracts.

iii) When a member suspends payment.

iv) When a member is proceeded against under bankruptcy, insolvency, or liquidation proceedings either of

his own accord or at the instance of third party.

Such notice shall be deemed to be due and sufficient notice to all the members of the Association.

In such instances, the outstanding contracts, agreements and obligations of such member shall stand closed from the date of posting of such notice and the same shall be determined and settled in accordance with the Bye law.

No transfer or settlement of any contract for the future receipt or delivery of cotton to which the said member is a party shall be made or accepted by any other member after the posting of the said notice except as provided in these Bye laws; and all such contracts and obligations shall be liquidated and settled at prices and on terms to be fixed in accordance with the provisions of Bye law 26.

The Board shall have power to suspend such member from all the rights of membership of the Association except the privilege of arbitration on claims arising from contracts entered into before the occurrence of any of the above events.

24. The Board is empowered to recover the dues of any defaulting member from his debtor members and to utilise the amount so recovered by distributing the same amongst the creditor members pro rata.
25. Any member who, having been unable to meet his obligations at maturity has subsequently made an honorable settlement with his creditors may apply to the Board for reinstatement and his application shall there upon be dealt with as the Board may decide. Anything short of a cash settlement shall be held to be a compromise. This compromise shall be reported to the Association by the members within two days of such compromise.

Closing of Contracts in case of Insolvency, Lunacy Death etc.

26. If before or after the maturity of any contract made subject to these Bye laws to which a member is a party one of the parties to the contract gives notice under Bye law 23 or suspends payment, or dies without leaving executors or others able and willing forthwith to take over his liability under the , Contract, or if he becomes insane or otherwise incapable of managing his affairs, or is expelled from membership, the contract shall thereupon be closed and the following provisions shall take effect . If the contract is whether Ready or N.T.S.D. Contract, the Board may fix the rate or ask the President to appoint two arbitrators ready and willing to act, all of whom shall be full members or their authorised or nominated representatives, to fix terms of closure of the contract subject to a right of appeal to the Board before noon of the third day following the date of award in the arbitration,

Expulsion, Suspension and Fines

27. 1) Every member shall be liable to expulsion, suspension and/or to payment of a fine, for any of the following acts or omissions on the part of the member or his partner or in the case of Joint Hindu Family Firm, his manager;
 - a) For neglecting or refusing to submit to, abide by and carry out any award or decision or order of any arbitrators, or surveyors or umpire or panel of surveyors or any other committee or of the Board, made in conformity with these Bye laws or the Rules and Regulations of the Association.
 - b) For acting in any manner detrimental to the interests of the Association or unbecoming of a member.
 - c) For any misconduct in his dealing with or relations to the Association or any member or members there of, or for any disreputable or fraudulent transactions with any person whether a member or not of which complaint is made to the Board by one or .more members.
 - d) For knowingly violating, disobeying or disregarding any Bye laws of the Association or any enactment,

order, ordinance or notification issued by the State, or Central Governments in respect of trading in cotton or any notice issued by the Board in that regard and without prejudice to the generality of the foregoing provisions of the Forward Contracts (Regulation) Act, 1952, and the rules made thereunder and any direction issued by the Forward Markets Commission.

e) For not complying with any notice given or request made to him by the Board requiring him to attend to any meeting of the Board or to produce any books, documents, correspondence, or other papers in his possession, power or control, or for refusing or neglecting to answer any question put to him by any Director of the Board relevant to any enquiry before the Board at any such meeting.

f) For failure to pay difference under Bye laws and arbitration or appeal fees when due, or for non-payment of any fine imposed on him pursuant to these Bye laws, or failure to pay any other amount due under these Bye laws or under any order of the Board within ten days after the same shall become payable.

g) For having brought about his failure to meet his obligations at maturity by conducting his business in a reckless and/or unbusiness like manner involving another member or other member in financial loss.

h) For any misconduct in the sense of sub-sections 1 to 6 hereof inclusive as below in his dealings with or relations to the Association or any of its members or any Association or Exchange or Corporation or Public Body with which the Association entered into an arrangement or undertaking for the purpose of safeguarding the cotton trade or of upholding cotton contracts or protecting those interested therein.

The following shall be deemed to be misconduct within the meaning of these Bye laws.

1) Wilful or intentional non-fulfillment of contract or fraudulent, or flagrant breach of contract.

2) Frivolous repudiation of contract.

3) Refusal to refer any question in dispute to arbitration under these Bye laws or under any submission or contract or agreement to arbitration there under.

4) Refusal or neglect to abide by and carry out any award whether in arbitration or on appeal.

5) Affording directly or indirectly any information, prohibited by these Bye laws or by any rule or regulation made there under or by any order of the Board made in conformity therewith, to any surveyor, arbitrator, or umpire, or a panel of surveyors,

6) Any conduct whether by act or omission in relation to any arrangement or undertaking between the Association and any other Association or Exchange or Corporation or Public Body above mentioned tending to obstruct or defeat such arrangement or undertakings or the object thereof.

7) Generally any conduct towards the Association or between members of the Association which is subversive of these Bye laws or any of them or is subversive of the objects and purpose of or implied by the Rules and Regulations of the Association.

2) Only the Board shall have power to take disciplinary action against a Member and that too after giving him an opportunity to defend himself and such steps shall be taken only if 75 per cent of the Directors of the Board present decide against such defaulting member. In this case the quorum will constitute 2/3rd of the strength of the Board.

3) A member expelled by a resolution of the Board shall forfeit all the rights and privileges of Membership including those conferred on him by these Bye laws and he shall as from the date of the resolution cease to be a member and his name shall be taken off the Register of Members, but he shall continue to be liable for and fulfil all his obligations to the Association or to any other member, outstanding at the date of his expulsion and for these purposes shall have the right and be under obligation to go to

arbitration under these Bye laws. .

TRADING BYE LAWS SPECIALLY RELATING TO READY CONTRACTS

The following Bye laws shall apply specially to all Ready Contracts in addition to other general Bye laws and as per FCR act as amended from time to time.

General

28. Ready Contracts means specific contract entered into between the parties for physical delivery and payment to be completed within 11 days.
29. Transactions in Ready Cotton are made on the basis of samples approved and sealed by the buyer and the cotton sold is understood to be equal in quality to and of the same description as that contained in the basic samples and to be ready in the seller's godown at the time of sale.
30. Contracts for the sale and purchase of Ready Cotton shall -be subject to the Bye laws. They may be verbal or in writing. To disqualify a member/director/Partner who involves in the illegal methods to recover the dues from the buyer and vice versa .
31. Immediate delivery against cash is contemplated and the buyer shall in all cases complete taking delivery of the cotton not later than the fourth day after the day of purchase; provided that this period shall be extended by the number of public holidays contained therein but not in any event exceeding three.

Obligation of Seller

32. The seller shall give delivery to the buyer of cotton sold by him under these Bye laws at any reasonable time demanded by buyer, but the buyer shall give the seller at least 24 hours notice before coming for weighment and should he have done this and the seller be nevertheless unable to give delivery at the hour stipulated, the buyer shall for 24 hours be relieved of his obligations under Bye law 31 and the seller shall be bound to give delivery if required to do so again by the buyer within 24 hours and at the time specified by the buyer.

Obligation of Buyer

33. The following shall be the rights and obligations of a buyer under a ready contract for full pressed bales/borahs:

In the case of bales pressed with three or more hoops, the buyer shall be bound to take exclusive of bales opened by himself.

a) burst or re-pressed bales not exceeding 5 per cent of the total number of bales bought in the case of bales bound with hoops.

b) bales having one hoop burst not exceeding 25 per cent, of the total number in the case of bales bound with hoops;

Provided that the total of (a) and (b) together shall not exceed 25 per cent, of the total number In case of bales bound with hoops.

c) burst borahs not exceeding 6 per cent of the total number of borahs bought.

In the case of bales pressed with less than three hoops the buyer shall take, exclusive of bales opened by himself, burst bales not exceeding 15 per cent of the total number of bales bought , . in the case of bales

bound with hoops,

The buyer shall be entitled to receive from the seller re- pressing charges at such rate or of such amount as shall be fixed by the Board from time to time in this behalf, on all burst bales and on all bales with one hoop burst taken in excess of 16 per cent of the total bought by him (excluding in both cases all bales opened by himself) in the case of bales bound with hoops.

Non-delivery by Seller

34. Should the seller neglect or refuse to give delivery as provided in Bye law 32 the buyer may, after giving 48 hours' notice in writing to the seller, buy in the market at a reasonable rate and at the risk and expense of the seller similar cotton to that bought by him provided always that he shall do so not later than the day following that on which 48 hours' notice expired and that if there be any dispute as to the reasonableness or otherwise of the price paid by him, such dispute shall be referred to arbitration as provided by Bye law 10.

Not-taking Delivery by Buyer

35..Should the buyer refuse or neglect to take delivery the seller may, after giving 48 hours' notice in writing to the buyer weigh over the cotton at the risk and expense of the buyer who shall then pay for it with interest, **12 per cent** per annum /or a rate fixed by the Board of ICF from time to time plus **Rs.10** per bale for weighing charges and such further charge for fire insurance and rent as may from time to time be fixed by the Board failing which the seller shall have the power of re-sale on the account and at the risk of the buyer and shall within 24 hours of such re-sale give intimation thereof to the buyer. Board may change the interest rate / weighment charges from time to time

Quality Survey

The existing Bye law 36 shall be substituted by the following, namely :-

36. (a) In case of a quality survey, if the allowance be upto 1/16" 'off' in staple and 1 1/2 Grade 'off' in Grade, the buyer shall weigh over the cotton with such allowance;
- b) If any allowance be awarded in excess of 1/16" 'off' in Staple and 1 1/2 Grade 'off' in Grade, the buyer shall either
- i) take the bales with the allowance, or
- ii) reject them;

but due notice of his exercising the right of rejection must be given to the seller before 1 p.m. on the day following that on which the survey and/or appeal is finally disposed of. Failing such notice the buyer must weigh over the bales with the allowance awarded.

37.Should the seller neglect or refuse to hold a survey as provided in By-law 7A the buyer (1) may take delivery of the bales without allowance or (2) may after giving 48 hours' notice to the seller in writing cancel the purchase in respect of the undelivered bales and may replace them by buying in the market as provided in Bye law 34.

Should the buyer neglect or refuse to hold a survey as provided for in Bye law 7A the seller may after giving 48 hours' notice in writing either (1) cancel the sale in respect of the undelivered bales or (2) weigh over the cotton at the risk and expense of the buyer as provided in Bye law 35.

38. In the case of all purchases of ready cotton the buyer shall after seven days from and excluding the date of purchase (or such extension as he may be entitled to under Bye law 31) lose his right to object to the quality of bales not yet weighed over by him (provided such bales are of the description sold) and shall take delivery, of the same without allowance though they may be inferior to the samples sealed by him.

BYE LAWS SPECIALLY RELATING TO NON-TRANSFERABLE SPECIFIC DELIVERY CONTRACTS

The following Bye laws shall apply specially for all Non- Transferable Specific Delivery Contracts in addition to other general Bye laws.

N.T.S.D Contract

39. Non-transferable specific Delivery Contract means a non- transferable specific delivery contract as defined in the Forward Contracts (Regulation) Act, 1952. Other than ready contract and Forward contract.

Jurisdiction

40. Every non-transferable specific delivery contract made subject to these Bye laws shall take effect as a contract deemed to be made at Coimbatore.

Between whom N.T.S.D. contracts can be made

41. The non-transferable specific delivery contract shall be entered into between members or between a member and a non-member. Contract with member to member, member to non member and nonmember to non member.

How N.T.S.D. contracts are made

42. All N.T.S.D. contracts shall be in writing and shall contain a provision that they are subject to these Bye laws or words to a similar effect. The parties may use the prescribed form recommended by the Association or their own forms

Settlement of Disputes

43. All claims, differences disputes whether admitted or not arising out of or in relation to any non-transferable specific delivery contract entered into as per the provisions by Bye law 42 herein, shall be referred to the Arbitration of the Association and the Bye laws 10, 10A to F, of the Association relating to arbitration shall be applicable to such Arbitration.

Varieties in which NTSD contracts can be made

44. For the existing Bye law 44(a), the following shall be substituted, namely:-

44 (a) NTSD contracts may be entered into on the basis of specified descriptions for quality, class and staple or on the basis of sample of any variety as may be permitted by the Board and shall be entered into at fixed prices.

(b) ,(c)), and (d) to be deleted

N.T.S.D. Contracts to result in Delivery

45. Every non-transferable specific delivery contract shall result in the delivery of goods in accordance with and subject to the provisions and procedures laid down in the relevant Bye laws,

Circumstances when settlements are allowed

46. No N.T.S.D. Contract, once entered into shall be settled mutually or by transferring the rights or responsibilities under such contract or under any Railway Receipt or Lorry Receipt or Bill of lading or any other document of title relating thereto or by off-setting or by transfer or in any manner nor shall delivery under the contract postponed to a later date except in accordance with the provisions of these Bye laws.
47. Subject to the provisions of these Bye laws, the buyer under all N.T.S.D contracts must weigh over and take delivery of the quantity purchased and no settlement of. contracts shall be allowed except in the following circumstances:
- i) When the buyer or the seller becomes insolvent.
 - ii) When there is a serious crop failure which make it difficult for the seller to perform his part of the contract and the Board is of the opinion that it is a reasonable view.
 - iii) Where there are substantial grounds for apprehending that the buyer is likely to fail to take , delivery of contracted cotton or make adequate payment thereof promptly or that the seller is likely to fail to effect delivery of the contracted cotton in time and such failure is likely to result in a greater financial loss subsequently.
 - iv) When there is a failure of the buyer to pay for the cotton delivered by the seller under previous contracts or failure of the seller to deliver cotton under contracts due for delivery earlier.
 - v) Such other circumstances which the Board may lay down from time to time.

Settlements when made shall be duly reported to the Association by both the parties concerned within six days and shall be examined by a Committee of the Board. If on a consideration of the report made by the Committee, the Board considers that a particular settlement was not warranted by the circumstances, the Board may take such disciplinary action as they may deem proper against the parties concerned. Fees if any will be decided by the Board .

Extension of Time in N.T.S.D. Contracts

48. The parties to the contract by mutual agreement may extend the delivery date by a period not exceeding 30 days subject to the condition that they shall notify to the Association in writing the , original date and the extended date of delivery, if it becomes necessary to extend further the day of delivery mutually agreed upon, the parties shall apply to the Association in writing setting forth the reasons for extension of time. The Board or the Sub-Committee appointed for this purpose shall have absolute discretion to extend or not the delivery time.

Power of the Board of Directors to ask for information

49. With a view to ensuring the due compliance with the terms and conditions of the contract the Board or the Sub- Committee (whenever it finds necessary or if called upon by the Forward Markets Commission) may ask the members to furnish the following, as also other particulars, and members failing to do so will be liable to be penalised, under the disciplinary Bye laws of the Association.
- i) Copies of the bill claiming monies.
 - ii) Railway Receipt/Lorry Receipt number of the delivery order number; the date of delivery etc;
 - iii) Other relevant particulars to show the mode of delivery.

- iv) iv) Any other information relevant to the enquiry,

General

50. No member shall enter into any non-transferable specific delivery contract for cotton otherwise than on the terms and conditions prescribed under these Bye laws. Nothing contained in this Bye law shall apply to a non-transferable specific delivery contract for cotton entered into on the terms and conditions prescribed in the Bye laws of another recognised association between members of that Association or through or with any such member

Valid Tender

51. 1) All cotton contracted for under n.ts.d. contract shall be ready for delivery and the intimation of delivery shall be given not later than 1.00 p.m. on the last date for delivery specified in the contract. The Railway Receipt or Lorry Receipt or Bill of Lading shall constitute a valid tender provided such receipt or bill of lading bears a date stipulated in the contract or earlier.

2) The seller and buyer may mutually arrange for selection, weighment, delivery and payment within the contracted period.

52. In cases the seller tenders cotton superior in quality, he shall not be entitled to any 'on allowance'.

Terms of Fair Tender

The existing Bye law 53 shall be substituted by the following namely:-

53. Cotton tendered against all types of contracts under these Bye laws will be considered 'not a fair tender' if the variety sold is:-

- i) declared not of the description sold; or
- ii) awarded an 'off' allowance exceeding 1/16" 'off' in Staple and 1 1/2 Grade 'off' in Grade below contracted quality; or
- iii) found to be false or fraudulently packed; or
- iv) does not bear the specific mark prescribed for the factory in which it is pressed, in conformity with provisions of the Ginning and pressing Factories Act and the rules made there under. In all these circumstances the buyer shall have a right to reject the tender.

54. If in a survey for quality, the cotton 'tendered is not declared 'not a fair tender', the buyer shall be bound to accept the cotton with the allowance fixed in arbitration award, in which case he shall so intimate to the seller by 1.30 p.m. on the day following date of the final award.

Buyer's right if tender not approved

For the existing Bye law 55(1), the following shall be substituted, namely :-

55. (1) If in a survey, the cotton tendered is declared 'not a fair tender' the buyer shall be entitled to reject the same in which case he shall either:-

- a) invoice it back at the spot rate of the day following that on which the final decision is given under Bye law 7A in Survey or under Bye law 9A, in case of Appeal, before the Appeal Committee.

b) buy at the market rate on account and at the risk and expenses of the seller, cotton of the description sold.

Such a tender in the event of the buyer electing to exercise his right of invoicing back, the seller shall also be liable to such penalty not exceeding Rs.400/- per quintal as may be fixed and imposed by the Board. The buyer shall be entitled to receive the penalty so imposed, or

2) In a survey for inferiority of quality, the buyer shall be entitled to demand the award of a 'full allowance' (i.e. as opposed to an allowance merely justifying rejection) provided he informs the Secretary while making his application for survey under these Bye laws and in that event, he shall be bound to take the cotton with the allowance awarded in the final award. When a 'full allowance' has been awarded the fact shall be mentioned in the award.

3) a) In the event of the buyer electing to exercise the right of buying in the market he shall give notice of his intention to the seller before 1.30 p.m. on the day following the date of the final award, and he shall buy on the second day following the date of the final award and shall intimate his purchase to the seller before 1.30 p.m. on the next succeeding day.

b) If by 1.30 p.m. on the day following the date of the final award the buyer -

i) being entitled to elect to take the cotton with the allowance awarded, has not intimated such election, in which case he shall be deemed to have rejected the cotton, or

ii) being entitled to elect to buy in the market has not intimated his intention of buying in the market, he shall be deemed to have elected to exercise his right of invoicing back and the spot rate for invoicing back shall be that of that day.

Buyers' right on Sellers' failure to tender in full or in part

56. A) If the seller fails to tender cotton sold or any portion of its or, in case the cotton or any portion of it which is to be tendered is not actually then ready for delivery, the buyer shall

i) buy at a reasonable rate in the market before the end of the next day following the failure to tender on account and at the risk and expense of the seller, cotton of the description sold, or

ii) invoice back at the spot rate of cotton contracted for plus such penalty, if any, not exceeding Rs. 5.60 per quintal as the Board may deem fit to impose.

B) In the event of the buyer electing to exercise the right of buying in the market he shall intimate his purchase to the seller before 6 p.m. on the day following the failure of the seller to tender as aforesaid or the failure of the seller to have the cotton ready for delivery as aforesaid. In the event of his failing to do so he shall be deemed to have invoiced back the cotton at the spot rate of the cotton contracted for and shall be entitled to apply to the Board to fix a penalty not exceeding Rs.400/- per quintal.

C) All purchases on account under this Bye law shall, at the instance of the seller, be subject to arbitration under Bye law 10 on the question of the prices. Provided the seller shall have communicated his objection to such purchase in writing to the purchaser within 48 hours after the receipt by him of the intimation of such purchase and there shall be taken into account in any such arbitration on the market rate of the cotton contracted for.

57. If any survey is held regarding the quality of cotton 'bought on account' under these Bye laws, it shall be held on the basis of mutual allowance.

58. In exercising the right of buying in the market, the buyer shall not buy any cotton in which he has any interest nor from any person or from company in which he is interested.

Consequences of failure of buyer to take delivery

59. If the buyer fails to take a delivery order for cotton contracted for when tendered or refuses to take delivery within the contract period or does not come to take delivery, the seller shall -

i) after giving 48 hours; notice in writing to the buyer weigh over the cotton at the risk and expense of the buyer who shall then pay for it with interest and such other charges like insurance, rent etc. at such rates as may from time to time be fixed by the Board or a Committee of the Board appointed for the purpose, failing which the seller shall have the power of resale on the account and at the risk of the buyer and shall within 24 hours of such resale give intimation thereof to the buyer; or

ii) sell the cotton so tendered, at a reasonable rate in the market, before 1.30 p.m. on the day following such failure or refusal, on account and at the risk and expense of the buyer; or

iii) close out the contract at the spot rate of the cotton contracted for plus such penalty if any, not exceeding Rs.400 /- per quintal as the Board may see fit to impose. The seller shall be entitled to receive the penalty so imposed

2) In the event of the seller electing to exercise the right of selling in the market he shall intimate his sale to the buyer before 6 p.m. on the day following the failure or refusal of the buyer as aforesaid.

3) In the event of the seller failing to give notice or intimation as noted under clause (1) or (2) above, he shall be deemed to have closed out the contract at the market rate of the cotton contracted for and shall be entitled to apply to the Board to fix a penalty not exceeding Rs.400/- per quintal.

4) A sale on account under this Bye law shall at the instance of the buyer be subject to arbitration under Bye law 10 on the question of the price; provided the buyer shall have communicated his objection to such sale in writing to the seller within 48 hours after the receipt by him of the intimation of such sale and there shall be taken into account in any such arbitration the room rate of the cotton contracted for.

Procedure in case of default by either party

60. In each of the case of default by the seller or refusal to accept delivery by the buyer, the party concerned shall communicate it to the Association in writing within six days of the day of the default or refusal, giving reasons for such failure. The opposite party shall, if it has exercised the option available to him in the relevant clauses of invoicing back or of closing out of the contract on the basis of the spot rate, explain the reason why the particular option has been exercised by him. If any party to the contract has exercised the option to buy or sell cotton on account of the defaulting party, the said party shall give particulars of the purchase or sale, as the case may be. The Association shall from time to time examine such communications, taking into account all relevant circumstances and if it is not satisfied with the reasons or explanations furnished by the party or if it is not satisfied about the bonafides of the purchase or sale claimed to have been made, it may subject the party concerned to such disciplinary action including imposition of fine, suspension and expulsion as it may deem fit, after giving the party an opportunity of being heard in the matter with a view to restricting the use of non-transferable specific delivery contracts only for the purpose of giving or taking actual delivery of the cotton and with a view to ensuring uniformity in dealing with the cases of failure to give or to accept the delivery the Board of the Association may frame suitable rules under this Bye law.

Power to require deposit of Margins

61. a) The Board of the Association may with the approval of the Commission require at any time and from time to time, the buyer or the seller or both to deposit, in the interest of the trade, margins in respect of their outstanding non-transferable specific delivery contracts at the Association at such rates as may be fixed by the Board.

b) The Forward Markets Commission may in the interest of the trade or in public interest, exercise the power contained in clause (a) above.

Illegal Contracts

62. Any non-transferable specific delivery contract entered into for cotton which at the date of the contract, is in contravention of the provisions of any of the Bye laws 44, 45, 46 and 50 shall be illegal under the provisions of section 15(3A) of the Forward Contracts (Regulation) Act, 1952.

Submission of Statements by Members

63. Every member shall send to the Association periodical statements of non-transferable specific delivery contracts entered into by him in such form and manner as may be prescribed by the Board or the Sub-Committee appointed by the Board.

N.T.S.D. Contracts for cotton lying outstations

64. The N.T.S.D contracts for Fully Pressed cotton bales lying outstation shall be made on the basis of sample or on descriptions.

Quality approval & weighment

65. The buyer shall approve the quality within 72 hours (excluding holidays, strike and lockout) of the cotton being tendered, in case of F.O.R. contracts, the approval shall be given within 72 hours (excluding holidays, strike and lockout) after the goods are unloaded. In case of dispute on quality or rejection, the buyer shall intimate the same to the seller in writing within 24 hours thereof.

66. After approval of the bales, the weighment shall be done within three days, However in the case of F.O.R. Contracts the buyer shall have to make weighment within 48 hours after the goods are unloaded even though he considers the goods are of Inferior quality.

If the buyer fails to weigh over the bales within the time mentioned above, he is deemed to have accepted the sellers' invoiced weight.

R.R. Delivery Contracts

67. Outstation contracts as above can be entered into on the condition of Railway Receipt delivery term or (motor truck despatch delivery term) or spot delivery term and that condition should be specified in the contract. In R.R. delivery contracts the seller has to load the bales in the wagon when available and give the R.R. to the buyer and the buyer is to accept the same.

Damage due to Fire or Accident

68. 1) If the bales or borahs are burnt in fire or destroyed by accident before delivery is effected, such portion of the contract shall be treated as cancelled at par.

2) The responsibility is of the buyer to the extent of bales received under R.R. so far as fire and loss of bales are concerned. The responsibility is of the buyer after the buyer is given R.R. even if the bales are not cleared under R.R. and remain lying on the platform and the fire takes place. In the transactions of F.O.R. if the bales are burnt in the wagon, such portion of the contract shall be treated as cancelled at par. The responsibility of transit insurance shall be of the seller according to rules and regulations of Transit Insurance.

Payments

69. The seller is entitled for full payment for the quantity of cotton delivered against the contract. Where the sale is on F.O.R. or Mill delivery terms, the seller is entitled to receive such payment against presentation of RR/LR/DO either directly or through bank; Where goods are delivered direct, such value shall be paid immediately on receipt of goods. The seller shall present necessary pro-forma invoice and or/correct weight list of the bales/borahs.

Notwithstanding anything to the contrary, the buyer and seller may mutually agree in writing at the time of sale to pay or receive less than 100% against delivery.

The buyer and seller may agree mutually at the time of sale to pay or receive such payment on arrival of goods at the Railway Yard/Lorry Godown instead of against presentation of RR/LR. Such a term shall be specifically mentioned in the contract of sale between buyer and seller; wherever initially less than 100% payment is made, the balance shall be paid within 2 weeks from the date of final invoice submitted by the seller. The interest at 12% per annum or at such rates fixed by the Association from time to time will be paid in case of payment made after the stipulated time.

70. In all contracts for the delivery of cotton payment may be demanded by the seller, the fact that the seller has not insisted on payment at the time of delivery shall not imply that he has given credit to the buyer, and the seller shall be deemed to have a lien on all bales delivered until payment for the same has been made in full, which payment can be demanded at any time.

Sealing of Samples

71. The basic sample, in the case of contracts on the basis of basic samples should be sealed at the time when contracts are entered into

Contract on Description Basis

The existing Bye law 72 shall be substituted by the following namely:-

72. The seller shall tender goods of the specified descriptions in respect of quality, class or grade and staple to the buyer against the contracts entered into without samples.

73. Neither the buyer nor the seller shall cancel the contracts entered into as above on laissez fair

F.O.R. contracts

For the existing Bye law 74, the following shall be substituted, namely :-

74. Notwithstanding anything to the contrary contained in any other Bye laws:-

Full Allowance Clause

i) The FOR contracts on the basis of basic samples or description can be entered into subject to Full Allowance Clause or Rejection Clause as provided under sub-clause (ii) below and if neither of the above clauses are stated explicitly in the contracts then the contract shall be treated as the contract subject to the full allowance clause.

Rejection Clause

ii) Under FOR Contracts entered into with Rejection Clause, in the 'case of dispute as to quality, unless the contract provides that the quality shall be passed by the buyer before despatch or delivery of cotton, if it is adjudged in the final award as more than 1/16" off' in Staple and more than 1 1/2 Grade 'off' in Grade than

the contracted Grade and Staple or from the approved sample, the buyer is entitled to reject the cotton and invoice back the cotton at the spot rate of the cotton contracted for, fixed for the day following the date of the final award.

Value to be returned for goods rejected

75. If the seller has to take back the goods in a transaction under Rejection Clause, then the seller shall have to return to the buyer any amount received on account with 12% interest or at such rates that may be fixed by the Association from time to time, from the date of the receipt of the amount within 72 hours of the information received by the seller from the buyer. After making the payment to the buyer for the amount received on account in this manner, the buyer shall deliver the bales and the seller has to take back the goods within 72 hours.

Standards

After the existing Bye law 75, the following new Bye laws shall be added, namely;-

76. (1) The Committee of Surveyors appointed by Indian cotton federation to regulate trading in NTSD contracts in all varieties of cotton grown in India, hereinafter referred to as 'Surveyors Committee' shall prepare or cause to be prepared by such agency and at such time as the Board may, from time to time, decide or approve of two sets of Standards, viz.,

i) the Working Standards and

ii) the Reference Standards

of various grades of cotton of the respective growths tenderable against contracts and report the same to the Joint Standards Committee referred to in Clause (4).

The minimum number of grades for which standard samples shall be prepared shall be Lower Fine, Superfine, Fine

2) The Joint Surveyors Committee of Surveyors shall also prepare or cause to be prepared in the like manner Standards for various staple lengths from 17 mm to 40 mm with a difference of 1 mm in between each staple standard and for further staple lengths as may be decided by the respective Boards of the Associations, in consultation with each other, from time to time, and report the same to the Joint Standards Committee referred to in Clause (4) below. Standards for various staple lengths shall be prepared from any suitable varieties approved by the respective Boards, in consultation with each other, from time to time.

(3) Whenever Standards are to be prepared for various grades and staple lengths of cotton grown in a particular region, a technical representative from the regional association recognised by the Government for that region shall be associated with the preparation of standards.

(4) There shall be a Standards Committee consisting of not more than five persons chosen by the Board of Indian cotton federation from the full members or their authorised or nominated representatives to regulate trading in NTSD contracts in all varieties of cotton grown in India, The quorum for the meeting of the Standards Committee shall be three. If there is no quorum on the meeting day, the meeting shall stand postponed to the next working day and the number of persons present at such adjourned meeting shall form the quorum. The Board may grant a honorarium to the members of the Standards Committee.

(5) The Senior most Surveyor or the Secretary of the Association shall, after the Standards have been passed by the Standards Committee, report to the Board

i) the number of standards prepared and passed and

- ii) the reason for not preparing or passing any other standard or standards.
- (6) The Secretaries of the Associations shall, from time to time, notify to the members of their Associations, the passing of Standards by the Standards Committee. It shall be competent to any member or members of Indian cotton federation *to regulate trading in NTSD contracts in all varieties of cotton grown in India*, and the Textile Commissioner to inspect the same, on condition of not being touched in the case of standards for Grades and to prefer an appeal against any Standards or Standards to the Standards Appeal committee, hereinafter referred to, within ten days from the date of such notification, on payment in advance of an Appeal Fee of Rs. 1000/- per Standard. In the event of the appeal being successful, one half of the fee shall be refunded to the Appellant.
- (7) There shall be a Standard Appeal Committee consisting of three persons, three chosen by the Board of Indian cotton federation *to regulate trading in NTSD contracts in all varieties of cotton grown in India*, *The Committee may elect its own Chairman. The Board of Association may grant an honorarium to the members of such committee.*
- (8) After an inspection of Standard or Standards appealed against, the Standards Appeal Committee, shall have power to revise the same. The unanimous or majority decision of the Standards Appeal Committee shall be final and binding.
- 9) The Complete sets of Standards so prepared shall be kept in possession of the Secretariat in the Rooms of Indian cotton federation *to regulate trading in NTSD contracts in all varieties of cotton grown in India.*
- (10) The Working Standards shall be available to the Surveyors or Umpire in Surveys and to the Appeal Committee for reference and to the Boards of Indian cotton federation *to regulate trading in NTSD contracts in all varieties of cotton grown in India*, for inspection at any time
- (11) The Standards for various grades of cotton and for various staple lengths which are in vogue at the Cotton Association of India on the date of adoption of these BYE-LAWS shall be adopted by Indian cotton federation to begin with and alt alterations and preparations of future Standards shall be done by Indian Cotton Federation permitted to regulate trading in NTSD contracts in alt varieties of cotton grown in India as per Bye-Law 76..
- 77(1). The Working Standards may be examined from time to time by Surveyors, Panel of Surveyors, Appeal Committee or the Standard Committee and, if at any time, in their opinion, any standard has changed from its original condition take necessary steps to revise or replace it subject to the provisions of Bye-Law 76 in order to bring it into accord with the corresponding reference standards.
- (2) New Standards for growths or Grades of cotton for which there have been no standards previously, shall come into use with effect from such date or dates as the *Board* may from time to time jointly determine.
- .
- (3) In the event of any Standard or Standards in use for the year being destroyed or damaged by fire or through any other cause whatsoever, the Boards shall have power to instruct the Surveyors Committee to prepare or cause to be prepared new sets of Standards to replace such as have been so destroyed or damaged subject to the provisions of Bye-Law 76.
78. The Standard Descriptions of cotton with basic grade and staple tenderable shall be as specified in the Schedule appended to this Bye law.

SCHEDULE

(Bye law 78)

S.No.	Variety		MM	Inches	Description of Varieties and the State in which they are grown
1. (a)	Bengal Deshi	PHR			All areas in the states of Uttar Pradesh, Punjab, Haryana and Rajasthan
(b)	Bengal Deshi	PHR			Sriganganagar, Srikaranpur, Padampur, Kesringhpur, Raisingnagar, Sadulshahar, Pillibanga, Gajsinghpur, Sangaria and Hanumangarh of Rajasthan
2.	Wagad	G	19	24/32	All areas of Saurashtra of Gujarat
3.	V-797	G	21	27/32	All areas of Saurashtra and Ahmedabad, Mehsana and Kutch Districts of Gujarat
4.	Gaorani	AP	22	28/32	Adilabad district of Andhra Pradesh
5. (a)	RG. J. 34	PHR	23	29/32	All areas of Punjab, Haryana and Rajasthan
(b)	SG J. 34	PHR	22	28/32	All areas of Punjab, Haryana and Rajasthan
6.	Jayadhar	K	22	28/32	All areas of Karnataka and Kurnool district of Andhra Pradesh
7.	G.12	G	22	28/32	All areas of Kutch and Saurashtra of Gujarat
8.	Y-1	MP	24	30/32	All areas of Madhya Pradesh
	Jyothi	MP	24	30/32	All areas of Madhya Pradesh
9.	Digvijay	G	22	28/32	Surat, Baruch, Vadodara, Kheda and Panchmahal Districts of Gujarat State.
10.a)	RGF. 414/Agetti/H.777	PHR	25	31/32	All areas of Punjab, Haryana and Rajasthan
b)	SGF. 414/Agetti/H.777	PHR	26	31/32	All areas of Punjab, Haryana and Rajasthan
11.a)	LRA.5166-Rainfed	TN	26	1	All areas of Tirunelveli, Ramnad and part of Madurai District in Tamil Nadu (rainfed areas)
b)	LRA.5166-irrigated	TN	27	1-2/32	All areas of Trichy, Thanjavur, South Arcot, Coimbatore, Periyar, Salem, Dharmapuri & part of Madurai District in Tamil Nadu (irrigated areas)
12.	H.4	AP	28	1-3/32	All areas of Madhya Pradesh
	H.4	MP	28	1-3/32	All areas of Madhya Pradesh
13.a)	Shankar-6 Mer	G	26	1-2/32	Saurashtra and Kutch areas of Gujarat
b)	Shankar-6 AP Line	G	28	1-3/32	All areas of Gujarat other than South Gujarat (ie. Surat, Baruch and Vadodara Districts) and AP Line.

c)	Shankar-6 Main	G	28	1-3/32	All areas of South Gujarat (ie. Surat, Baruch and Vadodara Districts) and AP Line.
14.a)	MCU 5 II	TN	29	1-4/32	All areas of Tamil Nadu
b)	MCU 5 II	TN	30	1-6/32	All areas of Tamil Nadu
c)	MCU 5 I	AP	30	1-6/32	All areas of Andhra Pradesh
15.a)	DCH, 32	MP	33	1-9/32	All areas of Madhya Pradesh
b)	DCH, 32	AP	34	1-11/32	All areas of Andhra Pradesh
c)	DCH, 32	TN	35	1-12/32	All areas of Tamil Nadu
d)	DCH, 32	K	36	1-13/32	All areas of Karnataka
16.	Suvin	TN	37	1-14/32	All areas of Tamil Nadu
17.	DCH, 32	M	35	1-12/32	All areas of Maharashtra
18.	MECH-1	M	26	1	All areas of Maharashtra
19.	H.4	M	26	1	All areas of Maharashtra
20.	LRA-5166	M	29	1-4/32	All areas of Maharashtra
21.	1007	M	25	31/32	All areas of Maharashtra
22.	AHH.468	M	25	31/32	All areas of Maharashtra
23.	AKH.4/AK.235	M	22	28/32	All areas of Maharashtra
24.	NHH.44	M	27	1-2/32	All areas of Maharashtra
25	Y-1	M	23	28/32	All areas of Maharashtra