

उत्तर प्रदेश UTTAR PRADESH

MEMORANDUM OF UNDERSTANDING

ES 469110

27 NOV 2018

CL1 THE AGREEMENT

CL1.1 This AGREEMENT made on this 6th day of December 2018 between the U.P. State Bio-energy Development Board, a society registered under the Societies Registration Act 1860 and having its registered office at 534, Vth floor, Yojna Bhawan, Lucknow-226001(hereinafter referred to UPSDBD) which expression shall unless repugnant to the context or meaning thereof be deemed to mean and include its successors and assigns of the ONE PART.

And

CL1.2 Fragrance and Flavour Development Centre, a Government of India Autonomous Body under Ministry of Micro, Small and Medium Enterprises, registered under the Societies Registration Act-1860 and having its registered office at Industrial Estate, Makarand Nagar, Kannauj-209726 (hereinafter called the FFDC which expression shall where the context so admits include its successors and permitted assigns) of the other part.

Whereas UPSDBD desire an agreement with FFDC for the collaboration / association as per the following clauses:

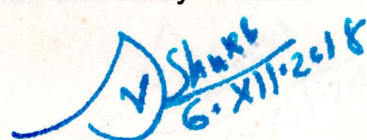
CL2 PREAMBLE

CL2.1 WHEREAS UPSDBD has strong expertise in the training and aggregation of farmers for establishing the completed value-chain from farm to consumers through it's FPO programme. The programme is a part climate resilient agriculture activity to meet


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the agenda of "doubling the farmers income by 2022" run by the Board. The major components are cultivation of biomass for bio-energy production, medicinal & aromatic plant cultivation on marginal/ non cultivable land of the farmers leading to agripreneurship.

CL.2.2 WHEREAS the FFDC is desirous of having association with the UPSDBD to develop marketing linkages of essential oils, value addition of essential oils and other related areas of aromatic plants.

Now therefore in consideration of the premises and mutual covenants hereinafter contained, the parties hereto agree as follows:

CL.3 SCOPE OF THE AGREEMENT

The agreement details the terms and conditions financial arrangements, modalities of collaboration, intellectual property rights, responsibilities and obligations of the FFDC and UPSDBD.

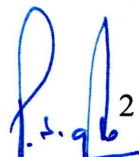
CL.4. FINANCIAL ARRANGEMENTS


CL.4. There shall be mutual financial liability for UPSDBD and FFDC under the agreement depending upon the specific work and sale of essential oils and planting materials. The amount payable and other modalities will be decided by UPSDBD and FFDC on case to case basis.

CL.5. MODALITIES OF COLLABORATION

Under the collaboration UPSDBD shall work jointly with FFDC for promoting the R&D work related to:

- 1. Development of new value added products according to Market demand :** According to market demand of essential oils, FFDC would suggest selection of variety and agro-technologies of aromatic plants and facilitate good quality planting materials to the farmer's clusters/ Farmer Producer Organisation promoted by UPSBDB on cost plus basis.
- 2. Business development through sale of Essential Oils produced by the farmers clusters/ Farmer Producer Organisation promoted by UPSDBD:** The Essential Oils produced by farmers clusters/ Farmer Producer Organisation promoted by UPSBDB shall be processed, value added by FFDC on cost basis, after being transported by UPSBDB at FFDC Kannauj and same may be sold by FFDC through its Aroma Ingredient Sale Unit. The base price of the essential oils/value added


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products produced by farmers clusters/ Farmer Producer Organisations shall be decided by a committee consisting of two members each from UPSDBD and FFDC Kannauj with reference to the then market price of the relevant product. The sales revenues would be paid to UPSDBD. FFDC would deducts the recorded official expenditures on marketing, packaging, transportation & its overheads and their cost of value addition from the sales revenues as above.

3. Processing & scale-up of fragrant raw materials by FFDC

As FFDC has Pilot scale processing plants like Fractional Distillation, Reaction Unit, Hydrogenation Unit & Solvent Extraction Units, the above equipment shall be utilized for scale-up and production of high volume of fragrant raw materials (concrete, resinoids, absolute, isolate, aroma chemicals etc.) required by commercial buyers/ aroma industry. This shall help in developing industries/units as in initial stage the entrepreneurs do not have money to work with. This can be done in different modes such as:

- 1) FFDC facilitate the specialised training to farmers in aromatic plants variety selection, cultivation, processing and marketing on payment basis.
- 2) Giving facility of production on payment basis to entrepreneurs so that they can have market trial before investing money in fixed asset.
- 3) Production at FFDC for farmer's clusters/ FPOs product which can be marketed by FFDC for mutual financial benefits.

4. Development of aromatherapy blends by FFDC

FFDC has organized number of workshops on Essential Oil, Perfumery & Aromatherapy throughout the country since 2004 and has good data base of Aroma therapist, Physiotherapist, Doctors, Beauticians, Spa Managers, and having good blends for different ailments. The Aromatherapy blends which are already developed by FFDC shall be shared with UPSDBD for clinical trial and efficacy test free of cost and then IP generated through above activities shall be shared by both institutions.

5. Knowledge based Training of the staff and farmers:

Both the institutions do have their different strengths in R & D and marketing linkage. Both UPSDBD & FFDC continue to organize trainings in different areas and scientists/ experts of both the organizations can be trained at respective institutes without any fee charged. The expenditures on the TA/DA, shall be borne by the respective institutes as per norms. In

3

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training activities in the area of aromatic plants and related areas, both the institutes can use another's strength as given below

- a. Both institutes can utilize mutually training facilities (conference Hall, Audio Visual aids) at another's institute/extension unit without any charges.
- b. The employee of both institutes can be stay in each others' Guest House/Hostel at staff rate of the institute.
- c. Faculty/Scientist of the institute can be exchanged as resource person without any charges, however, TA/DA will be borne by the inviting institute.
- d. Staff/Officers of both the institute can attend each other training programme free of charge with a limit of two persons in an year.

CL.6 EFFECTIVE DATE, DURATION, TERMINATION OF THE AGREEMENT

CL.6.1 The agreement shall effective from the date of signing and shall remain in force initially for a period of twenty four months from the said date after that can be extended as per mutual agreement.

CL.6.2 The agreement shall terminate on the expiry of the period, as in clause CL.6.1 unless extended by both the parties.

CL.6.3 During the tenure of the agreement, parties hereto can terminate the agreement either for breach of any of the terms and conditions of this agreement or otherwise by giving a one month notice in writing to the defaulting party. Failure of either party to terminate the agreement on account of breach or default by the other shall not constitute a waiver of that party's right to terminate this agreement.

CL.7 EXTENSION OF THE AGREEMENT

This agreement may be further extended for a specified period based on mutual consent.

CL.8 ASSIGNMENT OF THE AGREEMENT

CL.8.1 The rights or/ and liabilities arising to any party to this agreement shall not be assigned except with the written consent of the other party and subject to such terms and conditions as may be mutually agreed upon.

CL.9 ARBITRATION

CL.9.1 Except as hereinbefore provided, any dispute arising out of this Agreement, the same shall be referred to the arbitration of two arbitrators, one to be appointed by each party to the dispute, and in case of difference of opinion between them to an umpire

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appointed by the said two arbitrators before entering on the reference, and the decision of such arbitrators or umpire, as the case may be, shall be final and binding on both parties. The venue of arbitration shall be at such place as may be fixed by such arbitrators or umpire and the arbitration proceedings shall take place under the Indian Arbitration Act, 1996.]

SEAL of PARTIES

In witness whereof the parties hereto have signed this agreement on the day, month and year mentioned hereinbefore.

Parties of UPSBDB

Signature : _____

Name : _____

Designation : _____

Seal : _____

Witnesses : (Name & Address)

1. Dr. Gomati Dwivedy
Finance Controller
(डा० गोमती द्विवेदी)
वित्त नियंत्रक
नियोजन विभाग
उ०प्र० शासन
2. _____

Date : 6. Dec. 2018

For and on behalf of EFDC

Signature : _____

Name : _____

Designation : PRINCIPAL DIRECTOR

Seal : _____

Witnesses : (Name & Address)

1. R. K. Shukla
Dy. Project Director
U.P. State R & Energy Development Board
(र. क. शुक्ला)
उ०प्र० राज्य जैव ऊर्जा विकास बोर्ड
2. _____

Date : 6-12-2018