

Annexure-I

This contract is executed on this ----- day of ----- between the National Seeds Corporation Ltd. A Govt. of India Undertaking, under the administrative control of the Ministry of Agriculture & Farmers Welfare, Govt. of India, New Delhi, incorporated under the Companies Act, 1956 having its Registered Office at Beej Bhawan, Pusa Complex, New Delhi 110012 engaged in production and distribution of seeds, hereinafter referred to as "NSC" (which expression shall unless repugnant to the context or meaning thereof include its successors, assigns and authorized representatives) as the party of the FIRST PART.

**AND**

.....( .....)  
 a company incorporated under the Companies Act, 1956 and having its registered office at ..... (.....) India herein after referred to as "Seller" (which expression shall unless repugnant to the context or meaning thereof include its successors, assigns and authorized representatives) as the party of the SECOND PART both NSC & Seller are individually referred as party and collectively as "parties".

**WHEREAS**

Seller is a breeder and producer of hybrid Corn, Sorghum, Pearl Millet, Paddy and fodder crops etc. Seller has also represented and warranted that it has all the licenses, authorizations and permissions necessary or requisite in law for breeding and production of such seeds and that all such licenses, authorizations and permissions are presently valid and are in full force and effect and that it has the right to enter into an contract with NSC for sale of its products through NSC distribution net work on the Terms & Conditions laid down hereunder.

**AND WHEREAS**

a) NSC is a producer and seller of various kinds of seeds including hybrid seeds and has a wide distribution network through dealers, distributors and own sale counters at various places throughout India.

b) NSC and Seller have agreed to mutually work together to facilitate the supply of Hybrids of corn, sorghum, pearl millet, and paddy seeds etc. by Seller to NSC for the distribution, marketing and promotion of the same to the farmers on the terms and conditions as agreed under this Contract.

NOW, THEREFORE, IN CONSIDERATION FOR THE MUTUAL PROMISES AND COVENANTS CONTAINED HEREIN BELOW, THE PARTIES INTENDING TO BE LEGALLY BOUND, AGREE AS FOLLOWS:-

1. **Coverage and Validity**

1.1 This Contract shall be effective for a period of Five years from the date first above mentioned and all the terms and conditions contained herein shall apply to all transactions executed between the parties during this period. The Contract shall be renewable for a further specified period by mutual consent in writing.

1.2 NSC and Seller shall review at the end of every year, the performance and further renewal of this Contract on the fresh or modified terms and conditions incorporated herein as may be agreed in writing by mutual consent of the parties to achieve better results.

2. **Product Liability**

Notwithstanding anything contained herein, it is hereby expressly agreed to by and between the parties hereto that Seller shall be responsible for supply of quality seeds as per the Indian Minimum Seeds Certification Standards Quality norms. However, in case of seed quality complaints/disputes, the same shall be dealt as per Clause-3(e) & (f) of this Contract stated hereinafter.

3. **Responsibilities of Seller**

a) Seller shall produce and make available mutually identified products to NSC and NSC shall sell such products on the Terms & Conditions contained hereinafter in this Contract.

b) Seller shall invoice the seed quantity to NSC and NSC will make payment within forty five (45) days after receipt of payment by NSC from purchaser and fulfillment of all desired documents. NSC would make every

possible effort to sell the entire stock received from Seller. However, in the event of difficulty in sales, NSC can return the unsold stock after the season before the specified date informed by the seller. However, The Contract partners will not be entitled to claim regarding release of payment, in case of Govt. supplies, till the amount is received in NSC account from the concerned govt. department/ agencies.

c) Seller shall provide all facilities and extend full cooperation to NSC personnel for carrying out crop inspection, seed stock examination and sampling of seeds meant for supply to NSC, to verify its quality as per specifications.

d) Seller will invoice the stock to NSC which includes all the variable costs like seed cost, packaging cost, transportation upto the designated sale points of NSC/dealers of NSC. Seller will take necessary approvals for packing material, designing as per the standards of NSC.

e) Seller shall ensure and guarantee that the seed supplied to NSC are of the required specified purity in terms of genetic, physical and morphological grades, physiological quality and health as per Indian Minimum Seeds Certification Standards of GOI. Such guarantee shall be in force from the date of supply to the date of expiry of the said seeds. For any deficiency in seed quality as may be noticed during the analyses at any Government approved laboratory or at field level. Seller shall be liable for taking back the sub-standard seeds and the price paid by NSC shall be refunded/returned to NSC by Seller or the amount payable by Seller on this account shall be adjusted from any payment due to Seller by NSC. All cost incurred on such goods by NSC towards testing, transportation etc. shall be reimbursed by Seller. For the quality problem of seed at field level, seller shall be responsible to settle the issue, NSC will extend all support to settle the issue amicably. NSC will ensure that the seed supplied by Seller is handled with proper care and stored in an appropriate place. The details regarding safe storage of seed must be printed in every carton of seed so that the dealer or Government agency may take due care for storage of seed safely.

f) Seller shall at all times comply with the quality standards/ specifications prescribed under IMSCS and also comply with all the applicable laws, notifications, ordinances, rules, regulations and legislations or other enactments or

modifications thereof for the time being in force, including without prejudice to the generality of the foregoing, strictly comply with the provisions of the Seeds Act, 1966 and the rules framed there under including any statutory modification there from time to time, relating to or pertaining to proper performance of Seller's duties and obligations under the Contract as a producer of the said seeds.

NSC can make requisite visits (with prior intimation) to Seller's production plots, Field GOTs so as to have clear idea about the quality of seeds. However, for any quality complaint received from the field about the seeds supplied by Seller and marketed by NSC, Seller will handle seed complaints and settle the claims, if any, and shall be responsible for any losses to NSC due to inferior quality or any other complaint received about the seed supplied by Seller. NSC will retain 3 seed samples of each lot to test later on in case of any quality complaint.

g) Seller Shall indemnify and keep indemnified NSC and its dealers/distributors from and against all claims, demands, actions, proceedings, fines, penalties, expenses and other liabilities of whatsoever nature made or brought against, sustained or incurred by NSC and its dealers/distributors, rising out of or as a result of such breach by Seller or on account of poor quality seeds supplied. Seller will indemnify NSC in respect of litigation expenses and damages to be incurred by NSC in case any consumer related complaint is fixed against NSC on account of poor quality seeds supplied by Seller in any manner. However, NSC and its dealers/distributors shall at all time ensure that the seeds supplied by Seller shall be kept under proper seal and storage conditions which would not hamper the quality and quantity of the seed as mentioned by Seller.

h) Upon expiry or earlier termination of this Contract in terms of Clause 14 or for any reason whatsoever seller shall return and not use in future the standards, specifications, designs, documents given or communicated by NSC to Seller under this Contract together with all the documents or drawings or any copies thereof relating to or in any way pertaining to the production and supply of seeds. Also, both the parties shall mutually settle the account within 60 days of expiry of termination thereof.

i) Both the parties have agreed that the pricing shall be for a minimum period of one year and would be reviewed every year by both the parties (in accordance to

clause No.1.1 & 1.2 stated here above). The current year Product-wise purchase prices will be decided by the pricing committee of NSC & Seller. The Seller has to provide all relevant input details while fixing the price.

- j) **Promotional Activities:-**Seller will provide all promotional support which includes:
- i) **Product Literature**
  - ii) **Promotional material for NSC's trade partners-Banners, Posters etc.**
  - iii) **Seller would provide technical know-how / information about the hybrid seeds in order to dissipate information.**
  - iv) **Other activities for enhancing the visibility of Seller &NSC partnership.**
- k) **Delivery Terms - Delivery of the goods can be made on FOR basis at Area Office, NSC or at NSC Dealer's /Customer's premises by Seller subject to fulfillment of minimum order quantity terms (MOQ) which is as under:-**

i) Maize	-	2Mt.
ii) Rice	-	1Mt.
iii) Pearl Millet	-	2Mt.
iv) Cotton seed & Vegetable Seed	-	5 Kg.

**Delivery period: - 10 days lead time is required from the date of order to receipt of material at specified NSC location.**

**l) Ethical Policy: - The parties agree that the following policy shall govern their relationship.**

**i) Bribes or pay-offs are forbidden. Seller shall not, directly or indirectly, make any payment, offer or promised to make any payments or transfer anything of value to government officials/ or employees of NSC or to any political party or any candidate for political office or private individual with the purposes of influencing**

decisions favourable to the company and its business in contravention of the FCPA, OECD principles or any applicable local law, including Prevention of Corruption Act 1988 as amended from time to time.

ii) Gifts, favours and entertainment may be given to others at either party's expense only if they meet all of the following criteria:-

- a) They are consistent with customary business practices;
- b) They are not excessive in value;
- c) They are not in contravention of applicable law guidelines and
- d) Public disclosure of the facts will embarrass neither Seller nor NSC

iii) Secret commission or gratitude to employees of either parties or to their customers (or their family members or associates) is forbidden.

iv) Any breach of this clause by any party shall be a ground for immediate termination of this Contract by another party (without prejudice to any accrued rights of the party).

#### **4. Responsibilities of NSC**

a) NSC shall purchase varieties/hybrid seeds of corn, sorghum, pearl millets, paddy etc. produced by Seller which shall be identified on season to season / year to year basis as described in Seller's catalogue provided to NSC. Also, Seller may offer new hybrids to NSC. For the varieties / hybrids which shall be identified by NSC, the parties shall discuss and negotiate the specifics in terms of quantity, price, discount, time, schedule, etc. which shall be agreed to in writing from time to time. The Seller has to provide all relevant input details while fixing the price.

b) NSC shall indicate the tentative annual seed requirement with quarter-wise break-up for the various Seller's hybrids products as at clause 4(a). However this shall not be treated as an effective order for supply by Seller to NSC and NSC shall not be liable to purchase such tentative seed requirements so indicated to Seller.

c) NSC shall specify the particulars such as crop, variety, quantity, supply schedule, destination, etc. for the seeds required from Seller in the purchase orders issued from time to time solely in writing. The authority for issuing of purchase order shall be with Head of the Marketing Division NSC Head Office/

Regional Manager NSC of the purchasing region. Any / All oral / verbal purchase orders shall be strictly invalid and NSC shall not be liable for any oral / verbal supply order/ instruction.

**5. Liquidated damages**

a. If the seller fails to deliver any or all the items covered by the contract, the Corporation reserves the right in addition to the legal remedies to cancel the contract as a whole or any portion thereof and hold the supplier liable for all the damages, sustained by virtue of said cancellation and failing to perform the contract.

b. In the event of Corporation exercising its right to cancel the contract or any portion thereof as stated under the termination clause, the Corporation shall be entitled to obtain the remaining stock of the same specification as offered by the seller from other sources. In such an event, the Corporation shall be entitled to recover from the seller the amount which the Corporation may have to incur over and above the price which was payable to the seller.

**6. Intellectual Property**

Notwithstanding anything contained in this Contract and/or the termination thereof for any reason whatsoever, all the liabilities, duties and obligations herein undertaken by either party with regard to the said trademarks, industrial propriety and secrecy shall remain in full force and effect for all times to come. Further both parties agreed that nothing in this Contract shall affect either party's ownership of any Intellectual Property Rights which exists as on date of execution of this Contract or afterwards.

**7. Force Majeure**

7.1 The failure or omission to carry out or to observe any of the terms/ provision or conditions of this Contract during the continuance of an event of Force Majeure, as hereunder defined, or its effects, shall not give rise to any claim by either party against each other or be deemed to be a breach of this Contract, if the same is caused by or arises out of Force Majeure.

7.2 To the extent that the event is not within the control of the party whose performance under this Contract is affected, provided that the party so prevented from performance shall notify the other party of the cause in writing and resume performance as soon as it is able to do so. The term Force Majeure, as used in this Contract, shall include, but is not limited to the following events.

War, hostilities, act of public enemy or belligerents, sabotage, blockage, revolution, insurrection, riot or disorder, expropriation, requisition, confiscation, interference by or restrictions of onerous regulations imposed by civil or military of any other authority, whether legal or defect , whether purporting to act under some constitution, decree, law of otherwise, act of God., fire, earthquake storm, lightning, epidemic quarantine, explosions, accidents by fire or otherwise, or other events whether or not of the same class or kind as those set forth.

7.3 The party affected by force Majeure shall, within seven days of the occurrence/commitment of such, circumstances inform the other party by e.-mail and telex/cable/fax or any other means acknowledgement of which can be maintained about the existence of such circumstances in written form, and in the event of termination of these circumstances, information shall similarly be given.

7.4 A declaration issued by the State Chamber of Commerce supported by a documentary proof shall be sufficient proof of the existence of the above circumstances and their duration, provided that such certificate has not been procured. The occurrence and existence of any of the terms stipulated above shall, not be considered as a waiver of obligation of either party under this Contract and each party shall promptly recommence fulfilling its obligation under the Contract as soon as the Force Majeure circumstances cease. However, the duration of this Contract shall stand extended for a period which is mutually agreeable.

7.5 It is expressly agreed that this Clause shall not, however, deprive the parties of any rights or remedies otherwise available in law.

## **8. Confidentiality**

8.1 Each party agrees and undertakes that during the term of this Contract and, thereafter, it will keep confidential and will not use for its own purpose nor without



the prior written consent of the other party disclose to any third party any information of a confidential nature (including trade secrets and information of a commercial value) which may become known so that party from the other party (confidential information) unless the information is public knowledge or already known to that party at the time of disclosure or subsequently becomes public knowledge other than by breach of this Contract or subsequently comes lawfully into the possession of that party from a third party or is required by law to be disclosed.

8.2 To the extent necessary to implement the provisions of this Contract each party may disclose the confidential information to those of its employees as it may be reasonably necessary or desirable provided that before any such disclosures each shall make those employees aware of its obligations of confidentiality under this Contract and shall at all times procure compliance by those employees with them.

9. **Entire Contract**

This Contract constitutes the entire understanding between the parties with respect to the subject matter of this Contract and supersedes all prior Contract's negotiations and discussions between the parties relating to it.

10. **Amendments**

Save as expressly provided in this Contract, no amendment or variation of this Contract shall be effective unless in writing and signed by a duly authorized representative of each of the Parties.

11. **Assignment**

Neither party shall without prior written consent of the other party assign, transfer, change or deal in any other manner with this Contract or its rights under it or part of it, or purport to do any of the same, nor sub-contract any or all of its obligations under this Contract.

12. **Freedom to Contract**

The parties declare that they each have the right, power and authority and have taken all action necessary to execute and deliver, and to exercise their rights and perform their obligations under this Contract.

**13. Waiver**

The failure of a party to exercise or enforce any right under this Contract shall not be deemed to be a waiver of that right nor operate to bar the exercise or enforcement of it at any time or times thereafter.

**14. Severability**

If any part of this Contract becomes invalid, illegal or unenforceable the parties shall in such an event negotiate in good faith in order to agree the terms of a mutually satisfactory provision to be substituted for the invalid, illegal or unenforceable provision which as nearly as possible validity gives effect to their intentions as expressed in this Contract. Failure to agree on such a provision within 90 days of commencement of those negotiations shall result in automatic termination of this Contract. The obligations of the parties under any invalid, illegal or unenforceable provision of this Contract shall be suspended during such a negotiation.

**15. Termination**

15.1 Notwithstanding anything contained hereinabove either party reserves the right for termination of this Contract at any time by either party giving to the other, 90 days notice in writing in that behalf without assigning any reason.

15.2 Notwithstanding the foregoing either party shall be entitled to terminate the Contract forthwith upon:-

a) The other making any arrangement or composition with the creditors or upon a winding up order passed against it or its going into liquidation or upon a receiver being appointed for any of the properties of the other.

b) The other committing breach or default of any of the Terms & Conditions thereof;  
and

15.3 Either party shall inform each other immediately of the happening of any event which would entitle the other to terminate this Contract.

16. In case NSC has quoted rates for supply of seed to any Government agency & Contract Partner fails to supply that seed in time or terminates the agreement in between, as a consequence of non-supply of material if any penalty is imposed then the seller (Contract Partner) has to make good the loss to NSC on this account & will have to pay that amount to NSC.

17. Change in the Ownership of Management of the party of the second part:-

During the subsisting period of this Contract if there are any unusual changes in the composition of the Board of Directors of Seller consequent to change in the ownership of Management, the party of the second part shall inform the party of the first part of such changes in the composition of the Board Of Directors and the parties of the second part shall ensure that the new management issues a letter of confirmation agreeing there under to unconditionally agree to the terms and conditions of this Contract. The change in the Ownership of Management of either parties shall not be a ground for termination of this Contract.

18. Arbitration

In the event of any dispute arising out of this Contract or touching with any aspect thereof, the parties agree to use their best efforts to attempt to resolve all disputes in prompt, equitable and good faith. In the event the parties are unable to do so, then such dispute shall be finally resolved by arbitration. The arbitration shall be conducted in the English language and the venue of the arbitration shall be at New Delhi.

18.1 Settlement of Disputes

As stated above disputes and/or differences, whatsoever shall arise between the parties hereto relating to interpretation of any clause of this on the rights, duties or liabilities of either party under this contract or otherwise in connection with these presents, the matter in difference shall be adjudicated by a sole arbitrator appointed by CMD, NSC with the concurrence of both the parties and in accordance with the provisions of Arbitration and Conciliation Act, 1996 or any

statutory enactment in that behalf for time being in force. The parties will bind to resolve the dispute through arbitration before going to Court of Law.

**18.2 Jurisdiction** - The parties hereby irrevocably agree to the exclusive jurisdiction of the Courts at Delhi/New Delhi only in connection with any actions or proceedings arising out or in relation to this Contract.

**19. General Terms**

a) The relationship between Seller and NSC shall at all times be that as between a producer and seller of goods. Seeds made available by Seller to NSC under or in pursuance of this Contract shall be on principal – to- principal basis. NSC shall be entitled to sell the seeds purchased by it from Seller to the Government Departments /Institutions, Agriculture Universities, State Seed Corporations, farmers, customers, consumers, etc. either directly or through its sale channels, without any territorial restriction.

b) Seller shall supply such quantity of products at the prices as mutually agreed upon periodically subject to the observances and fulfillment of the terms herein stated. All such prices shall be on FOR delivery basis to NSC's Regional Offices / Area Offices situated across the country, or its channel partners through whom the seeds are distributed /sold.

c) NSC undertakes to keep confidential all such information, which NSC officials shall gather during the course of inspection specified in Clause 3(c) & 3(f). However, any inspection carried out by NSC shall not relieve seller from any product quality claim related obligations under the Contract.

d) Seller has to offer the prices all inclusive of taxes. However, if any tax portion applicable to the Seller is eligible for input credit, information regarding such input credit and benefit there from has to be passed on to NSC by the Seller.

e) NSC shall be at liberty to sell the Seller's products as per the maximum retail price specified by NSC taking into consideration the purchase price, market conditions, government regulations, GST, other charges, etc. as may be applicable.

f) Seller shall reconcile on shortages and damages, if any, observed by NSC and make good the same. NSC shall have to mention on the challan itself the

particulars of such shortages, damages, if any observed by them or on the Goods Receipt Note to be issued by NSC to Seller In case of any direct supplies to third party executed by Seller against the written purchase order issued by NSC the cases of shortages / damages observed, pointed out, remarked in writing by the concerned officers of NSC shall be made good by Seller.

g) NSC will be free to produce itself or to buy seeds similar to those crops/seeds which Seller has agreed to give to NSC under this Contract from any other supplier producers during the continuance of the Contract. Similarly, Seller is also free to sell to any other individual/ organization, similar products but with different varietal name in the territory of NSC's operation. However, the price charged to such individual/organization if observed and or found to be less than what is charged to NSC for supply of such seeds, such lesser price shall be deemed to be the contract price between Seller and NSC and payments for the supplies shall be made to Seller at such lesser rate for the entire contract period. An affidavit has to be submitted by Seller that they will not offer the rates lower than the rates offered to NSC of the similar variety in any case. In case price/rate offered to any other individual /organization for similar products found lower than the NSC at any point of time, the Contract is liable for termination and the rates will be applicable for the contract as per the lower rates.

h) NSC will be free to sell the seeds so procured from Seller at any place, in India or in any other country, in case of any export enquiry. However, in the event of any export enquiry, NSC shall execute the order/enquiry after obtaining written consent from Seller pricing for overseas supply will be discussed and mutually agreed before the dispatch of goods. Further, NSC is also free to sell the seed of any other producer. Similarly, Seller is also free to sell seeds to other parties without using the trade mark, design, style get-up and colour scheme of the carton/label of NSC.

i) Both the parties to this Contract recognize and respect that their trademarks are exclusive properties of the respective firms and shall not be used by the other without written permission of the owner of the trademark.

j) Any notice or communication to be given or sent by either party to the other under this Contract shall be considered as duly served if the same has been

transmitted and delivered to the party concerned at the following addresses or such other addresses as may be intimated in writing by either party to the other shall be binding:-

National Seeds Corporation Limited  
Beej Bhawan, Pusa Complex  
New Delhi – 110 012

OR

(NSC Regional Manager issuing the Purchase Order)

The Regional Manager,  
National Seeds Corporation Ltd.,  
-----.

AND

ii) .....  
.....

IN WITNESS WHEREOF the parties hereto have executed these presents, the day, months and year first herein above written.

Signed and Delivered By

Signed and Delivered By

For & on behalf of,  
National Seeds Corpn. Limited

For & on behalf of,  
.....

In the presence of:

In the presence of:

**On Rs. 100/- Judicial Stamp Paper**

**AFFIDAVIT**

I .....(Name, Designation and address)  
hereby declare that I will not offer the rates lower than the rates offered to NSC of  
the similar variety in any case. In case price/rate offered to any other individual  
/organization for similar products found lower than the NSC at any point of time, the  
Contract is liable for termination and the rates will be applicable for the contract as  
per the lower rates.

**NAME.....**

**Designation.....**

**Name of the firm/ Company.....**

.....

**Address.....**

.....

**Place:**

**Date:**