

National Seeds Corporation Limited
Marketing Division : New Delhi

Sub : Advertisement of Expression of Interest in Daily National Newspaper.

National Seeds Corporation is interested in entering into MoU with reputed private seed producing companies for purchase of seeds of new research Hybrids and Varieties. 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 desires 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 issue of the date of appointment letter.
3. Latest Profit and Loss account and Annual Balance Sheet duly audited.

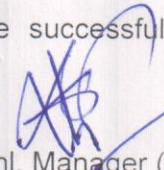
3(a) Details of Turnover of 03 years :

S.No	Particulars	Year		
		2010-11	2011-12	2012-13
1.	Sale of Seed			
2.	Sale of Plantlets			
3.	Others			
4.	Total Sales			

4. Latest Income Tax Clearance Certificate/copy of latest Return.
5. PAN Registration.
6. VAT/State Sales Tax Registration for State Trade
7. CST Registration for inter-state trade.
8. List of Directors on Board/Partners with their official and residential addresses and photographs.
9. 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 enclosures with the application. **Last date for submission of application is 31.10.2013.**

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


Genl. Manager (Mktg.)

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, Govt. of India, New Delhi, registered under the Companies Act, 1956 having its Registered Office in New Delhi 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**.

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 licenses, authorizations and permissions necessary or requisite in law for breeding and production of such seeds and that all such licenses, 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 one year 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 the year, the further applicability of this MOU and the terms and conditions incorporated herein and if required renew the MOU or amend the terms as appropriate 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 fifteen (15) 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 the entire unsold stocks to ----- after the season.

- 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 godowns 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.
- 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 Seeds Act. Further more, 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.
- 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 30 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 dissipate 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.
 - 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 ----- or the customers of the NSC (or their family members or associates) was forbidden.
 - iv) Any breach by NSC of this clause shall be a ground for immediate termination of this Agreement by -----(without prejudice to any accrued rights of their 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 defect , whether purporting to act under some constitution, decree, law of 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/commitment of such, circumstances inform the other party by e.mail and telex/cable/fax about the existence of such circumstances, and in the vent 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
 - c) Changes in composition of the Board of Directors consequent to change in the ownership of management of other party.
- 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. Arbitration

In the event of any dispute arising amongst 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 in New Delhi.

Settlement of Disputes

All 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 determined by a sole arbitrator appointed by CMD, NSCL(Corporation) in accordance with the Indian Arbitration and Conciliation Act, 1996 or any statutory enactment in that behalf for time being in force.

14. **Jurisdiction** - The parties hereby irrevocably consent to the sole jurisdiction of the Courts of Delhi only in connection with any actions or proceedings arising out or in relation to this Agreement.

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 General Manager 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.

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) Local Sales Tax and other taxes, if any, imposed on the sale of the said seeds to NSC shall be borne by NSC as an extra charge.
- 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-----

-----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, months 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: