

SOPA MODEL CONTRACT NO. 106
Solvent Extracted Crude Soybean Oil
F.O.R. Destination Delivery
(Effective from 1st April, 2024)



The Soybean Processors Association of India
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SOPA Model Contract No. SOPA 106
Solvent Extracted Crude Soybean Oil F.O.R. Delivery

This Model Contract shall form an integral part of all commercial contracts, whether in the format given below or in any other format, whether issued by a broker, the seller or the buyer, if the commercial contract carries a clause to the effect that all other terms and conditions which are not in contradiction with the commercial contract, shall be as per the latest version of SOPA Model Contract No. SOPA 106.

Contract No.:

Date:

Seller Name

Full address

.....

Contact Person Mobile:

Telephone: Email:

GST Number

Buyer's Name

Full address

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Contact Person Mobile:

Telephone: Email:

GST Number

Broker's Name

Full address

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Contact Person Mobile:

Telephone: Email:

Commodity Solvent Extracted Crude Soybean Oil

Quantity..... Metric tons +/- 2% at seller's option

Specifications As per clause 3.1 or 3.2

Dispatch/Delivery period

Place of delivery

Mode of Dispatch & Dispatch instruction

Price & Taxes Rs..... PMT, By Lorry, F.O.R. destination plus applicable taxes

Payment Terms: As per clause 8

Brokerage: Rs..... per MT plus applicable taxes, to be paid by seller and also the buyer

All other terms and conditions shall be as given below, except for any deviations mutually agreed by the parties in writing.

Terms and Conditions

1. After conclusion of the business, either through Broker or directly between Sellers and Buyers, the following procedure shall be followed:

In case of business concluded through the broker, the broker shall intimate buyer and seller and send a copy of the confirmation note to them by E-mail/SMS/WhatsApp/hand delivery on the same day by 8:00 p.m. for business concluded before 6:00 p.m. and 12:00 noon on next working day for business concluded after 6:00 p.m. or on a National Gazetted Holiday. The broker may send his confirmation note to the parties by 8:00 p.m. same day even if business is concluded after 6:00 p.m.

On receipt of the confirmation note, the buyer and seller shall send their acceptance of the confirmation note by e-mail/SMS/WhatsApp/hand delivery to the broker by 12:00 noon for confirmation note received on the previous day and 6:00 p.m. for confirmation note received by 12:00 noon of that day.

If acceptance or denial is not received from both the parties by e-mail/SMS/WhatsApp/hand delivery within 24 Hrs. of sending by the broker, the confirmation note from the broker shall be deemed to have been accepted by the parties and shall be treated as a contract.

In case of a direct contract between the buyer and the seller, an email or a written consent of both the parties shall be required by 2:00 p.m. of the next working day.

2. **Description of Commodity:**

Solvent extracted Soybean Oil.

3. **Specifications & Scale of Allowances:**

3.1 Indian Solvent Extracted Soybean Oil * (Containing 2.0 to 3.0% Gums)

Moisture, volatile matter and insoluble impurities	Basis 0.5%
Colour, Lovibond, Y +/- 5R, ¼ “ Cell	Basis 40
Refractive Index at 40°C	1.4649 to 1.4710
Specific Gravity at 25/25°C	0.917 to 0.921
Saponification Value	189 to 195
Iodine Value (Wij's method)	120 to 141
Free Fatty Acids (FFA), by weight	Basis 1.5%
Unsaponifiable matter, by weight	1.5% Max.
Flash Point (Pensky Martin method) basis	120°C

*** Acceptable limit of gums in Solvent Extracted Soybean oil be increased to 3.5% with single rebate above 3%. For gums below 2% and upto 1.5%, single rebate. For gums below 1.5% or above 3.5%, rejectable at buyer's option.**

3.1.1 Quality Allowance:

3.1.1.1 Moisture, volatile matter and insoluble impurities

0.5 to 0.75%	Acceptable on single rebate basis
0.76 to 1.0%	Acceptable on double rebate basis
Over 1.0%	Rejectable at Buyer's option

3.1.1.2 Colour (Y+/- 5R scale, ¼" Cell) *

40 – 45 Units	Acceptable with rebate at Rs. 50.00 per unit per MT
46 – 50 Units	Acceptable with rebate at Rs. 100.00 per unit per MT
Over 50 Units	Rejectable at Buyer's option

3.1.1.3 Free Fatty Acids

1.5 to 2.0%	Acceptable on single rebate basis
2.01 to 2.5%	Acceptable on double rebate basis
Over 2.5%	Rejectable at Buyer's option

3.1.1.4 Flash Point

Below 120 to 110	Acceptable with Rebate of Rs. 50/- per MT
Below 110 to 100	Acceptable with Rebate of Rs. 100/- per MT
Below 100	Rejectable at Buyer's option

3.2 Indian Solvent Extracted Soybean Oil (Degummed)

Moisture, volatile matter and insoluble impurities	Basis 0.5%
Colour, Lovibond, Y +/- 5R, ¼ " Cell	Basis 30
Refractive Index at 40°C	1.4649 to 1.4710
Specific Gravity at 25/25°C	0.917 to 0.921
Saponification Value	189 to 195
Iodine Value (Wij's method)	120 to 141
Free Fatty Acids (FFA) by weight	Basis 1%
Unsaponifiable matter, by weight	1.5% Max.
Flash Point (Pensky Martin method)	120°C

3.2.1 Quality Allowance:

3.2.1.1 Moisture, volatile matter and insoluble impurities

0.5 to 0.75%	Acceptable on single rebate basis
0.76 to 1.0%	Acceptable on double rebate basis
Over 1.0%	Rejectable at buyer's option

3.2.1.2 Colour (Y+5R scale, ¼" Cell) *

30 – 35 Units	Acceptable with rebate at Rs. 50.00 per unit per MT
36 – 40 Units	Acceptable with rebate at Rs. 100.00 per unit per MT
Over 40 Units	Rejectable at buyer's option

3.2.1.3 Free Fatty Acids

1 to 1.5%	Acceptable on single rebate basis
1.51 to 2.0%	Acceptable on double rebate basis
Over 2.0%	Rejectable at buyer's option

4. **Rejection:**

- 4.1 For F.O.R. delivered contracts, in case of rejection due to any variations in quality as mentioned above, buyer shall inform such rejection to the seller within one working day after the receipt of the goods and ask for the replacement. Seller shall have to replace the goods at the place of rejection within 3 days from the date of intimation of rejection by buyer. In case seller fails to replace the goods within the stipulated time, buyer shall declare the seller in default and contract shall be settled as per default clause of this contract.
- 4.2 In case of rejection of goods by the buyer, buyer shall not use these goods without due consent of the seller.
- 4.3 If the buyer accepts the rejected material with due consent of the Seller, due to any deficiency in Quality over and above as mentioned in clause 4 then the scale of allowances will be as mutually agreed

5. **Quantity:**

- 5.1 For F.O.R. contracts, seller shall have an option to deliver +/- 2%.
- 5.2 The +/- option is available only for effecting deliveries and in case of non-deliveries, default and settlement of Contract, the Contracted Quantity shall prevail. (i.e. If the contracted quantity is say e.g. 100 M. Tons then settlement quantity will be 100 M. Tons).
- 5.3 In case the contracted quantity is a range (for e.g. 500 MT to 600 MT) then the mean of the quantity (for e.g. 550 MT) shall prevail for consideration of non-deliveries, default and settlement of Contract.

6. **Delivery Period, Extension of Delivery Period and Non-Delivery and Default:**

- 6.1 All Contracts should mention the specific dispatch delivery period.
- 6.2 For F.O.R. contracts, the date of arrival of goods shall be considered as date of delivery and the seller will ensure delivery by 6 p.m. within the last date of delivery as per the contract.
- 6.3 In case of Road delivery by tankers, if tanker arrives at the buyers premises but is not unloaded within 48 hours of arrival at buyer's premises, then cost of detention and demurrage if any, plus interest, will be on buyers account.
- 6.4 In case of delay in unloading as mentioned in point 6.3 above, the date of delivery shall be automatically extended for the number of days of delay in unloading beyond 48 hours for any part quantity out of the contract, yet to be delivered.
- 6.5 If the seller fails to comply with the delivery terms of the contract, then in such case, buyer has the right to declare the seller in default and the contract will be settled as per default clause.

7. **Weighment Samplings and Analysis:**

7.1 **Weighment:**

- 7.1.1 For F.O.R contract the weight will be final at destination. 100% weighment will be done at the time of arrival of goods at destination at

the nearest weighbridge. The weighment will be done by Buyer. Seller can also depute his representative, at his cost to supervise the weighment. In case at the time of arrival of goods, seller's representative is not present, weighment by the Buyer will be binding on the Seller.

- 7.1.2 In case the buyer wishes to send his representative, the same shall be notified to the buyer immediately upon dispatch of goods in case of FOR contracts.

7.2 Sampling and Analysis:

- 7.2.1 Method of sampling and analysis shall be as per ISO 5555 or AOCS 1-47(2017) or IS 548 (Part 1/Sec 2) : 2021, as mutually agreed between the parties.

- 7.2.2 4 (four) samples shall be drawn jointly by the buyer and seller representative and sealed at the time of loading of tanker. Analysis will be done jointly by seller and buyer at buyer's place, in the presence of seller's representative. In case of any dispute as to quality, the third sample shall be referred to SOPA approved laboratory, at the cost of the party raising the dispute.

8. Payment:

- 8.1 100% payment shall be made to the seller by the buyer on receipt of seller's invoice along with Lorry Receipt issued by the seller within the delivery period stipulated in the contract.
- 8.2 If the buyer fails to make the payment within the stipulated period, after receiving the material, the buyer shall pay interest calculated at twice the State Bank of India Marginal Cost of Lending Rate (SBI MCLR) p.a. compounded quarterly.

9. Insurance:

In case of FO.R. contract, it is the responsibility of the seller to take transit insurance of goods transported by whatever means. In case the seller fails to insure the goods, all consequential losses will be to seller's account.

10. Default:

In case of default in fulfillment of contract by either party i.e. seller or buyer following provisions shall apply:

- 10.1 In the event of buyer declaring the seller in default due to rejection/non-delivery of contracted quantity in full/part in the stipulated delivery schedule and/or extended delivery schedule, the buyer can exercise the following options at his discretion.
- 10.1.1 To purchase such quantity at the prevailing market price (on the expiry of original delivery period/extended delivery period, at the risk and cost of the seller) or
- 10.1.2 To settle the contract at the difference between the contracted price and the market price on the date of default, to be paid by the seller Or
- 10.1.3 To cancel the contract at par i.e. without any claim or allowances.
- 10.1.4 In case of settlement or cancellation as mentioned above, seller has to refund the advance amount received by him within 7 (seven) days from the date of settlement/ cancellation of contract together with interest calculated at twice the State Bank of India Marginal Cost of Lending Rate (SBI MCLR) p.a. compounded quarterly, calculated from the date of settlement/ cancellation.

- 10.1.5 Buyer should submit his final claim to seller within 30 days from the date of declaring default.
- 10.2 In the event of the seller declaring buyer in default due to non-receipt of payment or buyer refusing to accept the delivery, the seller can exercise the following options at his discretion:
- 10.2.1 To sell the goods at the prevailing market price at the risk and cost of buyer.
Or
- 10.2.2 To settle the contract at the difference between the contracted price and the market price on the date of default, to be paid by the buyer, Or
- 10.2.3 To cancel the contract at par i.e. without any claim or allowances.
- 10.2.4 In the event of the seller declaring the buyer in default due to non-payment, buyer shall return the goods if delivery has been taken by him.
- 10.2.5 In no case the buyer shall use the goods for his purpose, if payment is not made to the seller.
- 10.2.6 The seller should submit his final claim to buyers within 30 days from the date of declaring default.

11 **Settlement:**

- 11.1 In case both the parties agree to settle the contract on mutually agreed terms either directly or through broker, the settlement amount so agreed will be payable within 7 days of the date of settlement.
- 11.2 In case the amount of settlement is not paid as per clause 11.1, interest on the settlement amount shall be payable, calculated at twice the State Bank of India Marginal Cost of Lending Rate (SBI MCLR) p.a., compounded quarterly, calculated from the date of settlement.

12. **Duties, Taxes, Levies on Goods:**

All duties and Taxes shall be to the buyer's account.

In case of ex-factory advance payment contracts, payment will be made by the buyer inclusive of Taxes.

13. **Force Majeure:**

Event of Force Majeure means any event which is beyond the control of a contracting party to perform, and would include Acts of God such as flood, lightning, earthquake etc., strike, lockout, civil commotion, fire, riots, war, pandemic, etc.

Should Sellers' performance of this contract be prevented, whether partially or otherwise, by an Event of Force Majeure, the performance of this contract shall be suspended for the duration of the Event of Force Majeure, provided that Sellers shall have served a notice on Buyers within 7 consecutive days of the occurrence or not later than 21 consecutive days before commencement of the period of delivery, whichever is later, with the reasons therefor. If the Event of Force Majeure continues for 21 consecutive days after the end of the period of delivery, then Buyers have the option to cancel the unfulfilled part of the contract by serving a notice on Sellers not later than the first business day after expiry of the 21 day period.

If this option to cancel is not exercised then the contract shall remain in force for an additional period of 14 consecutive days, after which, if the Event of Force Majeure has not ceased, any unfulfilled part of the contract shall be automatically cancelled. If the Event of Force Majeure

ceases before the contract or any unfulfilled part thereof can be cancelled, Sellers shall notify Buyers without delay that the Event of Force Majeure has ceased. The period of delivery shall be extended, from the cessation, to as much time as was left for delivery under the contract prior to the occurrence of the Event of Force Majeure. If the time that was left for delivery under the contract is 14 days or less, a period of 14 consecutive days shall be allowed.

The burden of proof lies upon Sellers and the parties shall have no liability to each other for delay and/or non fulfilment under this clause, provided that Sellers shall have provided to Buyers, if required, satisfactory evidence justifying the delay or non-fulfilment.

14. **Broker's Role:**

For all purposes, this contract is between the two parties namely buyer and the seller. The broker's role is only that of a facilitator and witness to the contract. The broker shall not be responsible for performance of the contract from either side and any consequences thereof.

15. **Brokerage:**

15.1 Buyer and Seller shall pay agreed brokerage on the completion of contractual obligations. In case of any dispute in a contract, Buyer/Seller may withhold the payment of brokerage of that particular contract only, till such time that the dispute is resolved or the case is referred to arbitration.

15.2 If any party fails to pay the brokerage as per the agreed terms, the broker can refer the matter to arbitration as per SOPA Arbitration Rules.

16. **Arbitration:**

16.1 Any and all disputes arising out of or under this contract or any claim regarding the interpretation or execution of this contract shall be determined by arbitration in accordance with the SOPA Arbitration Rules, as existing on the date of this contract; such Rules are incorporated into and form part of this Contract and both parties hereto shall be deemed to be fully cognizant of and to have expressly agreed to the application of such Rules.

16.2 Neither party hereto, nor any persons claiming under either of them shall bring any action or other legal proceedings against the other in respect of any such dispute, or claim until such dispute or claim shall first have been heard and determined by an Arbitral Tribunal, in accordance with the SOPA Arbitration Rules and it is expressly agreed and declared that the obtaining of an award from the Arbitral Tribunal shall be a condition precedent to the right of either party hereto or of any persons claiming under either of them to bring any action or other legal proceedings against the other of them in respect of any such dispute or claim.