

AGREEMENT

THIS AGREEMENT made on this day of 2017 between AP State Agro Industries Development Corporation Limited herein after called APSAIDC Limited having its Admn Office at Fifth floor, Stalin corporate, Industrial Estate, Autonagar, Vijayawada- 500007 which expression shall where the context so admits includes their successors in interest and representative of the First Part represented by Deputy Manager (AE) of APSAIDC Limited, authorized to enter into the agreement and M/s..... represented by its (Managing partner / proprietor etc.) Sri., S/o. aged years, herein after called Company which expression shall, unless repugnant of the subject or context thereof mean and includes its successors, administrators and assignees of the Second Part.

PREAMBLE

WHEREAS AP State Agro Ind. Dev. Corp. Ltd. (APSAIDC Ltd) is a State Government undertaking and the Director of Agriculture, Department of Agriculture, Government of AP has requested AP Agros to finalize the prices of farm implements / farm equipment and communicate the prices along with supplying agencies for arranging supplies to the farmers under the Subsidy schemes of Department of Agriculture, Government of AP for the year 2016-17. Accordingly, the Corporation has finalized the prices of Land Preparatory implements and Sowing / Planting Equipment; Power Tillers and Tractors; Intercultivation and Post Harvest Equipment; Plant Protection Equipment including High Pressure Knapsack Sprayers and High Cost Farm Machinery and communicated the same prices along with supplying agencies to the Department of Agriculture for arranging supplies under the Subsidy schemes of 2016-17.

WHEREAS the Director of Agriculture, Department of Agriculture, Government of AP, has taken a decision to continue the prices of the farm implements / farm machinery finalized for the year 2016-17 for arranging supplies to the farmers under the Subsidy schemes of 2017-18.

WHERE AS the Company having participated in EOI process floated by APSAIDC Ltd., for the year 2016-17 and is hereby agreed to supply the farm implements / farm machinery (which ever is applicable to your firm) under the subsidy schemes of 2017-18 at the approved prices of 2016-17 and as per the specifications of the items mentioned in the EOI schedules.

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

- 1) The company furnished the rates (inclusive of all taxes, transportation) of **Land preparatory/ Sowing / Inter cultivation/ P.P/ Threshers/ Harvesters/ Tractors/ Oil engines/ Power tillers/ Transplanters Equipments** to be supplied under the subsidy schemes at customer destination in AP state. The prices of the above items finalized by the EOI Committee are valid upto 31-03-2017 and can be extended for further period. No escalation charges will be paid during this period.
- 2) The Company agreed to give a warranty of minimum 2 years for the items supplied. Repairs/Replacements/Servicing shall be attended at free of cost within the warranty period within 7 days after receipt of complaint from the beneficiary and the transportation charges are to be borne by the supplier only. The company shall ensure that the spare parts required shall be made available through dealers' network at least for a period of 3 years after warranty period on payment basis.
- 3) The company also agreed to appoint adequate number of dealers, where ever necessary at divisional level, for supply of ordered farm implements / farm machinery and also to attend repairs, replacements, after sales and service under warranty at free of cost without causing financial loss to the farmer (s).
- 4) The Company agreed to pay the Performance Guarantee deposit as mentioned in the EOI schedule by way of demand draft in the name of AP State Agro Industries Development Corporation Limited, payable at Vijayawada along with agreement and authorized dealers list. The authorized dealers of the manufacturing firms will have to pay the performance Guarantee deposit as mentioned in the EOI schedule to empanel their firm as authorized dealer.

- 5) The Company agreed for converting EMD remitted by them as Performance Guarantee and shall be refunded only after proper fulfillment of supplies and after successful performance, as per the terms and conditions of the Contract Agreement. This performance guarantee does not carry any interest. Any complaints/malafide acts, the said PGD will be withheld without assigning any reasons.
- 6) The Company agreed that in case of non-fulfillment of the obligation of supply of farm implements / farm machinery, as per beneficiary choice and as per the orders / Specifications / quality, their performance guarantee shall be forfeited besides initiation of criminal action and failure to supply the items due to price variation will attract blacklisting of the firm and shall not be allowed to participate in the tender process for a minimum of 3 years under any subsidy schemes or in any project of Department of Agriculture.
- 7) The APSAIDC Ltd., hereby declare that the items sold under this agreement shall be the best quality and working and shall be strictly in accordance with the specifications. The Company here by guarantee, that the said items would continue to conform to the description and quality as per the specifications mentioned in the EOI Schedule.
- 8) The agreement is valid upto 31-03-2018 for arranging supplies and also valid till expiry of the warranty period of the items supplied.
- 9) The beneficiary / MAO / ADA will place purchase orders on the Company or their authorized dealer for the required quantity of items for supply to farmers and the Company or their authorized dealer will ensure the supply of the same immediately within 15 days from the date of receipt of purchase order along with demand draft towards non-subsidy component. The company shall arrange for supply of approved

items, as per the guidelines issued by the Department of Agriculture, Government of AP state.

- 10) The APSAIDC LTD is at liberty to impose any quality check measures from time to time in the interest of Farming Community.
- 11) In the event of any failure to supply the indented quantity on time or in the event of the equipment failing to conform to the specifications on quality as per EOI Schedule, the APSAIDC Ltd., has right to black list the company apart from forfeiture of Performance Guarantee deposit at any stage of contract, besides initiating suitable legal action.
- 12) The Company has agreed to arrange the supply of the indented quantity of items, as per technical specifications indicated in EOI Schedule to the beneficiary.
- 13) The Company has agreed to pay Liquidated damages levied at the rate of 0.5% of the total value of work per week up to a maximum of 5% in case of default in the supply of tools / equipment etc., as per EOI schedule.
- 14) The company has agreed for not delivering the products without valid purchase order from the competent authority i.e. beneficiary / MAO / ADA., as per scheme guidelines.
- 15) The approved firm or their authorized dealer should not collect the money directly from the farmers in supply of items.
- 16) The Company has agreed for providing detailed operational and maintenance manuals in local language and to show the demonstration of the items to the beneficiary at the time of delivery and to educate the beneficiary on do's and don'ts of operation and the cost for loading, un-loading, demonstration charges shall be borne by the supplier only.

- 17) The company has agreed to affix a metal/aluminum sheet (size 4"x 2") on all the implements / equipment in a prominent place with the details like Equipment name / model, Unique Sl.No. & Year, Supplying firm name, & "Distributed under Department of Agriculture subsidy scheme" in TELUGU language or to affix a non-reversible sticker with the above information where the fixation of aluminum sheet is not possible.
- 18) All the manufacturers of Threshers must and should emboss the name of the implement, firm name, company logo and engrave the unique serial number, model, state, month, year on the main frame or chassis of the equipment. The serial number and any other unique number should be communicated in advance to Assistant Director of Agriculture concerned indicated to be delivered at the Assistant Director of Agriculture division.
- 19) All the manufacturers of Power Tillers and Tractors are instructed to emboss a serial number on the mainframe instead of engraving and the number should indicate the State, year of supply along with a unique serial number on the chassis or mainframe of the Power Tiller. The serial number and any other unique number should be communicated in advance to Assistant Director of Agriculture indicated to be delivered at the Assistant Director of Agriculture division.
- 20) The authorized dealer of Combine Harvester company should send their technical representative to the farmer point in every month and send the performance of the machinery indicating the machine hours worked; condition of the machinery etc. to the concerned Joint Director of Agriculture; Regional Manager, Agros; and V.C. & M.D. Agros, with the joint signatures of farmer / farmer group and company Technical Representative.
- 21) All the manufacturers of High-Cost-Machinery must and should emboss the name of the equipment / machinery, firm name, company logo and engrave the unique serial

number, model, state, month, year on the main frame or chassis of the equipment. The serial number and any other unique number should be communicated in advance to Assistant Director of Agriculture concerned indicated to be delivered at the Assistant Director of Agriculture division.

22) The company has agreed for the following terms of payment:

1. Payment of non-subsidy shall be made by the beneficiary by Demand Draft directly in the name of the authorized dealer or through Bank.
2. Subsidy amount shall be released to the supplier by the Department of Agriculture (through Joint Directors of Agriculture of concerned district), subject to release of subsidy amounts by Government of AP through Treasury to their bank account after submission of Utilization Certificates signed by the beneficiary and countersigned by the MAO; ADA and JDA along with photograph; copy of sanction proceedings; invoice, if there is no complaint in working of implements / machinery. In case, there is any complaint on the working of the implement / machinery, the payment will be made after rectification of defects.

(NOTE: If there are any changes in terms & conditions of payment, the same will be intimated to the suppliers)

3. The company has to impart intensive training to the technical staff of the beneficiary group on the functioning and maintenance of the package of machinery supplied to the beneficiary. A training completion letter shall be submitted to AP Agros duly taking the signature of the beneficiary after imparting of training to each beneficiary.
4. This agreement covers all machinery which is supplied to beneficiary as per sanction order of Director of Agriculture. Any equipment otherwise supplied will not be considered for payments.

5. The company has to take the responsibility for the quality of the equipment supplied.
 6. The company has to provide detailed operational, maintenance manuals, parts catalogue etc. of the equipment in Telugu language for all the equipment supplied by them.
 7. The company shall submit performance guarantee deposit as specified in the EOI schedule.
 8. In case of non-fulfillment of the obligation of supply of equipment by the company, the performance guarantee will be forfeited.
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- 23) APSAIDC Ltd has every right to cancel the agreement without issuing notice in case agreement entered by impersonation or misrepresentation and playing fraud by the Manufacturer.
 - 24) In case of any disputes/difference arising out of the agreement between the two parties relating to any aspect of the agreement, the parties should attempt to settle the dispute through mutual and amicable discussions. If the dispute is not settled through such discussions, the matter shall be referred / settled as per Arbitration & Conciliation Act.1996.
 - 25) Any notice or communication or letter addressed to the addresses of either parties mentioned in this agreement is deemed to be sufficient notice for all purposes of this Agreement.
 - 26) The place where this agreement is implemented, it is mutually undertaken and agreed by and between the parties and this agreement shall be deemed to have been entered by the parties concerned at Hyderabad and the Courts of law situated at Hyderabad only shall have the jurisdiction to entertain the said litigation arising out of this Agreement.

- 27) Any Taxes levied or leviabale will be borne by the Company. In the event of non payment of any Taxes / statutory dues, the APSAIDC Ltd shall have the right to recover the same from the Company.
- 28) The other terms and conditions indicated in the EOI schedule and scheme guidelines issued by the Department of Agriculture, Govt. of AP State from time to time are also applicable for execution of the orders placed on the firm.
- 29) All the above information furnished by our firm is true and correct. The statutory certificates submitted during the EOI process were valid/renewed for the year 2017-18, if any certificates found not valid during inspection/complaints necessary action can be initiated against our firm.

IN WITNESS WHERE OF the APSAIDC LTD and the Company have hereunto set their hands on day of 2017

<p>(to be filled in by APSAIDC LTD.,) for AP State Agro. Ind. Dev. Corp. Ltd Signature: Name: Address:</p> <p><u>WITNESSES</u></p> <p>1. 2.</p>	<p>(to be filled in by the firm) Name of the firm Signature of the authorized person: Name: Address:</p> <p><u>WITNESSES</u></p> <p>1. 2.</p>
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