

MOU For Grow More Sandal

THIS MEMORANDUM OF UNDERSTANDING made at Bangalore on this day of

BETWEEN:

.....
.....
.....
.....

(Hereinafter referred at the **GROWER** for short) which term includes his successors, assigns and administrators)

AND:

**KARNATAKA SOAPS & DETERGENTS LIMITED,
Having its registered office at No.27, Industrial Suburb,
Bangalore-Pune Highway,
Post Box No.5531,
BANGALORE-560 055.**

(Hereinafter referred as the KS&DL for short) which expression shall mean the context so admits include its successors, assigns and administrators)

WHEREAS, KS&DL is a Company incorporated under the Companies Act 1956. It is engaged in manufacture and sale of Sandal Soaps, Agarbathies and other allied products. The Government of Karnataka has issued a notification dated 23.04.2003 in exercise of the powers conferred under Rule 108 (4)(b) of the Karnataka Forest Rules, 1969, notifying that KS&DL is a State Government Undertaking for the purpose of the said Rule.

WHEREAS, after coming into force of Karnataka Forest (Amendment) Rules 2002. KS&DL has come out with a scheme to promote the growth of Sandalwood trees. The said scheme also creates awareness among the farmers with regard to the advantages and profitability in taking up the Sandalwood cultivation.

WHEREAS, The National Medicinal Plants Board, a Department Undertaking under the Ministry of Health & Family Welfare, have formulated Centrally Assisted Schemes for Medicinal Plants. Among others, "CHANDAN" (Sandalwood) is also classified as medicinal plant. Among others, the contractual farming is permissible

under the scheme as per which cultivation of medicinal plants can be taken up by a registered grower and Public Sector Undertakings. In line with the amendment brought to the Karnataka Forest Rules, 1969 and the various benefits available under Centrally Assisted Schemes for Medicinal Plants, KS&DL has launched “GROW MORE SANDAL” project. In response to which, the “GROWER” approached KS&DL representing himself that he owns and Posses land suitable for taking up Sandalwood cultivation as Commercial crop. KS&DL, accepted for above stated project of cultivation of Sandalwood in the land hold by the grower to create a lush green belt around to augment the Sandalwood as commercial crop forest cover and pollution control measure and creating stable, healthy environment for growing Sandalwood tree on a sustainable basis.

NOW THIS INDENTURE WITNESSETH AS FOLLOWS :

The Grower is in possession of about (..... acres) vacant cultivated land at his custody, free from any encumbrances bearing Survey

01. The Grower acquired right over the said property by_____ Deed dated _____wherein it is proposed to cultivate the Sandalwood Plants bearing Nos. along with the other host plants _____ which is having following location boundary details of the proposed Sandalwood Plantation as enumerated.

- East Survey No. :
- West Survey No. :
- North Survey No. :
- South Survey No. :

02. KS&DL desired to work on forestation scheme to utilize the above said Sandalwood once it has reached the stage of harvesting after 15 years of planting and the seedling tree is having the girth size of 50 to 60 cm and agreed to harvest, extract and transport the same “as is where is basis” after due assessment of heartwood in the said Sandalwood to the oil extraction unit at Mysore at their cost and risk after obtaining the due permission from the concerned jurisdiction Range

Forest Officer/District Forest Officer as a Notified Government Agency for the said purpose as per the amended Act and Rule 108 (4)(b) of the Karnataka Forest Rules, 1969 for the purpose.

03. KS&DL has agreed to release the payment for the kind of Sandalwood obtained after harvesting with due approval of the Competent Authority (Principal Chief Conservator of Forests) for the Sandalwood transportation and dressing cost within 30days of obtaining the approval of the rates from the Competent Authority (PCCF).

04. KS&DL as a buyer of Sandalwood as notified in Gazette dated 15th September 2003 has agreed to provide quality seedlings, technical and marketing information from time to time to the growers including demand and supply position of Sandalwood in India and global market.

05. During the period of KS&DL, agreed to provide quality seedlings at subsidized rates including letter of authorization to the grower as a potential buyer to enable the grower to avail the subsidy part of the Sandalwood cultivation from Central Medicinal Plant Board, State Medicinal Plant Board/National, Horticulture Mission and NABARD and other agencies.

06. The seller agreed to sell the Sandalwood Trees after 15th year of planting or at the time of harvesting whichever is earlier to the KS&DL at the prevailing rates fixed by the PCCF of the respective States.

07. KS&DL, as a buyer agreed to release statutory payments like VAT, FDT as applicable at the time of extraction and dressing. KS&DL agreed to monitor the dressing activities under the strict control of the Division Officers including providing the information to the concerned ACF/RFO of the jurisdiction, about the arrival of the wood, quantity, details of the trees, size of the trees etc.

08. Forest Department of the jurisdiction RFO/DCF agreed to issue the felling permit, transit pass with the marks for the Sandalwood extracted in the respective land under survey No. within 30 days of filling application in Form No.12 and 13 as per Rule 108(4)(b) of 155 (1) by the respective grower with

documents of the land viz., RTC sketch report of the land where the Sandalwood was grown, the No. of grown up trees, their height, their girth size as per the provision of the Rule.

09. This MOU is deemed to have commenced from and will be in operation for three rotation periods of minimum fifteen years each and may be renewed for further period/s after mutual discussions and fresh terms.

10. KS&DL will provide necessary know-how for undertaking the above said programme.

11. KS&DL, the Grower and the Forest Department will share all the information for betterment of the commercial cultivation of Sandalwood which work is on the verge of extinction in India for mutual benefit.

12. The area for the purposes of proposed agreement will be clearly indicated by the grower and such areas will be jointly surveyed and demarcated by KS&DL, Forest Department and the Farmers for mutual interest.

13. It will be the joint responsibility of KS&DL, the Farmers and then Forest Department to raise the required planting stock for above said programme annually. The nursery site will be selected taking into consideration the assured availability of water during dry season and other factors.

14. It will be the joint responsibility of KS&DL, the Farmer and the Forest Department with regard to planting operations at their lands and all forestry operations will be earned out by Farmers as envisaged in the project report keeping KS&DL informed about the progress of the work. However, KS&DL will extend the facility of providing the required quantity of seedlings and information from time to time for the purpose of raising of trees and manuring operations under “Grow More Sandalwood” programme along with other necessary inputs, host plants, technical information etc.

15. A review Committee consisting of Managing Director or Representative of KS&DL, and other Senior Forest Officers of the jurisdiction, the Farmer, Commercial Banks, National Horticultural Mission, Central/State Medicinal Plant

Boards with their executives will meet once in $\frac{3}{4}$ months either at respective plantations to review the progress of periodical operation of this project.

Further, the Committee will discuss the following: -

- a) Assess the growth of the Sandalwood host plants etc.
- b) Review various aspects of MOU from time to time if required.

16. The two parties derive the benefits by above said programme and lucrative returns.

17. The Farmer will manage the proposed forestry project entirely with their Technical Staff and if found necessary with the assistance of forestry consultants and officers from KS&DL.

18. KS&DL and the Grower agreed that the above forestry work is divided into two phases; first phase from August, September of every year and second phase is after successive completion of one year to assess the mortality of the Sandalwood plants planted including the hosts.

19. KS&DL, the Grower and State Medicinal Plant Board shall actively participate in the establishment and maintenance of the plantation programme commencing from _____, spread over a period of fifteen years.

20. All the conditioning activities undertaken by the Farmer for the co-host plants and of the supporting plants to be informed to the parties concerned for the mutual interest.

21. It will be the responsibility of Farmer to successfully develop the plantation and to protect therefore stated areas from any biotic interference.

22. If at a later date during the operation of this MoU, the Grower requires any portion of land for his activity, wherein the afore stating programme is on, he may occupy the same after due and sufficient notice to all the three parties concerned as per the undertaking without violation of the conditions and without prejudice to the right of KS&DL accrued under this MoU.

23. The lands, on which the joint MoU is in operation, will not be transferred or parted by Grower and they will continue to remain with him during the period of operation in his exclusive possession.

24. The MoU creates mortgage of an immovable property in favour of KS&DL. Having regard to the subject matter of this indenture, the Sandalwood trees are not being called as “Standing Timber”, the trees grown shall an immovable property, KS&DL is in Mortgage, Grower is the Mortgagor. This instrument is called a Deed of Mortgage-Cum-MoU. KS&DL shall have the right to sue the Grower for breach of contract and for such other remedies.

25. Security & Vigilance shall be taken care by the Grower himself during the operation of MoU at his cost and risk since the plantation is coming under his jurisdiction with the support of respective RFO’s and DCF’s and other law enforcement authorities.

26. Simply Mortgage-Cum-MoU charge will be borne by the Grower.

27 In case of any dispute or differences in respect of terms and conditions contained herein, the same shall resolved by making a reference to the arbitration under Arbitration and Conciliation Act, 1996 between the Grower and such decision taken is final and binding on all the parties.

28. The Officer on behalf of KS&DL will be authorized to sign this MoU on behalf of KS&DL.

IN WITNESS whereof the parties above named have executed these presents in the presence of the witnesses attesting hereunder in Bangalore, on the day, month and year first above written.

For and on behalf of the
Seller (Name)

For and on behalf of the
M/s KS&DL

SIGNATURE

SIGNATURE

NAME

NAME

Seal if any

WITNESSES:

WITNESSES:

01.

01.

02.

02.