

MEMORANDUM OF UNDERSTANDING

Whereas Punjab State Warehousing Corporation has covered capacities a _____ of _____ MT at SW _____.

This Memorandum of Understanding is made and executed at _____ on _____ by and between.

Punjab State Warehousing Corporation having its Head Office at SCO 74-75, Bank Square, Sector 17 B, Chandigarh-160017 (hereinafter referred to as "PSWC" which expression shall mean and include unless the context required otherwise exclude assignee etc.) as FIRST PARTY.

AND

M/s _____ having its registered office at _____ (hereinafter referred as Second Party) which expression shall mean and include unless the context require otherwise exclude assignee etc.) as SECOND PARTY; on following Terms & Conditions:-

- 1) Whereas First Party offers reservation of _____ MT dedicated Storage in G.No. _____ of Size _____ of Area _____ at SW _____ for storage of agriculture produce, seeds, manures, fertilizer, agriculture implements and other notified commodities.
- 2) a) That the term of this reservation Agreement will be period of _____ years/ months w.e.f. _____ further extendable by mutual consent at the then prevailing tariff of PSWC only in event of charges being paid as per this Clause of this Agreement.
b) On completion of Agreement Period the Second Party will hand over the vacant possession of space to First party without demur.
- 3) a) That the First Party is handing over reserved space in storage worthy condition to the Second Party and it will be the sole responsibility of the Second Party to maintain by way of providing repairs as found required by the First Party.
b) First Party will have right to inspect the premises at any reasonable time during the period of Agreement.
c) That the Second Party will be responsible for maintenance of the premises and will hand over the possession to the First Party in the same condition in which possession had been taken by the Second Party.
d) No addition/ alteration in the existing structures will be made by the Second Party without written consent of First Party.
e) Any permitted addition/ alteration done by Second Party will be passed on to the First Party, without claiming any costs, on expiry of Agreement Period.

- 4) a) The Second Party will provide Preservation and Maintenance to stocks stored and First Party will not be liable for any loss/damages.
- b) That Second Party will arrange insurance of stocks at its own level and the First Party shall not be liable for any loss to stocks due to any reason whatsoever.
- 5) That entire expenditure on account of handling of stocks at the time of receipt and dispatch will be made by Second Party at its own level and PSWC will not be responsible in any manner.
- 6) a) That Second Party will pay in advance each month @ Rs. _____ per MT per month w.e.f. _____ for total capacity of _____ MT as charges for capacity utilization.
- b) These charges will be escalated annually by _____ on cumulative basis. Escalation will be effected after completion of each year w.e.f. date of entering this agreement in case of period as agreed in Clause 2 a) is above 12 months.
- c) These storage charges shall be applicable as fixed by PSWC from time to time with mutual concurrence. In event of non-acceptance of revised tariff, Second Party shall vacate the godown within 1 month of written notice issued by First Party.
- 7) That *three months* charges for the capacity under Agreement will be paid by the Second Party to District Manager (DM) of the First Party in Advance as Security. This Security shall be refunded on successful completion of Agreement Period by First Party at the time of taking over of the possession in case non dues are pending as payable by the Second Party. No interest on Security will be paid by the First Party.
- 8) That Second Party would make payment of reservation charges to the First Party at the agreed rate per month to the District Manager of First Party 5th of each month in advance.
- 9) a) In event of non-payment of charges as per settled terms, First Party will allow a grace period of 7 days **after the stipulated date** for making the deposit. Further a period of 15 days beyond the grace period will be allowed for making the payment alongwith **simple interest @ 12% w.e.f. from due date and in events where the dues are not paid within these period(s) then the payment as due for the month will be made by the second party alongwith simple interest @ 18% from the stipulated date.** In event the charges so due are not paid within calendar month, First Party has the right to serve one-month notice to clear all dues of First Party within one month failing which this agreement can be terminated on expiry of the notice period.
- b) In event of termination due to any breach, security deposit stands forfeited and First party will have the right to take the possession of space within **15 (fifteen) days** from the date of termination in storage-worthy condition. In event the space is not vacated even thereafter then Second Party will have to pay **additional compensation charges of Rs. 1000/- for each day** beyond the date of termination till the vacant possession in storage-worthy condition is not handed over to the First Party. In event of

termination and non-vacation, First Party will have the right on the stocks stored therein, which to be released only after all dues as found payable to the First Party, have been paid by the Second Party, In event of termination and non-vacation within 30 days of notice First Party will have the right to realize outstanding dues by Auctioning the stocks, any other material stored therein. First Party howsoever reserves the right to adopt all legal measures for recovery of any dues found payable by Second Party.

- 10) All statutory levels as levied by the State Govt./Govt. of India or any other local agency will be borne by the Second Party. Second Party will pay electricity and water bills as demanded by the concerned authorities within the stipulated time. **House Tax will be borne by First Party (PSWC) as in the case of CWC.**
- 11) Second Party will provide watch & ward for the stocks stored in the godown. First Party will provide watch & ward for the complex. Howsoever, First Party will not be liable on any account for, watch and ward of stocks.
- 12) All the disputes and differences arising out or in any manner touching or concerning this Agreement whatsoever (except as to any matter the decision of which is expressly provided in agreement) shall be referred to the sole Arbitrator i.e. Managing Director or any person appointed by him in this behalf. The award of such arbitration shall be final and binding on the parties to this agreement. It is a term of this agreement that in the event of the Arbitrator being transferred or vacating his office or being unable to Act for any reason, the Managing Director at the time of such transfer, vacation of office, death or inability shall appoint another person to Act as Arbitrator. Such a person shall be entitled to proceed with reference from and the stage, where it was left by his predecessor.

Witness:

1. _____

2. _____

Signed with seal of

First Party _____

Signed with seal of

Second Party _____