

## **MEMORANDUM OF UNDERSTANDING**

THIS MEMORANDUM OF UNDERSTANDING is made on this \_\_\_\_\_ day of \_\_\_\_\_ by and between The Jute Corporation of India Limited (JCI), a Government of India enterprise, a company incorporated under the Companies Act, 1956, having its Corporate and Registered Office at 15N, Nellie Sengupta Sarani, Kolkata-700087, hereinafter referred to as "THE CORPORATION" ( which expression shall unless excluded by or repugnant to the context or meaning thereof, be deemed to include their successors in business, assigns, executors and administrators) of the one part,

### **AND**

M/s. \_\_\_\_\_ being a Sole Proprietorship firm/Partnership firm/Private/Public limited company/Co-operative Society having its principal place of business/ Registered office at \_\_\_\_\_ hereinafter referred to as the 'OUTSOURCED AGENCIES" (which expression shall unless excluded by or repugnant to the context or meaning thereof, shall be deemed to include their successors in business, assigns, executors and administrators) of the second part.

WHEREAS the CORPORATION is engaged inter-alia in the business of commercial distribution and marketing of jute Seeds (hereinafter referred to as Product/Goods).

AND WHEREAS the Outsourced Agency is engaged in the business of trading in Agricultural Input Products and is desirous of being appointed by the Corporation for selling jute seeds and the Corporation agrees to **appoint M/s. \_\_\_\_\_** as its Outsourced Agency for \_\_\_\_\_ Village /Mandal /Taluk (Tehsil)/ District /State (hereinafter referred to as 'Territory') on such terms and conditions as are contained herein.

Both the CORPORATION and the OUTSOURCED AGENCY may hereinafter be referred to singularly as "Party" and collectively as "Parties".

NOW THIS MEMORANDUM OF UNDERSTANDING WITNESSETH and in consideration of the mutual promises and covenants hereinafter contained, it is hereby agreed by and between the parties as follows:-

### **1. DEFINATION**

For the purposes of this Memorandum of Understanding, the following terms shall have the following meanings unless the context specifically requires, otherwise "MOU" shall mean this Agreement.

**"Assign"** shall mean absolute transfer of interest and rights to a third party on which the assignor shall have no control.

**"Competing Products"** shall mean any products in the same class as the Products and/or having similar or identical nature and kind.

**"Outsourced Agency"** shall mean business to store and sell the jute seeds. "Outsourced Agency" shall mean Dealers/ Societies/ Sanghas/Firms/Companies and others appointed under this written MOU by the Corporation.

**"Effective Date"** means the date on which this MOU enters into force pursuant to its provisions.

**"Label"** shall mean the Trademark, Trade Name, Copyright or any Distinctive Signs or for that matter any intellectual property of Corporation or other Companies with which the Corporation has trade/business agreements for production, supply, marketing arrangements as selected by it for the Products.

**"Month"** shall mean a Calendar month.

**"Non-Exclusive"** shall means that the party granting the right shall be free to grant the same right to any other

party within the relevant territory.

“**Persons**” shall include Corporations, Firms, Company either Private/Public Co-operative Society/ Sangh and persons.

“**Products**”/“**Goods**” shall mean the Jute Seeds distributed and marketed by Corporation. “**Territory**” shall mean area assigned for dealership.

“**In writing**” and “**Written**” shall include printing, lithography and other modes of representing or reproducing words in visible form.

“**Consuming Year**” denotes the calendar year 2022

## **2. MUTUAL INDEPENDENCE OF THE PARTIES**

- i. The Parties acknowledge that they are independent of each other. No relation of subordination exists or shall ever exist between them at any time during the performance of this MOU. Thus, nothing contained herein shall be construed as conferring upon the Outsourced Agency, the capacity of agency or of legal representative of the Corporation. Accordingly, the Outsourced Agency shall under no circumstances be entitled to enter into on behalf of the Corporation any commitments, express or implied, binding on the Corporation without the latter’s written consent. Nothing in this MOU shall constitute or be deemed to constitute a partnership between the parties hereto and the Outsourced Agency shall have no authority or power to bind the Corporation or to contract in the name or create a liability against the Corporation in any way or for any purpose.
- ii. The Corporation and the Outsourced Agency agree that all prior understandings relating to all or part of the Outsourced Agency of the Products are terminated and superseded by this MOU.

## **3. ENGAGEMENT**

The Corporation hereby grants and entrusts to the Outsourced Agency, who agrees and accepts the non-exclusive sale of the products/goods of the Corporation for \_\_\_\_\_  
**Village/ Mandal / Taluk (Tehsil )/ District/ State along with outlets/sale points as per Annexure-I** on such terms and conditions as are contained herein.

## **4. PRODUCTS/GOODS**

- i. This MOU shall be in respect of jute seeds of variety **JRO-204**, as marketed and supplied by the Corporation.
- ii. The Outsourced Agency shall not sell any product which has expired its validity period as mentioned in the label. Any attempt to do so would lead to initiation of legal action against the Outsourced Agency and the Outsourced Agency shall be responsible for all consequential claims/losses as per prevailing kind.
- iii. The Outsourced Agency shall undertake to sell the products/goods of the Corporation at all times in the original packing with the original labels affixed and not to tamper with the packing or seal/tag facilitating adulteration, pilferage or admixture to the material supplied by the Corporation.
- iv. The Outsourced Agency shall indemnify the Corporation against any claims, losses and other liabilities that may arise, consequent to any violation of the above terms and save the Corporation from any costs, claims and expenses arising thereby.

## 5. SELLING PRICE

- i. The Outsourced Agency shall sell the products/goods purchased from the Corporation, at a price which will not be more than the Maximum Retail Price (MRP) as specified on the packet and or informed in writing from time to time by the Corporation or under any other regulation or order of the State or Central Governments.
- ii. The Outsourced Agency shall purchase the products/goods from the Corporation at the prices indicated in the Corporation's price list from time to time. Such prices will be subject to periodic change and will be applicable at the time of delivery and or on the Invoice/Bill/Debit Memo etc. at the discretion and decision of the Corporation.
- iii. The Corporation shall have the right to modify the prices at any time. The parties agree that the Corporation shall not be held responsible for any loss/damage caused due to revision in prices by the Corporation on account of fluctuation in the cost of production/transportation cost/excise duties and other levies as well as other factors influencing the cost of production.

## 6. TERMINATION

- i. This MOU shall come into effect and/or be operative from \_\_\_\_\_ and shall be effective for six(6) months or Seed License validity period from the said date, whichever is earlier. This MOU shall be terminable on 15 (fifteen) days written Notice on either side, provided, however, the Corporation reserves the right to terminate this agreement forthwith without Notice in the event of the Outsourced Agency committing a breach of any of the terms and conditions. Without prejudice to any other remedy available to the Corporation, such termination shall not entitle the Outsourced Agency to claim any compensation or payment of any kind from the Corporation.
- ii. This MOU shall automatically terminate if either the Outsourced Agency files a petition of bankruptcy or goes into liquidation, or suffers a receiver liquidator or administrator to be appointed over any or all of its assets in compliance with applicable laws, rules and regulations, in which case termination shall become effective as of the date of that event.
- iii. The MOU shall also automatically terminate if the Outsourced Agency ceases to possess a valid Seed License mandated under the Seeds (Control) Order, 1983 and Amendment Order thereof.
- iv. On the effective date of termination hereof, the Outsourced Agency shall send to the Corporation an exact and updated list of its remaining stocks together with a statement of sales operation in progress. The Corporation may at its discretion within 15(fifteen) days after the receipt thereof have a qualitative and quantitative stock taking carried out and communicate to the Outsourced Agency its observations and reservations, if any. The Corporation shall then at its option, buy back from the Outsourced Agency its stock of Products at the purchase price actually paid thereof by the Outsourced Agency and in that case only the loading and transportation charges for the bought back products from the Outsourced Agency's warehouse to the destination point of the Corporation as may be specified by it shall be borne by the Outsourced Agency.
- v. Within 10(ten) days of the effective date of termination hereof, the Outsourced Agency shall pay/reimburse to the Corporation, all dues outstanding against it as on the date of termination.
- vi. The termination or expiration of this MOU, shall not release the Outsourced Agency from its obligation and liabilities of payments and all such matters of business due in favour of the Corporation accrued prior to the date of termination or expiration of this MOU and all the provisions governing such obligations shall survive termination of this MOU.

## 7. DAMAGE TO PRODUCTS/GOODS

In case the Products/goods get damaged in transit for deliveries to Outsourced Agency's destinations, the Outsourced Agency shall inform the Corporation of such damage by a letter through registered post with acknowledgement due, to the Regional/RLD Office of the Corporation at his own cost within 24 hrs. of receipt of the Products at his end or by any other quickest mode of written communication. If there is any delay in the intimation concerning the same, the Corporation shall not be held liable to claim for any loss or damage of the consignment. The Corporation shall not be held liable for any damage for Ex-Work deliveries made to the Outsourced Agency from the authorized destinations of supply of the Corporation.

## 8. SALES PROMOTION

- i. The Outsourced Agency shall engage himself in active selling, including active participation in local/regional agricultural fairs, exhibitions and in general contribute to the best of his ability to promote sales of the Corporation's products/goods.
- ii. That the Outsourced Agency shall ensure that no misrepresentation is made by himself/themselves or his/their agents/employees with regard to the nature, quality and the method of use and/ or the manner and time of usage of the products/goods to any party concerned or the purchasers of the products and only that information is given as is provided by the Corporation in writing or is printed on the packaging of the products. The Outsourced Agency shall be under an obligation to appraise himself, his agents/employees and also the purchasers of the Product about the correct information with regard to their nature, quality, the method of use and/or the manner and time of usage, as is given on the packaging of the products and also provided in writing by the Corporation. Should the Outsourced Agency's failure to do so result in losses to any party then the Corporation shall not be liable for the same.

## 9. TRADE MARGINS

The Corporation will allow to Outsourced Agency such trade margins or discounts as prescribed in the sales policy of the Corporation and the schemes announced, from time to time and will be subject to review and revision according to market conditions and other factors. The prices of products may change without notice.

## 10. TERMS OF PAYMENTS

- i. The Outsourced Agency shall pay minimum of Rs.20/- per kilogram as booking amount in advance against the quantity of goods as confirmation of purchase and reserve their consignments for the consuming year as mentioned in the MOU. The balance amount to be paid prior delivery/ lifting of the goods.
- ii. Ordered quantity wise booking amount are as below

<b>Booking Quantity (In Quintals)</b>	<b>Booking Amount (In Rupees/ Kilogram)</b>
Below 50	20 (Twenty)
51 to 100	15 (Fifteen)
101 above	10 (Ten)

- iii. The Outsourced Agency undertakes to make prompt and timely payment for each consignment of products. All payments shall be effected only by demand drafts drawn in favour of the Corporation payable at concerned Regional/RLD/Zonal office, and/ or digital on line payment through electronic modes. **Cash transactions with the company's representatives / employees are strictly prohibited.** The price(s) payable by the Outsourced Agency, shall be the ruling price(s) on the date of booking by the Outsourced Agency or as per the Invoice/Bill issued to him for the same as per the discretion and decision of the Corporation.
- iv. In case the Outsourced Agency dishonors to lift the goods after purchase confirmation, the booking amount shall be forfeited by the Corporation to recover such sums as deemed proper to meet the damage, loss or expenses incurred by the Corporation in this regard. However the provision of adjustment in the forthcoming consuming years is solely within the discretions of the Corporation.
- v. The sale shall be recognized by the Corporation only after receiving the full payment through digital transfer of funds, the amount duly credited to its Bank Account. The mere remittance of an instrument creating an obligation to pay, such as a cheque or other, shall not be deemed to constitute payment and the Corporation shall thus continue to validly hold its original claim against the Outsourced Agency with all the guarantees attaching thereto including the reserve on ownership, until such time as said instrument will actually have been paid.

## **11. STORAGE & QUALITY**

The Outsourced Agency undertakes to provide scientific adequate and proper storage facilities with special emphasis to preserve the quality of the Products for all its attributes/specifications. The Outsourced Agency shall permit and allow access to the Corporation's authorized officers and representatives to inspect storage points, godowns and other premises of the Outsourced Agency for the purpose of checking and for ensuring by the Corporation that all conditions and statutory obligations pertaining to storage, etc. are being duly complied with. The Outsourced Agency shall also abide by the instructions given by the Corporation from time to time for storing the Product in the manner, type, fashion etc. as may be so prescribed by it based on Scientific Practices and or Good Storage Practices.

## **12. DISCLAIMER**

The Outsourced Agency shall abide by and follow such instructions and directives that the Corporation may issue from time to time regarding the procedures to be adopted pertaining to the transactions under this MOU. And any breach will entitle the Corporation to cancel this MOU and Outsourced Agency will be liable to compensate the losses incurred thereby the Corporation.

## **13. LEGAL REQUIREMENTS**

The Outsourced Agency undertakes to comply with all the statutory provisions including all Laws, By-laws, Regulations, Ordinance or/and directives prescribed by the Central and State Government departments and agencies pertaining to the Products marketing and especially to The Seeds Act,1966; The Seed Rules, 1968; The Essential Commodities Act,1955; The Seeds (Control) Order 1983; The Standards of Weights and Measures Act, 1976; Circulars as amended from time to time, their rules, ordinance, amendments if any from time to time thereof and to ensure the compliance with all the provisions relating to license, fees, cess, storage facilities, its records, submission of returns & reports, inspection by authorized officials, prices, quality and packages and all or any other directives/laws/regulations and Government imposed price restrictions if any that may be brought into force from

time to time. Non-compliance of this clause or any other clause by the Outsourced Agency shall render this MOU terminated forthwith. This decision of the Corporation as to whether such non-compliance has been committed or not, shall be final and binding and shall not be open to question. Moreover the Outsourced Agency will indemnify the Corporation against any claims, losses and other liabilities that may arise consequent to any violation of the above statutory conditions and save the Corporation from any costs, claims and expenses arising thereby.

#### **14. QUALITY OF PRODUCTS (SEEDS)**

The supply of Products/goods shall be made and should be made as per the Quality Standards governed by the Indian Minimum Seed Certification Standards,2013 and any other standards as may be so prescribed for the different Products as amended from time to time and any Rules, Ordinances, Circulars, amendments, if any from time to time thereof.

#### **15. SALES RETURN**

Sales Returns up to 5(five) percent shall be accepted by the Corporation as a general rule. However, the Corporation may decide to accept Sales Return solely at its discretion as per policy framed and approved by its management from time to time. Such Policy if any shall necessarily be confirmed in writing to the Outsourced Agency. Any oral commitments or assurances in the matter by any official of the Corporation shall be purely invalid and unacceptable to the Corporation. The dealer shall agree to pay revalidation charges or any other charges as may be specified/ prescribed by the Corporation for the Sales Return. Further the transportation and loading/un-loading charges/expenditure for the products for which the Corporation agrees to take sale return shall be borne by the Outsourced Agency alone.

#### **16. INTELLECTUAL PROPERTY RIGHTS**

- i. The Outsourced Agency shall not, by virtue of this agreement, become proprietor or owner to the Trade Marks, Label, Patents, Copyrights, trade secrets or any other Intellectual Property Rights, whether protected or not, used by the Corporation for its Products/Goods.
- ii. In addition, the Outsourced Agency agrees to refrain from any act, omission or negligence which might infringe the rights of the Corporation and its Group and/or prove detrimental to the validity of the aforesaid trademarks and signs, and not to use same after the expiration or termination of this MOU.
- iii. The Outsourced Agency shall inform the Corporation without delay of any acts of unfair competition or infringement of the Company's Intellectual Property Rights by third parties in the Territory which come to its knowledge. In that event the Outsourced Agency shall take all urgent protective measures required to limit the consequences of such act and shall immediately advise the Corporation. It shall then be the Corporation's responsibility, if it deems it necessary to institute proceedings against the unfair competitor or infringer. At the request and cost of the Corporation, the Outsourced Agency shall give it all possible assistance in conducting such action.

#### **17. SECRECY AND CONFIDENTIALITY**

The provisions of this MOU and dealings hereunder including transfer of any proprietary information by the Corporation of the confidential nature to the Outsourced Agency shall not be disclosed to the third parties.

#### **18. INSURANCE**

The Outsourced Agency shall take out an insurance policy to secure proper coverage of its business.

## **19. ARBITRATION**

- i. If any difference of opinion or dispute would arise between the parties in connection with this MOU or its implementation, the Parties shall first use all reasonable efforts to arrive at any amicable solution.
- ii. Failing an amicable solution, all disputes arising in connection with this MOU shall be finally settled under the Arbitration and Conciliation Act, 1996 and as per the amended provisions thereof.
- iii. The Arbitration proceedings would be conducted at Regional office by a Sole Arbitrator to be appointed by the Corporation.
- iv. The award pronounced by the said Arbitrator shall be final and binding on both the parties. Both parties will immediately take steps to ensure implementation of the said award.
- v. The language of arbitration shall be English only.

## **20. REPRESENTATIONS REGARDING COMPLIANCE WITH COMPANY ANTI-BRIBARY POLICY:**

- i. The Outsourced Agency hereby represents that he/she/it has not, and shall not itself or through any of its personnel given or give or promise to give money or any gift to any employee of Corporation to influence their decision regarding this agreement and of any business transactions as per this agreement, nor shall he/she/it exert or utilize any unlawful influence through a promise to pay commission, percentage, brokerage or contingent fee or material in kind to secure or solicit any extension thereof.
- ii. The Outsourced Agency acknowledges and agrees that he/she/it has not, and will not, make or promise to make corrupt payments of money or anything of value, directly or indirectly, to any government or public international organization officials, political parties, or candidates for public office, or employee of a commercial customer or supplier, or private parties, for any purpose whatsoever.
- iii. The Outsourced Agency agrees that breach of any above Clause 20(i) & (ii) shall be sufficient for the Corporation to terminate agreement, withhold payments, and/or initiate legal action.

## **21. FORCE MAJEURE**

The Corporation shall incur no legal liability whatsoever if at any time it is unable to supply the whole or any part of the goods for reasons beyond its control including Acts of God, Acts of State/Central Governments orders, restrictions, war like conditions, hostilities etc. In such case the Corporation shall be sole judge to decide the existence of such a circumstances and its decision shall be binding on both the parties. However, a notice in this regard is to be sent by Corporation to the Outsourced Agency or vice versa as the case may be on the applicability and cessation of such situation within the period of 48 hours on happening or cessation of such an event, as the case may be.

## **22. JURISDICTION**

All disputes and issues arising out of this MOU other than which referred for arbitration shall be subject to the jurisdiction of the Courts at Corporation's Regional/ RLD Office (R.O.) at which place the cause of action shall lie due to the fact that the seeds, being the subject matter of this agreement, are brought/sold from the Registered Office of the Company at R.O. Head Quarter and also because the present MOU is being executed at R.O. Head Quarter.

IN WITNESS WHEREOF, the Parties hereto, intending to be bound hereby, have caused this Agreement to be executed by their representatives there unto duly authorized in two Counterparts, each of which shall be deemed to be an original, as of the day and year first above written.

For \_\_\_\_\_

(Signature)

Name \_\_\_\_\_

Address \_\_\_\_\_

Designation \_\_\_\_\_

For \_\_\_\_\_

(Signature)

Name \_\_\_\_\_

Address \_\_\_\_\_

Designation \_\_\_\_\_

Witnesses:

1. \_\_\_\_\_ (Signature)

Name \_\_\_\_\_

Address \_\_\_\_\_

Date \_\_\_\_\_

1. \_\_\_\_\_ (Signature)

Name \_\_\_\_\_

Address \_\_\_\_\_

Date \_\_\_\_\_

2. \_\_\_\_\_ (Signature)

Name \_\_\_\_\_

Address \_\_\_\_\_

Date \_\_\_\_\_

2. \_\_\_\_\_ (Signature)