

SOPA MODEL CONTRACT NO. 108
For Non-GMO Soybean
(Effective from 1st April, 2024)



The Soybean Processors Association of India
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**SOPA Model Contract SOPA 108
For Non-GMO Soybean**

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. 108.

Contract No. _____ Date: _____

Seller Name

Full address

.....

Contact Person Mobile:

Telephone: Email:

GST Number

Buyer's Name

Full address

.....

Contact Person Mobile:

Telephone: Email:

GST Number

Broker's Name

Full address

.....

Contact Person Mobile:

Telephone: Email:

Commodity NON-GMO Soybean

Quantity Metric tons +/- 5%, at Sellers option, net of bar dana,

Specifications As per clause 3

Dispatch/Delivery period

Place of delivery

Mode of Dispatch & Dispatch instruction

Price Rs..... per metric ton, by lorry, F.O.R. destination plus applicable taxes

Payment Terms As per clause 10

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 adopted:

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:** Yellow NON-GMO Soybean
3. **Specifications & Scale of Allowances:**

3.1 **Specifications:**

Moisture	Basis 10% (Ten)
Foreign matter	Basis 2% (Two)
Damaged seed	Basis 2% (Two)
Green seed	Basis 4% (Four)
Undersize seed (below 4 mm)	Basis 8% (Eight)

The Soybean shall be free from all other seeds and any other toxic substances and also free from any foul odour and live infestation.

3.2 **Allowances:**

- 3.2.1 For delivery in October and November, for excess moisture over 10% upto 14% single rebate, over 14% upto 16% double rebate, over 16% rejectable at buyer's option
- 3.2.2 For delivery from December to September of next year, for excess moisture over 10% upto 12% single rebate, above 12% upto 14% double rebate, above 14% rejectable at buyer's option
- 3.2.3 For excess foreign matter upto 4% single rebate, above 4% upto 6% double rebate, above 6% rejectable at buyer's option
- 3.2.4 For excess damaged seed over 2%, upto 5% rebate 0.25%, above 5% upto 10% rebate 0.5%, above 10% rejectable at buyers' option.
- 3.2.5 For excess small seed over 8%, upto 15% rebate 0.25%, above 15% rejectable at buyers' option.

4. **Rejection:**

- 4.1. In case of rejection due to any variations in quality as mentioned above, buyer shall inform of such rejection to the seller within one working day after the receipt of the goods and ask for replacement. Seller shall have to replace the goods at the place of rejection within 3 working 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 model 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 In case goods are rejected in godown (for ex-godown contract) for which seller has issued Delivery Order, and the buyer has asked for replacement of the rejected cargo, seller shall have to replace the same within next 72 hours of the receipt of intimation of rejection.
- 4.4 In case seller fails to replace such quantity within stipulated time, then buyer shall have right to cancel the contract, declare the seller in default and contract will be settled as per default clause of this contract.
- 4.5 If the buyer accepts the rejected material with deficiency in quality over and above as mentioned in clause 3.2, with due consent of the seller, due the scale of allowances will be as mutually agreed.

5 **Quantity:**

- 5.1 The +/- option is available only for effecting deliveries and in case of no deliveries, default and settlement of contract, the Contracted Quantity shall prevail. (i.e. if the contracted quantity is say e.g. 1500 M. Tons then settlement quantity will be 1500 M. Tons).
- 5.2 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 either by Road or Ex-godown.

- 6.2 In case of Road delivery by trucks, if reported but not unloaded by the buyer within 48 hours then cost of detention and demurrage if any, will be on buyer's account.
- 6.3 In case of Ex-godown, date of delivery order will be considered as date of delivery. Seller to arrange Delivery Order in favour of buyer within two working days of receiving the payment in case of advance payment.
- 6.4 If the seller fails to comply with the delivery terms of the contract, then in such case, the buyer has the right to declare 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./Road Dispatch Contracts:

7.1.1.1 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 or surveyors appointed by buyer at buyer's cost. Seller can also depute his representative or appoint surveyors, at seller's cost to supervise the weighment. In case at the time of arrival of goods, seller's representative or his surveyor is not present, weighment done by the buyer will be binding on the seller.

7.1.1.2 In case seller wishes to send his representative or appoint surveyors, the same shall be notified to buyer immediately upon dispatch of goods so that seller's representative can be informed on arrival of goods.

7.1.1.3 At the request of the buyer, the seller shall give truck-wise detailed statement of weight.

7.1.2 For imported Rupee payment containerized seed contracts, 100% weighment will be done at the time of arrival of goods at destination at the nearest weighbridge and 0.5% variation from the B/L weight will be permitted. If the variation is more than 0.5%, the shortage will be to seller's account. The weighment will be done by buyer or surveyors appointed by buyer at buyer's cost. Seller can also depute his representative or appoint surveyors, at seller's cost to supervise the weighment. In case at the time of arrival of goods, seller's representative or his surveyor is not present, weighment done by the buyer will be binding on the seller.

In case seller wishes to send his representative or appoint surveyors, the same shall be notified to buyer immediately upon dispatch of goods so that seller's representatives can be informed on arrival of goods.

8 **Sampling and Analysis:**

8.1 **Sampling and Analysis for Imported Soybean Seed:**

Method of sampling should be as per IS 4115 1967 (Methods for sampling of Oilseeds)

(A) Buyer shall appoint surveyor from the list of surveyors approved by SOPA at his cost for sampling, sealing and analysis.

- (B) Seller has the option to appoint same or another surveyor from SOPA approved list of surveyors at his cost for joint sampling, sealing and analysis.

8.2 **Analysis:**

In case of joint sampling and analysis only, the following will be applicable:

The Analysis of samples shall be done by the surveyors as per IS 3579 1966 (Test methods for Oilseeds) appointed by buyer and seller simultaneously as under:

- 8.2.1 Out of 8 joint sealed samples, 2 samples each shall be retained by surveyors appointed by both seller as well as buyer.
- 8.2.2 All surveyors are supposed to give their weight/analysis reports in printed pre-numbered report format.
- 8.2.3 The joint analysis of the jointly drawn samples shall be carried out at buyer's surveyor lab jointly by both the surveyors. The joint survey report shall be binding on both the parties.

9 **Taxation:**

On F.O.R. door delivery/factory delivery contracts, the sales shall be Mandi fees paid and the seller shall provide the receipt of payment of mandi fees to the buyer. For all other types of contracts such as mandi purchase and direct purchase at plant, mandi fees, GST and all other applicable taxes shall be payable by the buyer. GST amount will be withheld by the buyer while paying for the soybean and such withheld amount of GST will be paid on proof of deposit of GST by the seller. The buyer shall pay the withheld GST within 10 days of receipt of proof of GST deposit by the seller.

10 **Payment:**

- 10.1 100% payment shall be made to the seller by the buyer on receipt of seller's invoice along with Lorry Receipt issued by the seller, after retaining the GST, as mutually agreed after adjusting for applicable quality and weight rebates.
- 10.2 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.

11 **Insurance:**

- 11.1 For F.O.R. contracts, it is the responsibility of the seller to take transit insurance for goods transported either by Rail or Road. In case the seller fails to insure the goods, all consequential losses will be to seller's account.
- 11.2 In case of ex-godown or advance payment sales, it is the responsibility of the buyer to take transit insurance for goods transported either by Rail or Road. In case the buyer fails to insure the goods, all consequential losses will be to buyer's account.

12 **Default:**

In case of default in fulfilment of contract by either party, following provisions shall apply:

- 12.1 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 period, the buyer can exercise the following options at his discretion.

- 12.1.1 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
 - 12.1.2 To settle the contract at the differential rate of the prevailing market price and contracted price or
 - 12.1.3 To cancel the contract at par i.e. without any claim or allowances.
 - 12.1.4 In case of above settlement/cancellation, 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.
 - 12.1.5 In case of rejected goods, buyer shall give rejection note and return e-way bill for rejected quantity to seller on receipt of his dues.
 - 12.1.6 In case of purchase of goods and/or settlement in seller's account, buyer must inform the business/settlement by email to the seller with a copy to the broker, if any, within 24 hours of settling the contract.
- 12.2 In the event of the seller declaring buyer in default due to non-receipt of payment or refusal to take delivery, the seller can exercise the following options at his discretion:
- 12.2.1 To sell the goods at the prevailing market price at the risk and cost of buyer or
 - 12.2.2 To settle the contract at the differential rate of the prevailing market price and contracted price or
 - 12.2.3 To cancel the contract at par.
- 12.3 The seller should submit his final claim to buyer within 7 days from the date of declaring default.
- 12.4 In case of default, the buyer shall not use the goods for his purpose, if payment is not made to the seller within the stipulated period.

13 **Settlement:**

- 13.1 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.
- 13.2 In case the amount of settlement is not paid as per clause 13.1, 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.

14 **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.

15 **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.

16 **Brokerage:**

16.1 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.

16.2 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.

17 **Arbitration:**

17.1 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.

17.2 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.