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| **Agreement of Contract Farming**  THIS AGREEMENT is made and entered into on the 3rd day of August 2020, between**1**.**Name Of Farmer Sri Srinivas B R,Age 24 years,S/o T Ramachandra,#1213/134,Jaynagar B Block,Nittuvalli,Davanagere,**State Karnataka - 583229 herein after called the party of the First part (which expression shall unless repugnant to the context or meaning thereof mean and include his heirs, executors, administrators and assigns) of the one part, and **M/s. CROPCITY AGROVET PVT. LTD**, incorporated under the provisions of Company Act-2013 and having its registered office at Bazar Bhogaon, Tal-Panhala, Dist- Kolhapur, Maharastra - 416205 herein after called the party of the Second part (which expression shall unless repugnant to the context or meaning thereof mean and include its successors and assigns) of the other part.  Party of the Second part to propose the First part for this project produce production through Mahogany Tree plantation and herein after called as the agriculture produce, to be derived from the plantation  The following particulars. WHEREAS the party of the First part is the owner/ cultivator of the agricultural land bearing   |  |  |  |  |  | | --- | --- | --- | --- | --- | | **Village** | **Survey No.** | **Area in Hectare** | **Taluka & Dist.** | **State** | | Baggenahalli | 7/P | 0.404686 | Jagalur & Davanagere | Karnataka |   AND WHEREAS, the party of the Second part is trading in agricultural produce and also providing technical know-how in respect of land preparation, nursery, fertilization, pest management, irrigation, harvesting and alike things, to enhance; its productivity.  AND WHEREAS the party of the Second part is interested in the production of the agricultural produce more particularly mentioned in Schedule-I hereto annexed and at the request of the party of the Second part, party of the First part has agreed to cultivate and produce the items of agricultural produce mentioned in the schedule-I hereto annexed.  AND WHEREAS the parties hereto have agreed to adduce in writing the terms and conditions in the manner hereinafter appearing.  NOW, THESE PRESENCE WITNESSTH AND IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES AS FOLLOWS:  **Clause 1 :**  The party of the First part agrees to cultivate and produce and deliver to the party of the Second part and the party of the Second part agrees to buy from the party of the first part the products of the agricultural produces particulars of the items, quality, quantity and price of the items are more particularly mentioned in the schedule-I hereto annexed.   1. The First party is the land owner has to inevitably mention his / her nominee’s name and details, or his legal heirs, in case of any unavoidable situations, or repurcussions, or abnormalities or exigencies, to receive the amounts as per the agreement, to avoid any further legal complications (specifically in case of land owner’s deceased situations) 2. The nominee’s full details are also to be furnished by the land owner at the time of this agreement, in the bank account also, with their due authorisation which has to be produced as per this agreement 3. Accordingly, the land owner, is the first party or nominee or his / her legal heir, will be credited the amounts directly to his mentioned account either online or by way of DD, the Mahogany produce sale amounts, carbon credits incentives, seed sale proceeds, and advance payment, earmarked as per this agreement, perfectly. 4. Particularly, it should be more specific and must invariably be noted by the first party, or land owner or his nominee’s, that the payment of 15% consultant charges to M/s Cropcity Agrovet Pvt Ltd to be reimbursed to their accounts, immediately after the receipt or reimbursement of amounts, credited to their account without any delay, to regularise the transaction, failing which may leads to serious legal implications, which the land owner has to face, and such a difficult consequence is not desirable and should be born in mind as per the mutual agreement. 5. It should be particularly noted, that under abnormal or precarious situations, in case of non-mentioning of land owners’ nominee particulars, due to their non-existence situations, it must be ascertained to produce the ”**family tree**”, which is mandatory, to proper identification of their legal heirs, in case of unfortunate demise or death of nominee owners. 6. Per easy accessibility, identification a clear demarcation of farming location, (field) delivery point (i.e site where Mahogany plantation was established), to be made to avoid any further post harvest implications and problems. 7. All derivatives, products, produced by the first party, i.e. land owner, and their sale proceeds will be credited to his mentioned bank account, without any deviation, ie advance payments, sale proceeds of Mahogany plant seeds (Sky fruit), and carbon credit incentives, either by online remittance or by way of D.D.whatsoever feasible. 8. All the end products, ie products generated by the Mahogany plantation, will be sold at the existing market rates in vogue on that particular day of sale, by online monitoring and the sale proceeds will automatically be credited to the respective bank account of the land owner on the same day of sale and the 15% consultation charges to be paid to the second party, or to be immediately remitted back as per the agreement to regularise be transaction in an amicable atmosphere.   **Clause 2 :**  The agricultural produce particulars of which are mentioned in the schedule-I hereto will be supplied by the party of the First part to the party of the Second part within the period of 12 (Twelve) years from the date of planting to till the period of it’s :harvest, depending upon its maturity, whichever is earlier  OR  It is expressly agreed between the parties hereto that this agreement is for agricultural produce particulars of which are described in schedule-I hereto and for a period of 12 (Twelve) years or till its harvest and after the expiry of said period, this agreement will automatically come to an end, and will be no more be in force and deemed to have been seized.  **Clause 3 :**  The party of the First part agrees to cultivate, produce and supply quantity mentioned in the schedule-I hereto annexed to the party of the Second part.  **Clause 4 :**  The party of the First part agrees to supply the quantity contracted according to the quality specifications stipulated in Schedule-I. If the agricultural produce is not as per the agreed quality standards, the party of the Second part will be entitled to refuse to take the delivery of the agricultural produce only on this count. Then  a) The party of the First part shall be free to sell the produce to the party of the Second part at a mutually negotiated price, as per the prevailing market potential in vogue as on the date of “ harvest after attaining maturity”  OR  b) In open market (to bulk Buyer viz. exporter/processor/ manufacturer etc.) and if he gets a price less than the price contracted, he will pay to the party of the Second part, for his investment proportionately less.  OR  c) In the market yard and if the price obtained by him is less than contracted price, then he will return proportionately less for the party of the Second investment.  In the event the party of the Second part refuses/fails to take the delivery of the contracted produce for his own reasons then the party of the First part will be free to sell the produce in the open market and if the price received is lower than the contracted price the difference will be on account of the party of the Second part and the party of the second part shall pay the said difference to the party of the First part within a period of 90 days from asserting the said difference.  **Clause 5 :**  The party of the First part agrees to adopt instructions / practices in respect of Land preparation, nursery, fertilization, pest management, irrigation, harvesting and any other, as suggested by the party of the Second part from time to time and cultivate and produce the items as per specifications mentioned in the schedule-I here to.  **Clause 6 :**  Party of the first part will pay The token amount of Rs 3,000/- (Three thousand) to the party of the Second part along with the commission of 15% of total income from the sale of timber, carbon credit and others.  **Clause 7 :**  It is expressly agreed by and between the parties hereto that buying will be as per the following terms and buying slips will be issued immediately after the purchase.  It is further agreed that it will be the responsibility of the party of the Second part to take in to possession of the contracted produce at the delivery point agreed after it is offered for delivery and if he fails to take delivery within 120 days period then the party of the First part will be free to sell the agriculture produce contracted as under :  a. In the open market (bulk buyer viz. exporter/ processor/ manufacturer etc.), and if he gets a price less than the price contracted, he will pay to the party of the Second part for his investment proportionately less.  b. In the market yard, and if the price obtained is less than the contracted price then he will return proportionately less to the party of the Second part for his investment.  It is further agreed that the quality maintenance in transit will be the responsibility of the party of the Second part and the party of the First part shall not be responsible or liable for the same.  **Clause 8 :**  The party of the Second part shall pay to the party of the First part the price/rate mentioned in Scheduled-I when his crop has been harvested and delivered to the party of the Second part after deducting all outstanding advances given to the party of the First part by the party of the Second part. The following schedule shall be followed for the payment.   |  |  | | --- | --- | | **Date** | **Mode of Payment** | | Before Harvesting  After Harvesting  After transportation of goods | 30 % Through DD  30 % Through DD  Within 60 days (Through banking channel i. e. Cheque or NEFT). |   **Clause 9 :**  The parties hereto shall insure the contracted produce mentioned in Schedule-I hereto, for the period of 12 years, or it’s maturity whichever is earlier against the risk of losses due to acts of Gods destruction of specified assets, loan default and production and income loss and all other acts or events beyond the control of the parties, such as very low production caused by the serious outbreak of a disease, epidemic or by abnormal weather condition, floods, drought, hailstorm, cyclones, earthquakes, fire or other catastrophes, war, acts of Government, action existing on or after the effective date of this agreement which prevent totally or partially the fulfilment of the obligation of the farmer. Upon request, the party of the First part invoking such acts shall provide to the other party confirmation of the existence of facts. Such evidence shall consist of a statement of certificate of the appropriate Governmental Department. If such a statement or certificate cannot reasonably be obtained, the party of the First part claiming such acts may as substitute, thereof, make a notaries statement describing in details the facts claimed and the reasons why such a certificate or statement confirming the existence of such facts. Alternatively, subject to the mutual agreement between the two parties, the party of the First part may fill his quota of the produce through other sources and the loss suffered by him thereby due to price difference, shall be shared equally between the parties, after taking into account the amount recovered from the insurance company, The insurance premium shall be paid by First party.  **Clause 10 :**  The party of the Second part hereby agrees to provide the following services to the party of the First part during the period of cultivation and post-harvest management, particulars of which services are as follows:  1. Regular monitoring and observation of plant growth and deficiencies.  2. After the successful completion of three years of Mahogany plantation, as a timber booking advance and as a compensatory supportive monetary baking to the financial needs of the 1st party / land owner, an amount of Rs 50,000/- per acre per year will be provided, till the period of harvest and subsequently, which in turn, the total timber booking advance credited year wise earlier will be totally deducted, from the final harvest sale proceeds, without charging any interest and this monetary backing is totally an interest free initiative of the Second party.  3. Buy Other produce (Seed).  4. Provide Carbon Credit consulting and validation.  5. Minimum Price mention in as below table Schedule I.  **Clause 11 :**  The party of the Second part or its representatives agrees to have regular interactions with the farmer’s forum set up/named by the party of the First part during the period of contract, till its maturity, whichever is earlier.  **Clause 12 :**  The party of the Second part or its representatives at their costs shall have the right to enter the premises/fields of the party of the First part to monitor farming practices adopted and the quality of the produce from time to time. Regular monitoring of the growth and other management practices or to be adopted to get maximum yield of the produce.  **Clause 13 :**  The party of the Second part will have no rights whatsoever as to the Title, Ownership, Possession of the land/property of the party of the First part nor will it in any way alienate the party of the First part from the land property particularly nor mortgage, lease, sublease or transfer the land property of the First party in any way to any other person/ institution during the continues of this agreement.  **Clause 14 :**  The party of the Second part shall submit true copy of this agreement signed by both the parties within a period of 120 days from the date of execution thereof with the Karnataka state Agricultural marketing board, Bengaluru registering authority as required by the APMR Act / any other registering authority prescribed for the purpose.  **Clause 15 :**  Dissolution, Termination/Cancellation of the Contract will be with consent of both the parties. Such dissolution or termination/cancellation deed will be communicated to the registering authority within 12 days of such dissolution, termination/cancellation.  **Clause 16 :**  In the event of any dispute or difference arising between the parties hereto or as to the rights and obligations under this agreement or as to any claim, monetary or otherwise of one party against the other or as to the interpretation and effect of any terms and conditions of this agreement, such dispute or difference shall be referred to arbitration authority constituted for the purpose of Authority declared by State Government in this regard.  **Clause 17 :**  In case of change of address of any party to this agreement, it should be intimated to the other party and also to the Registering Authority immediately.  **Clause 18:**  Each party hereto will act in good faith diligently and honestly with the other in the performance of their responsibilities under this agreement and nothing will be done to jeopardize the interest of the other, for the safe and smooth implementation of the terms and conditions stipulated in the agreement.  **Clause 19:**  If first party accept any advance payment from Second party, the rights with respect to the selling of the goods is reserved with the Second party only, after due consultation mutually.  **Clause 20:**  Party of the Second part will offer to party of the first part an option of harvesting after 7 years of plantation and up to 12 years of the plantation, first party have an option to harvest at any time during the above-mentioned offer period. The final offer will be on 12th year from the plantation (or it’s maturity stage) whichever is earlier, the second party have right to harvest goods and sale of the same.  **Clause 21:**  In witness whereof the parties have signed this agreement on the 3rd day of August 2020 first above mentioned.  **Schedule - I**  **Grade, Specification, Quantity and Price Chart**   |  |  |  |  | | --- | --- | --- | --- | | **Grade** | **Specification** | **Quantity** | **Price/Rate** | | Grade 1 or A | Circumference 3 and above, Reddish colour. | 1 CFT. | 500 | | Grade 2 or B | Circumference3 Below,Whitishcolour. | 1 CFT. | 400 |   SIGNED, SEALED AND DELIVERED by the)  Within named 'PARTY OF THE FIRST PART' )  in the presence of  Name Of farmer **Sri Srinivas B R**  SIGNED, SEALED AND DELIVERED by the )  Within named 'PARTY OF THE SECOND PART' )  in the presence of ..........................)  1.Mr. Kundan Suresh Patil  Managing Director  (DIN: 07458071) |
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