

NATIONAL SEEDS CORPORATION LIMITED
(A Govt. of India Undertaking)
"Beej Bhawan "Pusa Complex
New Delhi-110 012

No.EOI/Mktg./NSC/2018-19

Dated: 27th April, 2018

"EXPRESSION OF INTEREST"

EOI applications are invited from reputed seed producing companies in sealed covers latest by 26th **May**, 2018 upto 1500 hrs. for entering into **Memorandum of Understanding (MoU)** with NSC as supplier of seeds of their latest research Hybrids / Open Pollinated Varieties. The sealed covers will be opened on 28th May, 2018 at 3.00PM. The details are available at NSC Website: www.Indiaseeds.com.

Addl.Gen.Manager & Head (Mktg.)

NATIONAL SEEDS CORPORATION LIMITED
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Sub:- Advertisement of "Expression of Interest".

National Seeds Corporation is interested in entering into MOU with reputed Private Seed Producing Companies for purchase of seeds of their new research Hybrids and Varieties for sale to NSC customers. The purchase and sale will be on 50:50 profit sharing basis. In this regard, interested companies may apply on plain paper giving full details of the profile of their company. The criteria of selection of the Company will be based on below mentioned documents:-

1. Seed License as per Seed Control Order 1983 for every State where your company desire to work.
2. Certificate from Director/Commissioner of Agriculture (proposed State of Operation) that the party is not under any litigation with the Govt. of the State related to seeds other than routine failure of samples tested by Quality Control, Department of Agri. /Directorate of Commissionrate of Agriculture. However, it can be submitted within 2 months from the date of issue of the date of appointment letter.
3. Latest Profit and Loss account and Annual Balance Sheet duly audited.

(a) Details of Turnover of 03 years:-

S.No	Particulars	2014-15	2015-16	2016-17
1.				
2.				
3.				
	Total Sale			

4. Latest Income Tax Clearance Certificate /Copy of latest Return.
5. PAN Registration.
6. GST Registration details.
7. List of Directors on Board /Partners with their official and residential addresses and photographs.
8. Certificate of Registration / Approval of R&D with Department of Science & Technology, New Delhi.

The self attested copies of above mentioned documents may be submitted as enclosure with the application. Last date for submission of application in sealed cover is 26th May, 2018 upto 1500 hrs. and the same will be opened on 28th May.2018 at 1500 hrs.

The draft of MOU to be executed between NSC and the successful seed company is enclosed as Annexure-I.

Addl.Gen.Manager& Head (Mktg.)

TO ALL THE MOU PARTNERS

NSC is purchasing researched seeds from its MOU partners and selling in the market through its sale channels i.e. through dealers , sale counters and Govt. agencies. NSC is desiring to progress the sale of seeds of MOU partners in such a way that it is mutually beneficial to NSC and its MOU partners. Therefore, it is desired that future sales should be on 50:50 profit sharing basis. In this regard the cost sheet format is given hereunder in which NSC expects 50% sharing of net margin to MOU partner with NSC, so that the sale rates are fixed in the beginning of an year and circulated to all NSC offices for making sustained efforts towards sale of seeds.

Name of Company.....

Pricing for NSC-Worksheet													
Crop	Product	Pack Size(kgs.)	Company's trade Invoice Price to its Distributer/dealer Rs per Kg	NRV to Company after% trade discount	Total Cost of Production-Rs/Kg(*)	R&D Cost-Rs/Kg	Returns@ ...% of cost of sales-Rs/Kg	Total Cost-Rs/Kg	Margin After Total Cost-Rs/Kg	Total Margin % on NRV	Margin% for NSC on NRV	NSC Actual Margin on suggested NRV-Rs/Kg	Transfer Price to NSC
1	2	3	4	5	6	7	8	9 (6+7+8)	10 (5-9)	11	12 (11/2)	13 (10/2)	14 (5-13)
Total Cost of Production-Rs/Kg(6)		Production cost will include Production+Processing+Packing+Logistic											

MEMORANDUM OF UNDERSTAND (MOU)

This MOU executed on this -----day of ----- between the National Seeds Corporation Ltd. working under the administrative control of the Ministry of Agriculture & Farmers Welfare , Govt. of India, New Delhi, incorporated under the Companies Act, 1956 having its Registered Office at Beej Bhavan, Pusa Complex New Delhi-110012 dealing with production and distribution of seeds, hereinafter referred to as “**NSC**” (which expression shall unless repugnant to the context or meaning thereof include its successors, assigns and authorized representatives) as the party of the **FIRST PART**.

AND

----- a company incorporated under the Companies Act, 1956 and having its registered office at ----- India hereinafter referred to as ----- (which expression shall unless repugnant to the context or meaning thereof include its successors, assigns and authorized representatives) as the party of the **SECOND PART**. **Both NSC and ----- are individually referred as ‘party and collectively as ‘parties’.**

WHEREAS

----- is a breeder and producer of hybrid Corn, Sorghum, Pearl Millet and Paddy seeds. It has also represented and warranted that it has all the licences, authorizations and permissions necessary or requisite in law for breeding and production of such seeds and that all such licences, authorizations and permissions are presently valid and are in full force and effect and that it has the right to enter into an MOU with NSC for sale of its products through NSC distribution net work on the Terms & Conditions laid down hereunder.

AND WHEREAS

- a) NSC is a producer and seller of various kinds of seeds including hybrid seeds and has a wide distribution network through dealers, distributors and own sale counters at various places throughout India.
- b) NSC and ----- have agreed to mutually work together to facilitate the supply of Hybrids of corn, sorghum, pearl millet and paddy seeds by -----

---- to NSC for the distribution, marketing and promotion of the same to the farmers on the terms and conditions agreed under this MOU.

NOW, THEREFORE, IN CONSIDERATION FOR THE MUTUAL PROMISES AND COVENANTS CONTAINED HEREIN BELOW, THE PARTIES INTENDING TO BE LEGALLY BOUND, AGREE AS FOLLOWS:-

1. Coverage and Validity

- 1.1 This MOU shall be effective for a period of Five years from the date first above mentioned and all the terms and conditions contained herein shall apply to all transactions executed between the parties during this period. The MOU shall be renewable for a further specified period by mutual consent in writing.
- 1.2 NSC and ----- shall review at the end of each year, the performance and further renewal of this MOU on the fresh or modified terms and conditions incorporated herein as may be agreed in writing by mutual consent of the parties to achieve better results.

2. Product Liability

- 2.1 Notwithstanding anything contained herein, it is hereby expressly agreed to by and between the parties hereto that ----- shall be responsible for supply of quality seeds as per Indian Minimum Seed Certification standard quality norms. However, in case of seed quality complaints/disputes, the same shall be dealt as per Clause-3(e)& (f) of this agreement stated here after.

3. Responsibilities of -----

- a) ----- shall produce and make available mutually identified products to NSC and NSC shall sell such products on the Terms & Conditions contained hereinafter in this MOU.
- b) ----- shall invoice the seed quantity to NSC and NSC will make payment within Sixty (60) days after receipt of payment by NSC from purchaser and fulfillment of all desired documents. NSC would make

every possible effort to sell the entire stock received from -----
 ----- . However, in the event of difficulty in sales, NSC can return upto
 a maximum of 10% of the total seed supplied by _____ after the
 season before specified date.

- c) Provide all facilities and extend full cooperation to NSC personnel for carrying out crop inspection, seed stock examination and sampling of seeds meant for supply to NSC, to verify its quality as per specifications.
- d) ----- will invoice the stock to NSC which includes all the variable costs like seed cost, packaging cost, transportation upto the designated sale points of NSC/dealers of NSC. ----- will take necessary approvals for packing material, designing as per the standards of NSC.
- e) ----- shall ensure and guarantee that the seed supplied to NSC are of the required specified purity in terms of genetic, physical and morphological grades, physiological quality and health as per the Minimum Seed Certification Standards of GOI. Such guarantee shall be in force from the date of supply to the date of expiry of the said seeds. For any deficiency in seed quality as may be noticed during the analysis at any government approved laboratory or at field level, ----- shall be liable for taking back the sub-standard seeds and the price paid by NSC shall be refunded/returned to NSC by ----- or the amount payable by ----- on this account shall be adjusted from any payment due to ----- by NSC. All costs incurred on such goods by NSC towards testing, transportation, etc. shall be reimbursed by ----- . For the quantity problems of seed at field level, mentioned above, ----- shall be responsible to settle the issue, NSC will extend all support to settle the issue amicably. NSC will ensure that the seed supplied by _____ is handled with proper care and stored in an appropriate place. _____ will not be held liable in any manner whatsoever, for any sort of damages which might happen due to improper handling and storage after the delivery of the seed to NSC.
- f) ----- shall at all times comply with the quality standards/ specifications prescribed by NSC and also comply with all the

applicable laws, notifications, ordinances, rules, regulations and legislations or other enactments or modifications thereof for the time being in force, including without prejudice to the generality of the foregoing, strictly comply with the provisions of the Seeds Act, 1966 and the rules framed there under or the rules framed thereafter from time to time, relating to or pertaining to proper performance of -----'s duties and obligations under the Agreement as a producer of the said seeds.

NSC can make requisite visits (with prior intimation) to ----- production plots, Field GOTs so as to have clear idea about the quality of seeds. Further more, NSC shall also take up necessary tests like germination and genetic purity by drawing samples from each of the lots of the seeds, supplied by ----- . NSC shall accept the seed quantity only after having satisfactory test results obtained by them and accept the lots which are meeting the standard quality norms, prescribed by the said Seeds Act. Furthermore, three samples of each lot of seed will be taken and sealed, out of which one sample will be retained by -----, one sample will be retained by NSC and the third sample will be used for conducting Grow Out Test and germination test by ----- at its laboratory/field. The two file samples would be used for simultaneous testing in the event of any disputes on germination or genetic purity of seeds.

However, for any quality complaint received from the field about the seeds supplied by ----- and marketed by NSC, ----- will handle seed complaints and settle the claims, if any, and shall be responsible for any losses to NSC due to inferior quality or any other complaint received about the seed supplied by -----.

- g) ----- shall indemnify and keep indemnified NSC and its dealers/distributors from and against all claims, demands, actions, proceedings, fines, penalties, expenses and other liabilities of whatsoever nature made or brought against, sustained or incurred by NSC and its dealers/distributors, rising out of or as a result of such breach by ----- or on account of poor quality seed supplied. -----

----- will indemnify NSC in respect of litigation expenses and damages to be incurred by NSC in case any consumer related complaint case is fixed against NSC on account of poor quality seed supplied by ----
-----, in any manner. However NSC and its Dealers/
Distributors shall at all times ensure that the seed supplied by _____ shall be kept under proper seal and storage conditions which would not hamper the quality and quantity of the seed as maintained by _____

- h) Upon expiry or earlier termination of this MOU in terms of Clause 11.0 or for any reason whatsoever ----- shall return and not use in future the standards, specifications, designs, documents given or communicated by NSC to ----- under this MOU together with all the documents or drawings or any copies thereof relating to or in any way pertaining to the production and supply of seeds. Also, both the parties shall mutually settle the account within 60 days of expiry of termination thereof.
- i) Both the parties have agreed that the pricing shall be for a minimum period of one year and would be reviewed every year by both the parties (in accordance to clause 1.1 & 1.2 stated here above). The current year product-wise purchase price will be decided by the pricing committee of NSC & -----.
- j) Promotional Activities :- ----- will provide all promotional support which includes:
- i) Product Literature
 - ii) promotional material for NSC's trade partners-Banners, Posters etc.
 - iii) ----- would provide technical know-how / information about the hybrid seeds in order to disseminate information.
 - iv) Other activities for enhancing the visibility of ----- & NSC partnership.
- k) Delivery Terms - Delivery of the goods can be made on FOR basis at Area Office, NSC or at NSC Dealer's /Customer's premises by ----- subject to fulfillment of minimum order quantity terms (MOQ) which is as under:-
- | | | |
|----------|---|------|
| i) Maize | - | 2Mt. |
| ii) Rice | - | 1Mt. |

- iii) Pearl Millet - 2Mt.
- iv) Cotton seed & Vegetable seed - 5Kg.

Delivery period:- 10 days lead time is required from the date of order to receipt of material at specified NSC location.

l) Ethical Policy: - The parties agree that the following policy shall govern their relationship.

i) bribes or pay-offs are forbidden _____ shall not, directly or indirectly, make any payment, offer or promise to make any payments or transfer anything of value to Government official or employees , or to any political party or any candidate for political office, or private individual with the purposes of influencing decisions favourable to the company and its business in contravention of the FCPA, OECD principles or any applicable local law, including Preventions of corruptions Act 1988” .

ii) gifts, favours and entertainment may be given others at either party's expense only if they meet all of the following criteria:-

- a) They are consistent with customary business practices;
 - b) They are not excessive in value;
 - c) They are not in contravention of applicable law and
 - d) Public disclosure of the facts will embarrass neither----- nor NSC
- iii) secret commission or gratitude to employees of either parties or to their customers (or their family members or associates) is forbidden.
- iv) Any breach by either party of this clause shall be a ground for immediate termination of this Agreement by the other party (without prejudice to any accrued rights of the party).

4. Intellectual Property

- 4.1 Notwithstanding anything contained in this MOU and /or the termination thereof for any reason whatsoever, all the liabilities, duties and obligations herein undertaken by either party with regard to the said trade marks, industrial propriety and secrecy shall remain in full force and effect for all times to come.

5. Force Majeure

- 5.1 The failure or omission to carry out or to observe any of the terms/ provision or conditions of this MOU during the continuance of an event of Force Majeure, as hereunder defined, or its effects, shall not give rise to any claim by either party against each other or be deemed to be a breach of this MOU, if the same is caused by or arises out of Force Majeure.
- 5.2 To the extent that the event is not within the control of the party whose performance under this MOU is affected, provided that the party so prevented from performance shall notify the other party of the cause and resume performance as soon as it is able to do so. The term Force Majeure, as used in this MOU, shall include, but is not limited to the following events:-
- *War, hostilities, act of public enemy or belligerents, sabotage, blockage, revolution, insurrection, riot or disorder, expropriation, requisition, confiscation, interference by or restrictions of onerous regulations imposed by civil or military of any other authority, whether legal or defacto , whether purporting to act under some constitution, decree, law or otherwise, act of God., fire, earthquake storm, lightning, epidemic quarantine, explosions, accidents by fire or otherwise, or other events whether or not of the same class or kind as those set forth.*
- 5.3 The party affected by force Majeure shall, within seven days of the occurrence/cessation of such, circumstances inform the other party by e.mail and telex/cable/fax about the existence of such circumstances, and in the event of termination of these circumstances, information shall similarly be given.
- 5.4 A declaration issued by the State Chamber of Commerce supported by a documentary proof shall be sufficient proof of the existence of the above circumstances and their duration, provided that such certificate has not been procured. The occurrence and existence of any of the terms stipulated above shall, not be considered as a waiver of obligation of either party under this MOU and each party shall promptly recommence fulfilling its obligation

under the MOU as soon as the Force Majeure circumstances cease. However, the duration of this MOU shall stand extended for a period which is mutually agreeable.

- 5.5 It is expressly agreed that this Clause shall not, however, deprive the parties of any rights or remedies otherwise available in law.

6. Confidentiality

6.1 Each party agrees and undertakes that during the term of this MOU and, thereafter, it will keep confidential and will not use for its own purpose nor without the prior written consent of the other party disclose to any third party any information of a confidential nature (including trade secrets and information of a commercial value) which may become known so that party from the other party (confidential information) unless the information is public knowledge or already known to that party at the time of disclosure or subsequently becomes public knowledge other than by breach of this MOU or subsequently comes lawfully into the possession of that party from a third party or is required by law to be disclosed.

6.2 To the extent necessary to implement the provisions of this MOU each party may disclose the confidential information to those of its employees as it may be reasonably necessary or desirable provided that before any such disclosure each shall make those employees aware of its obligations of confidentiality under this MOU and shall at all times procure compliance by those employees with them.

7. Entire MOU

This MOU constitutes the entire understanding between the parties with respect to the subject matter of this MOU and supersedes all prior MOU's negotiations and discussions between the parties relating to it.

8. Amendments

Save as expressly provided in this MOU, no amendment or variation of this MOU shall be effective unless in writing and signed by a duly authorized representative of each of the Parties.

9. Assignment

Neither party shall without prior written consent of the other party assign, transfer, change or deal in any other manner with this MOU or its rights under it or part of it, or purport to do any of the same, nor sub-contract any or all of its obligations under this MOU.

10. Freedom to Contract

The parties declare that they each have the right, power and authority and have taken all action necessary to execute and deliver, and to exercise their rights and perform their obligations under this MOU.

11. Waiver

The failure of a party to exercise or enforce any right under this MOU shall not be deemed to be a waiver of that right nor operate to bar the exercise or enforcement of it at any time or times thereafter.

12. Severability

- 12.1 If any part of this MOU becomes invalid, illegal or unenforceable the parties shall in such an event negotiate in good faith in order to agree the terms of a mutually satisfactory provision to be substituted for the invalid, illegal or unenforceable provision which as nearly as possible validity gives effect to their intentions as expressed in this MOU. Failure to agree on such a provision within 90 days of commencement of those negotiations shall result in automatic termination of this MOU. The obligations of the parties under any invalid, illegal or unenforceable provision of this MOU shall be suspended during such a negotiation.

- 12.2 Notwithstanding anything contained hereinabove either party reserves the right for termination of this MOU at any time by either party giving to the other, 90 days notice in writing in that behalf without assigning any reason.
- 12.3 Notwithstanding the foregoing either party shall be entitled to terminate the MOU forthwith upon:-
- a) the other making any arrangement or composition with the creditors or upon a winding up order passed against it or its going into liquidation or upon a receiver being appointed for any of the properties of the other.
 - b) the other committing breach or default of any of the Terms & Conditions thereof; and
- 12.4 Either party shall inform each other immediately of the happening of any event which would entitle the other to terminate this MOU.

13. Change in the Ownership of Management of the party of the Second Part:-

During the subsisting period of this MOU, if there are any unusual changes in the composition of the Board of Directors of _____, consequent to change in the ownership of Management, the party of the Second Part Shall inform the party of the First Part of such changes in the composition of the Board of Directors and the party of the Second Part shall ensure that the new management issues a letter of allotment agreeing thereunder to unconditionally agree to the terms and conditions of this MOU. The change in the ownership of management of either parties shall not be a ground for termination of this MOU.

14. Arbitration

In the event of any dispute arising out of this MOU or touching with any aspect thereof, the parties agree to use their best efforts to attempt to resolve all disputes in prompt, equitable and good faith. In the event the parties are unable to do so, then such dispute shall be finally resolved by arbitration. The arbitration shall be conducted in the English language and the venue of the arbitration shall be at New Delhi.

Settlement of Disputes

As stated above, disputes and/or differences, whatsoever shall arise between the parties hereto relating to interpretation of any clause of this agreement on the rights, duties or liabilities of either party under this contract or otherwise in connection with these presents, the matter in difference shall be adjudicated by a Sole Arbitrator appointed by CMD, NSCL in accordance with the provisions of Arbitration and Conciliation Act, 1996 or any statutory enactment in that behalf for time being in force.

14. **Jurisdiction** - The parties hereby irrevocably agree to the exclusive jurisdiction of the Courts at Delhi /New Delhi only in connection with any legal actions or proceedings arising out of or in relation to this MOU.
15. **Responsibilities of NSC**
- a) NSC shall purchase varieties/hybrid seeds of corn, sorghum, pearl millets and paddy produced by ----- which shall be identified on season to season / year to year basis as described in ----- catalogue provided to NSC. Also, ----- may offer new hybrids to NSC. For the varieties / hybrids which shall be identified by NSC, the parties shall discuss and negotiate the specifics in terms of quantity, price, discount, time, schedule, etc. which shall be agreed to in writing from time to time.
 - b) NSC shall indicate the tentative annual seed requirement with quarter-wise break-up for the various -----'s hybrids products as at 15(a). However this shall not be treated as an effective order for supply by ----- to NSC and NSC shall not be liable to purchase such tentative seed requirements so indicated to-----.
 - c) NSC shall specify the particulars such as crop, variety, quantity, supply schedule, destination, etc. for the seeds required from ----- in the purchase orders issued from time to time solely in writing. The authority for issuing of purchase order shall be with Head of Marketing Division NSC, Head Office / Regional Manager, NSC of the purchasing region. Any / All oral / verbal purchase orders shall be strictly

invalid and NSC shall not be liable for any oral / verbal supply order/ instruction.

- d) After the delivery of the seed supplied by _____ ,NSC shall be responsible for the stocks and shall ensure that the seed will be maintained in such a manner that the quality and quantity shall not be impaired until the seed is distributed and used by the end user and _____ will not be held responsible for any issues arising on account of any mismanagement, fraud , storage or transit related issued.

16. General Terms

- a) The relationship between ----- and NSC shall at all times be that as between a producer and seller of goods. Seeds made available by ----- to NSC under or in pursuance of this MOU shall be on principal – to- principal basis. NSC shall be entitled to sell the seeds purchased by it from ----- to the government departments /institutions, agriculture universities, state seed corporations, farmers, customers, consumers, etc. either directly or through its sale channels, without any territorial restriction.
- b) ----- shall supply such quantity of products at the prices as mutually agreed upon periodically subject to the observances and fulfillment of the terms herein stated. All such prices shall be on FOR delivery basis to NSC's Regional Offices / Area Offices situated across the country.
- c) NSC undertakes to keep confidential all such information, which NSC officials shall gather during the course of inspections specified in Clause 5. However, any inspection carried out by NSC shall not relieve ----- from any product quality claim related obligations under this MOU.
- d) Taxes, if any, imposed on the sale of the said seeds to NSC shall be borne by NSC as an extra charge. **However, if any tax portion applicable to the party is eligible for input credit, the benefit has to be passed on to NSC by the party.**

- e) NSC shall be at liberty to sell the -----'s products as per the maximum retail price specified by NSC taking into consideration the purchase price, market conditions, government regulations, sales tax, other charges, etc. as may be applicable.
- f) -----shall reconcile on shortages and damages, if any, observed by NSC and make good the same. NSC shall have to mention on the Challan itself the particulars of such shortages, damages, if any observed by them or on the Goods Receipt Note to be issued by NSC to----- . In case of any direct supplies to third party executed by----- against the written purchase order issued by NSC the cases of shortages / damages observed, pointed out, remarked in writing or orally by the concerned officers of NSC shall be made good by----- .
- g) NSC will be free to produce themselves or to buy seed similar to those crops, which ----- has agreed to give to NSC under this MOU from any other producers during the continuance of the MOU. Similarly, ----- shall be free to sell to any other individual/organization, similar products but with a different varieties name in the territory of NSC's operation. However, the price charged to such individual / organization if observed and or found to be less than what is charged to NSC for supply of such seeds, such lesser price shall be deemed to be the contract price between ----- and NSC and payments for the supplies shall be made to----- at such lesser rate for the entire contract period.
- h) NSC will be free to sell the seeds so procured from ----- -- at any place, in India or in any other country, in case of any export enquiry. However, in the event of any export enquiry, NSC shall execute the order / enquiry after obtaining written consent from ----- . Pricing for overseas supply will be discussed and mutually agreed before the despatch of goods. Further, NSC is also free to sell the seed of any other producer. Similarly, ----- is also free to sell seeds to other parties without using the trade mark, design, style get-up and colour scheme of the carton/label of NSC.

- i) Both the parties to this MOU recognize and respect that their trademarks are exclusive properties of the respective firms and shall not be used by the other without written permission of the owner of the trademark.
- j) Any notice or communication to be given or sent by either party to the other under this MOU shall be considered as duly served if the same has been transmitted and delivered to the party concerned at the following addresses or such other addresses as may be intimated in writing by either party to the other shall be binding:-

National Seeds Corporation Limited
 Beej Bhawan, Pusa Complex
 New Delhi – 110 012
 OR

(NSC Regional Manager issuing the Purchase Order)

The Regional Manager,
 National Seeds Corporation Ltd./,
 -----.

AND

ii) -----

IN WITNESS WHEREOF the parties hereto have executed these presents, the day, month and year first herein above written.

Signed and Delivered By
 For & on behalf of,
 National Seeds Corpn. Limited

Signed and Delivered By
 For & on behalf of,
 -----.

In the presence of:

In the presence of: