

On Rs.500/- Stamp Paper

MEMORANDUM OF UNDERSTANDING

This Memorandum of understanding has been made on ____ Day of ____ 2021, between M/s. Rashtriya Chemicals & Fertilizers Ltd., a Company incorporated under the Companies Act 1956, and having its registered office at "Priyadarshini", Eastern Express Highway, Sion, Mumbai 400 022, hereinafter referred to as "**RCF**", which expression shall, unless repugnant to the context & meaning thereof, be deemed to mean and include its successors and permitted assigns of the **First Part**.

And

M/s. _____ (Name of supplier) a Company incorporated under the Company's act 1956 and having its Registered Office at, (Address) _____ hereinafter referred to as which expression shall unless repugnant to the context and meaning thereof, shall mean and include its successors and permitted assigns of the **Second Part**.

Whereas:

1. **RCF** is in the business of manufacturing various fertilizers & chemicals & markets the same through its wide network of dealers spread across the country.
2. M/s. _____ (Name of supplier) is a manufacturer of Mycorrhizal Biofertilizer having their factory at (Address) _____.
3. M/s. _____ (Name of supplier) has installed capacity of _____ MT's per annum and desires to market its **Mycorrhizal Biofertilizer** of about _____ MT during (period) _____ to _____ through RCF, in the state of _____.
4. **RCF** is desirous of adding value to its present channel of distribution by marketing in state of _____.
5. **RCF** & M/s. _____ (Name of supplier) have agreed to work together for marketing Mycorrhizal Biofertilizer of M/s. _____ (Name of supplier) through RCF on such terms & conditions as are agreed amongst them.

Now therefore it is agreed between the parties as under:

1. Consideration:

i) In consideration of mutual covenants agreed between the parties, it is agreed that **RCF** shall market M/s. _____ (Name of supplier) **production** of about ----M.T. during period _____ to _____ in state of _____.

In case the actual quantity produced by M/s. _____ (Name of supplier) is less than _____ M.T. during _____ to _____ the quantity to be marketed will be shared on the aforesaid ratio or as finally decided by **RCF**.

2. Orders & Supply:

- i) RCF shall procure orders / indents periodically from its dealers and place consolidated orders on M/s. _____ (Name of supplier).
- ii) For movement, M/s. _____ (Name of supplier) will supply on FOR destination basis, its Mycorrhizal Biofertilizer to dealers as per orders/ indents placed by RCF.
- iii) All the orders will be placed by RCF. Invoices will be raised by RCF after M/s. _____ (Name of supplier) confirms the dispatch of Mycorrhizal Biofertilizer stocks to the dealer. Dispatch details have to be sent to RCF's office of the State on daily basis by E-Mail/ fax.
- iv) Invoices for all supplies made by M/s. _____ (Name of supplier) to RCF, will be raised on RCF and in turn RCF will raise invoices on RCF dealers.
- v) For dispatches of loads from M/s. _____ (Name of supplier) Factory & its branches, RCF will give necessary documentary support.
- vi) M/s. _____ (Name of supplier) shall produce the proof of delivery to RCF.
- vii) M/s. _____ (Name of supplier) shall ensure delivery of materials generally within 7 days from the receipt of orders /indents or as per agreed schedule between M/s. _____ (Name of supplier) & RCF.
- viii) Production of M/s. _____ (Name of supplier) of Mycorrhizal Biofertilizer will be marketed in **RCF's** brand with the wordings "Manufactured by M/s. _____ (Name of supplier) as per specific dimensions, subject to the provisions of the Legal Metrology Act 2009 & Legal Metrology (Packaged Commodities) Rule, 2011 & Fertilizer Control Order 1985 or any amendment or re-enactment thereto. RCF will provide suitable art work and design for printing on HDPE bags. (bags to be procured at cost by manufacturer)
- ix) M/s. _____ (Name of supplier) has agreed to deliver the said Mycorrhizal Biofertilizer at consignees' destination as per the delivery schedule provided by RCF & the risk, title & interest in & of the said Mycorrhizal Biofertilizer delivered shall pass on to the consignee on delivery of goods.
- x) The quantity & period of delivery shall be mutually agreed to by & between the parties & RCF shall indicate their requirements for the next three months at the beginning of every month to enable M/s. _____ (Name of supplier) to plan their production of Mycorrhizal Biofertilizer.
- xi) GST as applicable will be extra.

3. Quality:

- i) M/s._____ (Name of supplier) warrants & represents that the products supplied under this agreement shall conform to required FCO standards. M/s._____ (Name of supplier) agrees to do the necessary pre-dispatch quality testing of material as per FCO
- ii) M/s._____ (Name of supplier) shall handle the Dealers' complaints promptly and intimate RCF of the actions taken there against. RCF will ensure that their dealers inform M/s._____ (Name of supplier) about sampling details by Govt. Department then and there.
- iii) M/s._____ (Name of supplier) hereby agrees and undertakes to allow the personnel of RCF/Third Party to enter upon the factory premises and provide them with all the facilities and extend full co-operation for carrying out work relating to inspection, sampling & analysis of each batch of said M/s._____ (Name of supplier) Mycorrhizal Biofertilizer to check its quality. The expenses of Third Party Inspection will be borne by the manufacturer on actuals. The cost of Third Party Inspection will be deducted along with the trade margin so finalized by RCF.
- iv) RCF undertakes to treat all such information that are coming to the possession and knowledge of RCF personnel in the process of implementation of the MOU as confidential & shall not part such information without prior permission in writing from M/s._____ (Name of supplier).
- v) M/s._____ (Name of supplier) shall ensure that for any deficiency in quality of Mycorrhizal Biofertilizer supplied by them, M/s._____ (Name of supplier) shall take back at their cost sub-standard stock from the dealers. In case of sample failure cases, M/s._____ (Name of supplier) would extend all the support legally, technically and financially and undertake to indemnify RCF immediately.
- vi) M/s._____ (Name of supplier) will maintain batch to batch chemical analysis of their product. In addition to this its own quality checks, shall facilitate Third Party Inspection as stated in clause 3(iii) here above.
- vii) Retention amount 10% of each bill up to 2000 Mts & 5% thereafter from running bills of supplier will be taken by RCF for security of quality as per FCO even at field level. This amount will be paid at the end of contract based on certificate that no sample of supplied quantity has failed till date. However, the amount will be withheld only for the quality found to be non-FCO and balance amount will be refunded to the supplier.

4. Prices:

- i.) Minimum price to RCF (exclusive of all taxes) and dealer margin and other terms will be as per mutual agreement with respective state level committee to be approved by DGM/GM.

5. Payment:

- i.) Payment against all sales proceeds will be collected at the respective District Sales office of RCF
- ii.) Subsequently the payments will be transferred to M/s._____ (Name of supplier) account in the state of sale after deduction of a) Retention amount b) RCF margin c) Dealer Margin d) Cash Discount e) other discounts if any etc.

6. RCF will make payment of bills to M/s. _____ (Name of supplier) as per mutually agreed terms with respective state level committee to be approved by DGM/ GM.

7. **Relationship:**

This MOU between the parties shall be on a principal-to-principal basis. None of the provisions of this MOU shall be deemed to constitute a joint venture or a partnership or create Principal Agent relationship between the parties here to & no party shall have any authority to bind the other or will be deemed to be agent of the other party in any way.

8. **Force Majeure:**

Neither RCF nor M/s. _____ (Name of supplier) shall be considered to be in default in performance of its obligations under this MOU, if such performance is prevented or delayed by any cause beyond reasonable control of the party such as non-availability of raw materials, any changes in legislature or any Act of Government, war, hostilities, riots, civil commotion, strikes, lockouts, fire, flood, earthquakes or any other natural calamity. A notice of such event of force majeure shall be given by party affected to the other party within 10 days of occurrence of the event.

9. **Notices:**

All notices required to be given or served by either party hereto, on the other, shall be deemed to have been given or served if the same shall have been delivered or left at, or sent by Registered Post by either party to the other at its Registered Office.

10. **Waiver & Default:**

Notwithstanding any other provisions of this MOU, no waiver by any party to any breach of the terms & conditions of this MOU shall be considered as a waiver of any succeeding breach of the same or any other terms & conditions.

11. **Assignment & Exclusivity:**

It is agreed that neither of the parties shall appoint other party's dealers for selling Mycorrhizal Biofertilizer

12. **Duration:**

- i. This MOU shall be for a period from _____ to _____, unless terminated earlier and may be extended for further period on such terms as may be mutually agreed.
- ii. M/s. _____ (Name of supplier) and RCF, shall abide with the guidelines issued by DOA from time to time in respect of manufacturing and marketing of Mycorrhizal Biofertilizer
 - iii Any party may terminate this MOU if the other party commits any breach of the terms & conditions of this MOU, if such a breach is not rectified within 15 days of intimation of the same.
- iv. Both the parties shall be at liberty to terminate this MOU without assigning any reasons whatsoever, at any time by giving, the other party 30 days' notice in writing.
- v. Upon termination of this agreement for any reason whatsoever, M/s. _____ (Name of supplier) shall forthwith return and deliver up to RCF, standards, specifications, designs, drawings, documents, details of equipment & material disclosed, given or communicated by RCF to M/s. _____ (Name of supplier) under this MOU together with all documents or drawings or any copies thereof relating to or in any way pertaining to the manufacture of the said Mycorrhizal Biofertilizer

- vi. Termination of this MOU shall not in any way affect the benefits and rights of both the parties in respect of the transactions carried out by them during the tenure of the MOU. It shall be the duty of the other party to perform and fulfill the commitments to the other party in the spirit and as per the terms agreed under this MOU in respect of transactions carried out during the tenure of this MOU.

13. General Terms:

M/s. _____ (Name of supplier) shall indemnify and keep RCF indemnified from any and all claims in respect of Mycorrhizal Biofertilizer sold under this MOU, arising from dealers, Customers, Government Authorities and any statutory bodies. M/s. _____ (Name of supplier) shall defend for itself and RCF in appropriate forum against all such claims, and shall bear all legal costs and incidental charges, damages, claims that may arise out of such litigation.

14. Approval of the Tie-Up:

RCF will help M/s. _____ (Name of supplier) to obtain necessary approval of the Tie-Up arrangement from DOA as and when required.

15. Arbitration:

All disputes or differences arising out of or in relation to this MOU shall be mutually discussed, resolved amongst the parties. In case the disputes and differences are not so mutually resolved, but continue to subsist, the same shall be referred to Arbitration. MD of M/s. _____ (Name of supplier) & Director (Marketing) of RCF shall, upon mutual discussion appoint sole arbitrator to adjudicate the disputes & differences between the parties in accordance with the Provisions of the Indian Arbitration & Conciliation Act, 1996. The proceedings shall be in Mumbai & the parties agree for exclusive jurisdiction of Mumbai courts.

IN WITNESS WHEREOF the parties hereto have signed this MOU on the day & the year first hereinabove written.

Signed and Delivered on behalf of RCF

Signed and Delivered on behalf of

(____)

(____)

Rashtriya Chemicals and Fertilizers Ltd.

Witnesses:

Witnesses:

1. _____
Name

1. _____
Name

2. _____
Name

2. _____
Name