

Final draft.

AGREEMENT

THIS AGREEMENT IS MADE AND ENTERED INTO AT ON THIS..... DAY OF20..... BY AND BETWEEN:-

M/s National Agricultural Cooperative Marketing Federation of India Limited, New Delhi. (An apex level Cooperative Marketing Organization registered under Multi State Cooperative Societies Act, 2002,) Represented by **Dr. Sanjay Kumar Rathi, S/o Shri B. S. Rathi**, Branch Manager, Nafed Seed and Bio-Fertilizers Division Indore and having its registered office at 51-A, Sector F, Sanwer road, Indore-452015 (MP), duly authorized (hereinafter "**NAFED**" which expression shall unless excluded by or repugnant to the subject or context or meaning thereof be deemed to mean to include its representatives, nominees, affiliates, successors in business and permitted assigns); of the First Part

AND

M/s....., having its registered office at....., through its Proprietor/ Partner of M/s (hereinafter called the organizer/ producer seeds, which expression shall wherever the context so admits, mean and include its legal heirs, Directors, Partners, representative executors, administrators, successors in office and assigns); on the Second Part

RECITALS

WHEREAS:

A. The organizer/ producer has agreed for organizing production of certified seed during Kharif /Rabi /Summer (.....) season onwards as per the terms and conditions laid down herein under: The procurement price and supply schedule agreed for production/ supply shall be as follows:

Sr. No.	Crop/Variety Class of Seed	Qty (Qtls)	Area (ha)	Supply date schedule	Procurement Price		Procurement price at par with MSP.
1.							
2.							
3.							
4.							

.....

- B. M/shave also agreed to undertake the Seed Production of Oilseeds, Pulses and Cereals under NFSM (Pulses/Oilseeds) & other Govt. Schemes and owns entire responsibility on its own; right from obtaining orders from the concerned department up till satisfactory supply thereof and receipt of payment from the concerned Department wherein NAFED will have no financial implication of any sort.
- C. M/s..... have also agreed the terms & conditions set forth by NAFED in the aforesaid programme consequent upon award of work by NAFED to undertake said supplies.

NOW, THEREFORE, IN CONSIDERATION OF MUTUAL PROMISES AND COVENANTS SET FORTH HEREIN AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH IS HEREBY ACKNOWLEDGED, PARTIES HERETO AGREE AS FOLLOWS:-

1. Role of organizer/ producer:

- 1.1 The organizer / producer will be required to submit details such as name of the grower farmer, address, Aadhar No., Khasra no. and area of the lands where seeds are to be grown and season- wise crop/ variety for a specific State, well in advance to concerned Branch of NAFED. The area of land per farmer must not exceed 10 acres in any circumstances in leased land. However, there is no restriction on own land.
- 1.2 The quantity and variety of certified seed to be produced would be finalized by NAFED in consultation with organizer / producer on mutual acceptable terms.
- 1.3 The empanelled seed production organizers including NHRDF will inform NAFED about the crop wise and variety wise requirement of breeder seeds. NAFED intern will place its indent to the Seed Division of DOAC & FW for allocation of breeder seeds. The seed production organizers shall have to purchase the required breeder seeds from the concerned university/institute on behalf of NAFED. In case, the cost of breeder seed incurred by the production organizer is reimbursed by DOAC & FW, the same shall be disbursed to the production organizers.
- 1.4 The organizer / producer would complete all formalities, towards registration of NAFED's name with the respective State Certification Agency for undertaking certified seed production programme in NAFED's name and deposit, mandatory documents and fees for the same and bear expenses on its own.
- 1.5 Organizer will undertake the production programme of only approved crop/varieties.
- 1.6 The total cost of certified seed production, would be borne by the organizer and no investment would be made by NAFED, for production of common notified varieties, under Govt.Schemes or otherwise. However, in specific production programme, where certified seeds of various crops, which are not produced commercially in large quantities by general producers, but are required by various State Government/Central Government for distribution under various schemes, funds may be invested by NAFED, depending

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- upon assured buy-back through orders be Central of State Government Departments. The organizer will be required to monitor the growth of the designated crop, for which certified seed is to be produced, give guidance to grower regarding usage of inputs and also monitor every aspect of crop/seed production till harvesting.
- 1.7 After the crop has been harvested, the processing, grading and packing of the seed so produced will be carried out by the organizer/ producer at the earliest.
 - 1.8 The organizer/ producer of NAFED as the case may be, will procure the certified seeds so produced from the identified grower/farmer at par to that of concerned State Seeds Corporation procurement price. In case the concern state seeds corporation does not take up production programme of particular crop/ variety, rates of other Corporations/ last year rates will be paid. In any circumstances, the procurement rates of raw seed shall be on par or more than the Minimum Support Price announced by Ministry of Agriculture (Govt. of India). The producer will submit the money receipt duly acknowledged by the concerned farmer as a proof of the rates at which the procurement of seed has been made from the farmer.
 - 1.9 After the certification process is over, the organizer would inform NAFED about the exact quantity of certified seed obtained and also the quantity of uncertified seeds.
 - 1.10 In case organizers fails to undertake the seed production programme of allocated quantity duly approved by DOAC & FW result in set back to the mission of Govt. of India besides the financial losses of NAFED. In order to indemnify the opportunity cost, the empanelled seed production organizers shall be imposed the penalty to the tune of 50 % of the NAFED's service charges on pro rata basis. (Say for example, the approved production programme is 100 qtls. of Moong crop, then as per the cost of minikits decided by DOAC & FW was Rs. 5000*100= Rs. 500000, NAFED would have earned the service charges @ 5 % i.e. Rs. 25000. Hence, the penalty to be imposed would be Rs 12500).
 - 1.11 The organizer/ producer would be responsible for any complaint regarding quality of the certified seed so produced and supplied on behalf of NAFED.
 - 1.12 No sale of the certified seeds so produced would be made by the organizer without NAFED's prior permission.
 - 1.13 The organizer/ producer would not buy back uncertified/non seed category produce and may, if feasible, sell such stock in the open market, with the consent of the producing farmer without NAFED's investment.
 - 1.14 The organizer/ producer would collect receipt copy of the production subsidy distributed amongst farmers participating in the programme of the certified seed production and submit to NAFED.
 - 1.15 Organizer/ producer will keep/deposit the total quantity of certified seed produced in CWC/SWC warehouse in the name of NAFED. NAFED will issue delivery order to organizer/ producer for lifting the certified seed from the warehouse against orders

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received from various department and other agencies etc. However, in addition to CWC/SWC warehouse the seed may also be stored by the organizer/producer in his own plant/ godown subject to the following conditions.

- a. Those seeds will be stored in private warehouse wherein no investment has been made by NAFED.
- b. The organizer/ producer will take insurance policy equivalent to 110% ex godown value of the stored seed in favor of NAFED's concerned branch at his own cost.
- c. Such seed godown will be opened jointly at the time of inspection/fumigation and dispatches of seed

However, in cases where there is an immediate requirement of a particular variety through a confirmed supply order from any Govt. department/ agency etc. the condition of keeping/depositing the stock in the designated warehouse may be relaxed by the concerned branch of NAFED on a case to case basis under supervision of NAFED's officials and with the permission of NAFED HQ.

1.16 The organizer/ producer will be solely responsible for disposal of the entire quantity of certified seed so produced. If any quantity remains unsold/ indisposed off, the entire losses, if any, will be borne by the organizer/ producer and NAFED will not be responsible in any manner.

1.17 The organizer/ producer shall maintain all records in form of register, i.) Procurement Register ii.) Stock register iii.) Tag/label issue register iv.) Subsidy claim register.

2 Role of NAFED:

2.1 NAFED will communicate the detail of crop-wise, variety wise and quantity-wise certified seed production programme to be undertaken by the organizer/ producer after getting the approval from the Department of Agriculture and Cooperation, Ministry of Agriculture, Government of India and accordingly the organizer / producer will initiate certified seed production programme however in the event of delay in the communication of approval for the certified seed production programme to be undertaken by NAFED from the Department of Agriculture and Cooperation, Ministry of Agriculture, Govt. of India, the organizer may initiate the certified seed production programme at his own cost and risk if the sowing season is on the anvil. NAFED will pass on the subsidy only to the extent of quantity approved by the Department of Agriculture and Cooperation, Ministry of Agriculture, Government of India and NAFED will not be responsible for the financial incentive/subsidy for remaining seed production programme.

2.2 NAFED shall not be responsible for fluctuation of the market rate of the ordered seed. The Supplier/ Pro organizer/ producer shall be required to supply the seed at agreed

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for

rate only. The agreement may be terminated at any time due to non-performance of any of the terms and conditions of the agreement to the satisfaction of the Corporation.

- 2.3 The NAFED reserves the right to accept or reject either in full or part of the tender or all the tenders without assigning any reason. NAFED further reserves the right to award contract/issue the order for supplies to more than one organizer/ producer.

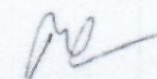
Delivery

- 2.4 The organizer / producer shall make timely supply of the certified seed through its own transportation means and simultaneously keep NAFED informed of such delivery at the designated delivery location of the buyer along with details of truck/tempo numbers and bilty numbers.

3 Acknowledgement of Supply & Payment terms

- 3.1 After the production subsidy has been credited to the account of NAFED by DoAC & FW (Govt. of India), the same shall be shared in the ratio of 75:20:5 among the beneficiary farmer, empanelled production organizer and NAFED, respectively. The subsidy to the tune of 75 % (out of 100%) will be disbursed to the respective beneficiary farmers strictly by following the norms of Direct Benefit Transfer Policy.
- 3.2 NAFED will transfer the above subsidy to the organizer / producer within 15 days from the date of receipt from the Ministry of Agriculture. In case, where NAFED receives advance production subsidy from Department of Agriculture and Cooperation, Ministry of Agriculture, Government of India, the same will be passed on to the organizer/ producer only after the deposit of certified seeds so produced in the designated warehouse in NAFED's name.
- 3.3 *Where NAFED is investing its own funds in certified seed production programme in that case NAFED will retain the whole profit earned from the marketing of that certified seed. However, in lieu of the services rendered by the organizer/ producer right from the identification of the grower/farmer to the final packaging of certified seed, NAFED will give a service charge to the organizer/ producer which will not be more than 20% amount of subsidy + 3% of the procurement rate of that crop/variety of the certified seed so produced.*
- 3.4 Entire amount of distribution subsidy will be passed on to the end user of the seed i.e. the farmer and as per NFSM-Pulses, oilseeds guidelines NAFED will see that the MRP – subsidy net retail prices is printed on the bags.
- 3.5 NAFED will not procure and buy back seeds, which have been rejected by the seed certification agency as not conforming to prescribed seed standards.
- 3.6 NAFED will not be responsible for any loss occurred due to climatic disturbances or from any natural calamities.

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- 3.7 The 85 % payment to the organizer/ producer will be released after NAFED receives the payment from the agencies/ state governments to whom the certified seed has been sold.
- 3.8 NAFED will retain 15% of payment of the organizer / producer which may be released only after receipt of all necessary documents like certificates, quality reports, valid acknowledgement from the buyer, etc. and satisfactory completion of supplies in all respects.
- 3.9 Distribution subsidy will be claimed by NAFED only in cases where certified seed is sold to the farmer directly through its retail network or authorized dealers network and not when the certified seed is sold to State Govt. or their agencies.
- 3.10 NAFED will make the payment to the organizer only after receiving the same from the concerned buyer after deducting its service charges @ 7 % from the transactions where NAFED will receive the subsidy and pass on the same to the farmers and organizers as mentioned in clause no. II and @ 5% from the transaction where no subsidy will be received.
- 3.11 The guidelines framed by NAFED for undertaking the production programme of seed form inherent part of this agreement.

4 Quality & Inspection

- 4.1 The organizer/ producer would coordinate with the concerned state seed certification agency for completing all formalities like inspection of fields etc. while undertaking the certified seed production for NAFED.
- 4.2 The organizer/ producer will be solely responsible for field inspection of F/S & C/S Production Programme.
- 4.3 NAFED will have the right to inspect the fields and processing unit of the farmer/ organizer/ producer where the certified seed production and processing has been undertaken for which organizer/ producer shall make necessary arrangements.

5 Security by way of Earnest Money Deposit

- 5.1 Organizer/ producer shall furnish a bank guarantee or bank draft/bank deposit equivalent to 10% ex-godown value of the seed to be stored in their godown/ plant.

6 Completeness of the contract-The contract between organizer/ producer and NAFED shall be deemed as complete only if

- 6.1 The organizer/ producer completes the supply of contract processed quantity of pulses, as per the required quality specifications and within the stipulated time lines to the NAFED/ NAFED buyer, or
- 6.2 In the event of any variation in delivery time and/or quality and/or quantity of the supplied pulses to NAFED/ NAFED buyers, the dispute between the organizer/ producer and NAFED/ NAFED buyer shall be settled amicably between the parties under dispute, or

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6.3 In the event the organizer/ producer is not able to supply the processed pulses to NAFED/ NAFED buyer for any reason attributed to the miller, the cost of the order is recovered from organizer/ producer by revoking its bank guarantee submitted before lifting of stocks and blacklisting organizer/ producer from further participation in future contracts.

7 Term and Termination

7.1 The tender awarded under this Agreement and this Agreement shall be valid and effective for a period covering three years from the date of execution, to be renewed thereafter if required by NAFED or terminated by both parties to this agreement.

7.2 Termination for breach: If either of the party is in breach of the service agreement, written notice will be provided to the defaulting party alleged to be in breach requiring that party to remedy the breach within 30 days of receiving the notice. If the breach is not satisfactorily remedied within 30 working days, the party who gave notice may immediately terminate the service agreement by giving written notice.

8 Confidentiality

8.1 Both the Parties shall, at all times, maintain the utmost confidentiality regarding the contents of this AGREEMENT, the arrangements contemplated by this Agreement, any business, technical or financial information, data or knowhow, given to it by the other (hereinafter the "Confidential Information") and shall not provide/disclose or otherwise make available all or any part of such Confidential Information to any person or entity for any personal, business, commercial or other purposes, unless with the prior written consent of such disclosing party.

Any statement or disclosure that may be required by law or called for, by the requirements of any regulatory authority may be made, subject to the condition that the parties shall provide prior written notice to the other of such requirements, and the statement or disclosure proposed to be made, which shall at all times be no more extensive than is usual or necessary to meet the requirements imposed upon the disclosing party.

9 Indemnity

9.1 The organizer/ producer shall indemnify NAFED and keep indemnified against any loss or damage, claims, compensation, penalty, fine, levies, etc. on account of slackness, deficiency, failure to observe any obligations under the contract, failure to comply with statutory/ mandatory provisions pertaining to the contract by the organizer/ producer in respect of the services provided etc., whatsoever.

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10 Severability

10.1 If any provision of this agreement is held to be invalid or enforceable for any reason, the remaining provisions will continue in full force without being impaired or invalidated in any way. The parties hereto agree to replace any invalid provision with a valid provision which most closely approximates the intent and economic effect of the invalid provision.

11 Entire Agreement

11.1 This Agreement together with all annexure, specifications and other attachments which are incorporated herein by reference, is the sole and entire Agreement between the parties relating to the subject matter hereof.

12 Governing Laws

12.1 This Agreement will be governed and construed in accordance with the laws of the Republic of India without giving effects to the principles of conflicts of laws. Both the Parties agree to submit the jurisdiction at New Delhi and further agreed that any cause of action arising under this tender process may be brought in a court at New Delhi.

13 For LLP, Pvt , Ltd, and Limited Companies registered under the Companies Act 1956 or 2013 as the case may be .

Execution:

This agreement has been approved by the Competent Authority of Nafed vide approval dated in the file no..... and same is being executed for and on behalf of Nafed through the Who has duly been authorized by the Managing Director of Nafed vide authorization letter dated which is enclosed herewith as annexure... This agreement is being signed on behalf of through its DirectorS/owho has duly been authorized by the Board of Directors of the Company vide Board resolution datedwhich is annexed herewith as annexure.....”

OR

For partnership and proprietorship firm.

Execution:

This agreement has been approved by the Competent Authority of Nafed vide approval dated in the file no..... and same is being executed for and on behalf of Nafed through the Who has duly been authorized by the Managing Director of Nafed vide authorization letter dated

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..... which is enclosed herewith as annexure... This agreement is being signed on behalf of through its Partner/ProprietorS/owho has duly authorized being Partner/Proprietor of the firm.

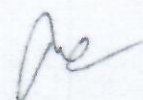

13 Applicable Law Jurisdiction and Dispute Resolution

13.1 This Agreement shall be constituted and the legal relation between the parties hereto shall be determined and governed according to the laws of Republic of India and only courts at Delhi and the High Court at Delhi shall have the jurisdiction in all matters arising out of / touching and/or concerning this agreement and parties to this agreement agree to irrevocably submit to the exclusive jurisdiction of those courts for purposes of any such proceeding. The aforementioned exclusive and irrevocable jurisdictions of aforesaid courts are irrespective of place of occurrence of any cause of action pertaining to any dispute between the parties.

13.2 All or any disputes arising out or touching upon or in relation to the terms of this Agreement and process thereof including the interpretation and validity of the terms thereof and the respective rights and obligations of the parties shall be settled amicably by mutual discussion failing which the same shall be settled through arbitration. The arbitration proceedings shall be governed by the Arbitration and Conciliation Act of 1996 (as amended up to date) or any statutory amendments/ modifications thereof for the time being in force. The venue of the arbitration shall be at New Delhi, India and language of arbitration shall be English.

14 Nothing contained in this clause shall prevent the NAFED from seeking interim injunctive relief against the Empanelled Supplier in the courts having jurisdiction over the parties.

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IN WITNESS WHEREOF the parties hereto have signed this Agreement on the date first mentioned above

Signatures:

Name:

Name:

Title:

Title:

By signing this documents, I also confirm that I am authorized to sign on behalf of "NAFED"

By signing this documents, I also confirm that I am authorized to sign on behalf of "Empanelled Organizer / Producer"

Witnesses

Witnesses

1.

1.

2.

2.

