MEMORANDUM OF UNDERSTANDING

MEMORANDUM OF UNDERSTANDING is made at Aizawl, Mizoram on this 4th day of December, 2009 between the Government of Mizoram represented by the Principal Secretary to the Government of Mizoram, Department of Agriculture hereinafter called the First Party (which expression shall unless repugnant to the context or meaning thereof, mean and include its successors in office and assigns) of the ONE PART.

AND Ruchi Soya Industries Limited, a Company registered under the Companies Acts, 1956, having its Registered Office at 408, Tulsiani Chambers, Nariman Point, Mumbai – 400 021, India, hereinafter called the Second Party (which expression shall unless repugnant to the context or meaning thereof, mean and include its successors in office and assigns) of the OTHER PART.

WHEREAS the Second Party intends to promote cultivation and processing facilities of Oil Palm and other agriculture crops within the district of Lawngtlai.

AND WHEREAS the Second Party agrees to take up development of Oil Palm in the District of Lawngtlai and setting up of Palm Oil Mill;
AND WHEREAS the parties hereto are desirous of recording their understanding on the matter, on the terms set out hereinafter;

NOW, THEREFORE, IT IS AGREED BY THE PARTIES HERETO AS UNDER:-

1. The Second Party shall abide by the guidelines issued by the Government of Mizoram from time to time.

2. The Second Party shall have their own extension support for area expansion programmes, nursery development and distribution of planting materials.

3. The Second Party shall abide by and comply with the price of oil palm Fresh Fruit Bunches (FFBs) fixed by the Project Management Committee, constituted under the Mizoram Oil Palm (Regulations of Production & Processing) Act, 2004.

4. The Second party shall assist the farmers in availing loan from the commercial bank/Co-operative Banks.

5. The Second party shall, if so authorized by the farmers, ensure recovery of loans by way of deductions from bills payable to farmers from their sale of Oil Palm FFBs, to it and effect such amount as duly recovered for onward transmission/remittance to the financial institutions on behalf of the concerned farmers.
6. The Oil palm FFBs shall be purchased from the farmers by the Second Party at the Collection Centres set up for the purpose.

7. The Second Party shall set up Collection Centre for collecting of oil palm FFBs as to be decided by the Mizoram Oil Palm Project management Committee constituted under the Mizoram Oil Palm (Regulation of Production and Processing) Act, 2004 to facilitate timely supply and collection of Oil Palm Fresh Fruit Bunches.

8. The Second Party shall be fully responsible for setting up of oil extraction units or processing plants, with all infrastructure facilities, and shall obtain required clearance from Industries Department, Pollution Control Boards, etc., including import of sprouts.


10. The second party shall continue their operations of Oil Palm Development in the area which is made available to them, and shall take up a minimum targeted area of 10,000 Hectares, which shall be developed and achieved in phase manner through selected beneficiaries/farmers in the next 5 – 10 years, from the date of signing of Memorandum of Understanding (M.O.U).
1. The Second Party shall primarily be responsible to promote Red Oil Palm in the allocated District. It shall however be granted an alternate option to promote other agriculture crops mutually agreed to by both parties, provided that the land is more suitable for the cultivation of such other agriculture crops.

2. The Second Party shall always extend full co-operation and maintain a cordial relationship with the farmers.

3. The Second Party shall not withdraw from this memorandum of Understanding for any reason whatsoever.

4. The First Party shall perform its obligations, supplement extension support for the development of Oil Palm activities and all other activities through Department of Agriculture, which shall be the Nodal Agency for the purposes of this Memorandum of Understanding.

5. The First party shall make available, all State and Central subsidies as allowed in other States for Oil Palm to the Second party.

6. Security Deposit of Rs.5,00,000/- (Rupees five lakhs only), in the form of irrevocable Bank Guarantee or Call Deposit, shall be furnished by the Second Party, so that, in the eventuality of the Second party failing to set up the Palm Oil Mill in Mizoram, the security deposit of Rs.5,00 lakhs shall be forfeited and credited to the account of Director of Agriculture. The validity of this guarantee will be for a period of 15 years.
IN WITNESS WHEREOF, the parties hereto have hereunto signed this Memorandum of Understanding on the day, month and the year first herein above mentioned.

Signed, sealed and delivered by: For and on behalf of Government of Mizoram.

(L. TOCHHONG)
Principal Secretary to the Government of Mizoram.
Agriculture Department
Mizoram, Aizawl.

WITNESSES

1) Signature: ____________________________
   (i) Name ____________________________
   (ii) Address ____________________________

2) Signature: ____________________________
   (i) Name ____________________________
   (ii) Address ____________________________
Signed, sealed and delivered by: For and on behalf of Ruchi Soya Industries Limited

(Y.S.RANGANAikal) GENERAL MANAGER

WITNESSES

1) Signature: _______________ 
   (iv) Name RAINESH KUMAR 
   (v) Address RUCHI SOYA INDUSTRIES LIMITED

2) Signature: _______________ 
   (i) Name ____________________ 
   (vi) Address ____________________