

## **FARM MANAGEMENT AGREEMENT**

This FARM MANAGEMENT AGREEMENT executed this \_\_\_\_\_ day of \_\_\_\_\_, 2018,

Between

Shri \_\_\_\_\_, ID name and number \_\_\_\_\_,  
Resident of \_\_\_\_\_, duly authorized to sign, hereinafter  
referred to as the FARM OWNER (which expression shall include its agents, successors-in-  
title and assigns) of the one part.

AND

Big India Farms Private Limited, a private limited company incorporated and registered  
under the Companies Act 1956, having Registered office at 5547 A, KashiRam Building,  
Kamla Nagar, Delhi - 11007 referred to as the FARM CONTRACTOR (which expression  
shall include its administrators, executors, successors-in-title and assigns) of the other part.

WHEREAS the Farm Owner herein has represented that it is the absolute owner and  
having complete possession of the farm land in its entirety measuring approximately  
\_\_\_\_\_ acres in Village \_\_\_\_\_, District \_\_\_\_\_, Madhya Pradesh (collectively,  
the "Farm").

AND WHEREAS the Farm Owner has agreed to grant the rights for Maintenance,  
Farming and Land Development on the said Farm (as described above) and the first rights  
of farm produce sale, to the Farm Contractor, for a period of 30 years with effect from the  
agreement date, extendable on the option of the Farm Owner by another 30 years and the  
Farm Contractor has agreed to take on the same subject to covenants, conditions and  
stipulations hereinafter in these presents expressed and contained.

NOW THEREFORE, in consideration of the above premises, covenants and mutual agreements contained herein (the receipt and adequacy of which are hereby mutually acknowledged), the Parties hereby agree as follows:

NOW THIS DEED WITNESSETH AS UNDER:

*Scope:*

1. The farm contractor shall invest in creating a natural products farm, and provide the services to plan, sow and maintain, multiple trees and plants, including a fruit Orchard on the Said Farm. The farm contractor shall have complete rights and freedom to choose the seed, the technology, inputs and plant mix in running the Farm Operations.
2. The Farm Contractor intends to follow Natural and/ or approved farming techniques. An indicative list of items to be grown is :
  - Large Trees like Neem, Morninga, Subabul, Gooler, Teak, Mango, Mahua, Indian Gooseberry, Chakrota (pomelo), Kadamba, Mulberry, Giloy, etc*
  - Small trees like Papaya, Lemon, Sweet Lime, Custard Apple, Chiko, Guavas, and many such trees*
  - Pulses and Millets: Toor (arhar), Urad, Mustard, Suran, Millets like Kodu/kutku/sama*
  - Ginger, Turmeric and similar plants, and vegetables like Cherry tomatoes, Okra, Brinjals etc.*
  - Medicinal plants and herbs, Vettiver, Alfaalfa, Lemongrass, Aloe vera, Safed Musli*
  - Poultry , Goats and Cows, and Honey bees , Silkworms and similar insects*
  - Any other flora and fauna grown under natural environment in the Said farm*

*Tenure and Termination:*

3. The term of this agreement is thirty (30) years, commencing on agreement date, unless the demised Farm agreement is terminate prematurely.

4. The Farm Owner has the right to terminate this agreement with a maximum of 6 month notice, or a shorter notice period as demanded by the Farm Contractor, and subject to following conditions:

A. During the notice period, the Farm Contractor shall have the right to remove its properties, and sell standing crops and receive sale amounts as per the terms of this agreement. The Farm Contractor shall be free to remove any temporary assets, and small plants and herbs, Animal and Birds livestock, and Honey stock. Such assets shall be considered movable assets.

B. At the time of termination of the agreement or sale of the Farm land, the Farm Contractor shall be entitled to get 20 percent of the Tree valuation, on the trees that were not present at the time of purchase of land as per registry records, and hence

were planted by the Farm contractor on the demised Farm. The valuation of the trees would be done according to Government Valuation guidelines.

*Costs:*

5. Farm Contractor will build and utilize all canals or other water sources on the Leased Premises, and any ancillary facilities such as a warehouse, pump house, fences, when needed, without prior approval from the Farm Owner.

6. The Farm Contractor's expenses shall include any construction costs, seed costs, plant costs, any third party payments and all such capital expenses as required by such a project. Such expenses, shall not be accrued and chargeable to the Farm Owner.

7. All costs incurred by the Farm Contractor related to this project, including Capital expenditure and Maintenance costs, are pre-approved by the Farm Owner.

8. If the Farm Owner provides any Advance or Working capital amount to the Farm Contractor, to facilitate work on the Said Farm, such an amount shall be returned without interest and adjustable against the Income of the Farm Contractor from the Said Farm.

9. The Farm Owner is free to take any available Insurance on the crops, in case such Insurance has not been availed by the Farm Contractor. The Farm Contractor shall be free to take any separate crop insurance but not under any obligation to do so.

10. The Farm contractor is authorized to install any Electricity connections, or take such Utility services, in the Farm Owner's name. The fixed and variable costs for such utilities shall be paid by the Farm Contractor, if the Farm Contractor is interested in such facilities. In case the Farm Contractor is not interested in deploying these facilities, the Farm owner can independently pay and install the same.

11. The Farm contractor shall be responsible for all third party payments incurred by the Farm Contractor.

12. The Farm contractor shall be free to use the bio-waste or dead plant material for recycling it as manure or food for animals, on the Farm.

*Income:*

13. The Farm Contractor shall inform the Farm Owner about the Sale of a produce and its Quoted price, with a minimum of fifteen days advance notice on Email or Phone. The Farm Owner understands that there will be multiple products, coming for sale at different times of the year. Farm owner understands that many products from the Farm, shall not have a ready Fair price mechanisms in the local market.

14. In case of produce where registered Mandi or other government Fair price mechanisms are available within 100 kms of the said Farm, the price applicable on the produce shall be the highest price available in the Mandi or Fair price mechanisms, within the last 15 days of the Invoice date.

*Revenue sharing:*

15. All Produce revenue coming from the said farm Income during the agreement tenure shall be distributed between the Farm Owner and Farm Contractor, according to either Clause 15A or clause 15B below, at the Farm Owner's discretion. The Farm Owner can change which clause out of 15A or 15B is applicable, with a minimum notice of 6 months to the Farm Contractor.

15A. The revenue coming from the Farm shall be divided in the ratio 50:50 for the Farm Owner and Farm Contractor, respectively. The choice of plants to be grown shall be decided by the Farm Contractor only, based on its viability to the Farm Contractor.

OR

15B. The Distribution of Income between the Farm Owner and the Farm Contractor shall be according to the following clauses:

i. For all produce revenue coming from trees listed in Schedule A, including their fruits, bark, and leaves, etc, Farm Owner and Farm contractor agree to share the revenues for each Produce in the ratio 50:50 for the Farm Owner and Farm Contractor, respectively.

ii. For all produce revenue, including fruits, bark, and leaves, etc coming from Short term trees, plants and crops, listed in Schedule B, Farm Owner and Farm contractor agree to share the revenues for each Produce in the ratio 30:70 for the Farm Owner and Farm Contractor, respectively.

iii. For all produce revenue, coming from Honey bees and Honeycombs on the said farm, including honey, wax etc, irrespective of their breed, Farm Owner and Farm contractor agree to share the revenues for each Produce in the ratio 20: 80 for the Farm Owner and Farm Contractor, respectively.

iv. For all produce revenue, coming from Animals and Poultry, including birds, fishes, eggs, milk, animals, etc, irrespective of their breed, Farm Owner and Farm contractor agree to share the revenues for each Produce in the ratio 10: 90 for the Farm Owner and Farm Contractor, respectively.

v. For all produce revenue, coming from Vegetables, irrespective of their breed, Farm Owner and Farm contractor agree to share the revenues for each Produce in the ratio 10: 90 for the Farm Owner and Farm Contractor, respectively.

vi. For all wood produce revenue, coming from Long term trees listed in Schedule C, Farm Owner and Farm contractor agree to share the revenues for each Produce in the ratio 80: 20 for the Farm Owner and Farm Contractor, respectively.

vii. For all produce revenue coming from any specific plants or trees or fauna not listed in Schedule A to C, The Farm Owner and Farm contractor agree to share the revenues for each Produce in the ratio 50: 50 for the Farm Owner

and Farm Contractor, respectively. Such plants, trees may include newer herbs, medicinal plants and commercial fruit plants or trees, and fauna may include silkworms, insects, reptiles and other fauna.

16. The Farm Contractor, at its own discretion, shall be entitled to decide any bonus or incentive payment to the Farm Owner, over and above the amount as per Clause 13 and 14, in case of quality superiority of the said Farm produce.

17. The Farm Owner shall be the beneficiary of the Agricultural Income tax benefits, on its part of the Income. The Farm Contractor recognizes that it is not entitled to any income tax benefits from the said Farm and shall not claim any such benefits.

18. Farm owner understands that Income realizations are subject to environmental and market risks and there can be no assurance or guarantee of any returns. The farm contractor shall choose the plants according to the climate, soil and water properties of the Said Farm, and with four to six year gestation period before bearing fruits.

19. The Farm Contractor shall have the first right to buy the entire farm produce, or to sell it to any party of its choice. The Farm owner shall not be entitled to sell its part of the produce to any competitor of the Farm Contractor, or third party mediating for a competitor of the Farm Contractor.

20. The Farm Contractor shall inform the selling price, hereinafter referred to as the Quoted Price, to the Farm Owner. The Farm Contractor intends to keep the selling price above the best price available for each product, in the local market.

21. If the Farm Owner refuses to sell any produce at the quoted price in any invoice, or believes that better price can be realized on a product, then the Farm owner can retain the produce, but it shall have to pay upfront to the Farm Contractor an amount equal to 1.1 times i.e. at ten percent premium of the amount quoted by the Farm Contractor on its part.

*General Terms:*

22. Farm Contractor will follow natural and/or approved farming practices and operations in connection with the crop and livestock.

23. The Farm Contractor shall invest and employ Farm equipment, Irrigation equipment and Energy Generation technologies on the said Farm. The Farm Contractor shall be the sole owner and beneficiary of all Government rebates and subsidies and arising out of use of such utilities.

24. Farm Contractor shall indemnify and hold harmless the Farm Owners from and against any and all claims arising from Farm Contractor's own acts, including the acts of its agents, contractors or employees on or about the Leased Premises.

25. Farm Contractor shall not have the right or privilege of assigning this contract in whole or in part, or of leasing the Farm or any part thereof without the written consent of the Farm Owner.

26. The Farm Owner has the rights to enter and stay on the Farm for themselves, the members of their families, guests and agents, none of which is to interfere with the operator in carrying out regular farm operations.

27. The Farm Owner can earmark and utilize half an acre area of the farm, for developing it according to its choice or living, at its own cost.

28. At all times, the Intellectual property associated with Plantation processes, technology and plants used during the project period shall be the sole property of the Farm Contractor, or any third parties who would supply such Intellectual property, and related assets to the Farm Contractor.

29. The Farm Contractor is free to enter into any agreements with any third party, whether independent or partially or fully owned by the Farm Contractor, or having ownership stake in the Farm Contractor, for supplying a relevant such Intellectual property, and related assets to the Farm Contractor, for the said Farm. After the termination of the Agreement, the Farm Owner shall not be entitled to use such Intellectual property, and related assets.

30. The Farm Contractor is free to enter into any agreements with any third party, whether independent or partially or fully owned by the Farm Contractor, or having ownership stake in the Farm Contractor, for selling, packaging and marketing the finished products made from Produce from the said Farm.

31. No partnership is intended by these presents. It is categorically understood and agreed that this agreement is not deemed to be, nor intended to give rise to a partnership relation.

32. Farm Contractor or its Affiliates are authorized by the Farm Owner to display their name/sign board in front of the Farm, and display its logo and any product brand names.

33. Farm Contractor shall comply with all the rules and conditions of the local authority and any other government bodies.

34. Under this Agreement, the communication can be done between the parties, using E-mail as specified below:

Farm Owner: \_\_\_\_\_ Mobile number \_\_\_\_\_

Farm Contractor or its representatives: [info@bigindiafarms.com](mailto:info@bigindiafarms.com)

35. This agreement constitutes the whole of the agreement between the parties, any variation or collateral Agreements, unless entered in writing and signed by both parties, shall be of no effect.

36. Each party agrees that any legal action or proceeding arising out of or in connection with this Agreement shall be within the jurisdiction of the court of Bhopal.

NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, it is mutually agreed by and between the Farm Owner and the Farm Contractor that they shall fulfil their part of respective obligations faithfully and shall not harm and prejudice the interests of one another, in the successful tenure of the agreement.

IN WITNESS WHEREOF THE PARTIES HERETO HAVE SET AND SUBSCRIBED THEIR NAMES AND SET THEIR RESPECTIVE HANDS IN THE PRESENCE OF THE WITNESSES MENTIONED BELOW, ON THE DAY, MONTH AND YEAR FIRST ABOVE WRITTEN.

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Farm Owner

Farm Contractor

BIG INDIA FARMS PRIVATE LIMITED

WITNESS:

1. -----

2. -----

## **Schedule A**

### **List of Fruit/ Large trees:**

1. Mango, and all its varieties
  2. Neem
  3. Moringa
  4. Gooler or Guler
  5. Guavas, and all its varieties
  6. Custard Apple (sitafal)
  7. Lemon, and all its varieties
  8. Oranges, and all its varieties
  9. Sweet Lime
  10. Chiku
  11. Karonda
  12. Mahua
  13. Jamun
  14. Bananas
  15. Mulberry
  16. Kadamba
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## **Schedule B**

### **List of Miscellaneous trees, plants and herbs:**

1. Papaya, and all its varieties
2. Pomelo
3. Jackfruit
4. Pomegranates
5. All types of pulses, oilseeds, and grains, including Arhar, Urad, Masoor, Wheat, Jwar, Bajra, Mustard, etc
6. All types of Millets, including Kodu, Kotku, Sama and others

7. All types of grass, including Lemon grass, Vettiver, AplhaAplha etc
  8. All types of herbs, including Rosemary, Rose, Ashwagandha, Ginger, Garlic, Turmeric, etc
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### **Schedule C**

List of Wood trees:

1. All trees identified as Wood trees under MP land revenue code
  2. Teak, and all its varieties
  3. Bamboo, and all its varieties
  4. Mango, and all its varieties
  5. Gulmohar
  6. Gooler or Guler
  7. Saaj
  8. Sarai
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