

MEMORANDUM OF UNDERSTANDING (MoU)

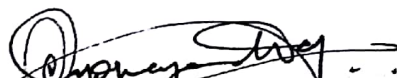
This Memorandum of Understanding made on the 1st day of January 2018 at Raipur.

Amongst

1. Department of Labour, Raipur (hereinafter referred to as "DOL") which expression shall unless repugnant to the context or meaning thereof mean and include its successors in interest and permitted assigns), represented by Secretary-Labour, Govt of Chhattisgarh of the first part.
2. Touchstone Foundation (TSF) a trust registered under Indian Trust Act 1882 having its registered office at Akshaya Patra campus, Sector 6, Bhilai, Durg Dist, Chhattisgarh 490006. (hereinafter referred to as "TSF" which expression shall unless repugnant to the context or meaning thereof mean and include its successors in interest and permitted assigns) and represented by its President- The Touchstone Foundation, of the second part.

Whereas TSF is engaged in cooking and supplying meals to urban poor in various parts of the country and in terms of the request of the Government of Chhattisgarh TSF vide its letter dated 11/12/2017 submitted the proposal for setting up a base kitchen and food distribution centers for the "Pandit Deendayal Upadhyay Shram Anna Sahayata Yojana" of the Government of Chhattisgarh in the cities of Raipur, Durg, Bilaspur and Rajnandagoan.

Whereas the Government of Chhattisgarh has approved the proposal of TSF for the cooking and distribution of the meals on a build operate turnkey basis in the Pandit Deendayal Upadhyay Shram Anna Sahayata Yojana for which the Government of Chhattisgarh (Government) will provide the land and funds for the construction of the base kitchen and distribution centres at Raipur, Durg, Bilaspur and Rajanandagaon in the first phase and subsequently the program will be extended to



other districts like Raigarh, Jagdalpur, Ambikapur, Koriya, Janjgir-Champa and Kabeerdham.

NOW THIS MOU WITNESSETH AS FOLLOWS:

In view of the above, both the parties being desirous of recording the terms and conditions on which DOL shall provide the land and the funds to TSF to set up the base kitchen and food distribution centres. TSF shall utilize the said land and funds for the purpose of supplying and distributing the food under the Program in the cities of Raipur, Durg, Bilaspur and Rajnandagoan in the first phase and subsequently the same will be used in the second phase in the other districts like Raigarh, Jagdalpur, Ambikapur, koriya, Janjgir-Champa and Kabeerdham.

NOW, THEREFORE, in consideration, the recitals, the mutual covenants of the Parties and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows: -

1. **Project Name:** "Pandit Deendayal Upadhyay shram Anna Sahayata yojana" hereinafter called the PDSAY.
2. **Food** shall mean the cooking and distribution of the items as required under the menu envisaged and agreed under the project.
3. **Implementation of the Project:** The implementation of the project being the cooking and distribution of the food for the project shall be carried by the Trust M/s. The Touchstone Foundation (TSF)
4. **Assistance by the Government for the setting up of the infrastructure:**
 - a. **BASE KITCHEN CONSTRUCTION AND DISTRIBUTION CENTERS AFTER POSSESSION OF LAND**

The project envisages construction of a base kitchen at each district except Durg and also construction and setting up of Food distribution centres at various locations within each district. The capex towards the construction of the base kitchen and the food distribution centres are attached in annexure 1 & 2.

In Raipur and other Districts for the operation of PDSAY a base Kitchen-cum-Distribution centre and other distribution centres are to be built on government owned land. For base Kitchen government has chosen the government owned land at various districts. The land identified for setting up of the base kitchen in the following districts are as mentioned below.

Raipur base kitchen- Pirda-Ring road no 3, gram Pirda, Tehsil & Zilla Raipur

Bilaspur Base Kitchen- Ganiyari

Rajanandagaon Base Kitchen- Pendri

Durg Base Kitchen- will cook from the current Akshaya Patra Kitchen facility located at sector 6 Bhilai.

The points of distribution centres in various districts will be done in phases. In the first phase the below mentioned locations will be covered.

Raipur:

1. Telibanda,
2. Urla,
3. Gandhimaidan

Durg:

1. Adjacent to Chandra Mourya Talkies-Supela

Rajnandagaon

1. Jaistambh Chowk

Bilaspur

Shramik Pratikshalaya, Brishaspati Bazaar,



b. In the Second Phase the below mentioned districts will be covered.

Raigarh, Koriya, JagdalPur, Ambikapur, Janjgir-Champa, Kabeerdham,

In furtherance to this MoU and the acceptance of the proposal of TSF for the Project. The disbursement of funds towards setting up the Civil works of the Base kitchen, the installation of the various plants and machinery within the base kitchen and the setting up of the public Distribution centres across Raipur and other districts the below mentioned methodology shall be applied.

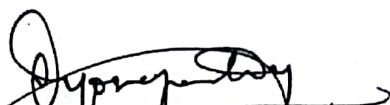
3. Capex cost towards (Civil & Plant & machinery) base Kitchen terms

The DOL shall pay TSF a mobilization advance of Rs. 1,00,00,000/- (One Crore Rupees) per location towards starting the civil construction work from the total estimated cost and shall subsequently release 25% of the cost during the construction of the base kitchen and also while installing the different plant and machinery in the kitchen complex. Final 25% will be released post the construction and installation of all the equipments in the base kitchen. The estimates for the construction of the base kitchen is as given in Annexure - 1. (The estimates mentioned may vary upto 10%).

The construction shall be completed for kitchen operation within six months from the date of mobilization of advance.

4. Vehicle Purchase for Distribution

A Loading Pick up class vehicle chassis will be purchased for which a custom built body will be fabricated which will then be used towards transporting of the cooked food from the base kitchen to the actual distribution centres in various locations of the individual districts. The distribution vessels into which cooked food from the base kitchen to be transported and delivered at the various distribution centres will also be procured. The disbursement of the entire funds for the vehicle and distribution vessels will be made along with the civil works mobilization advance. The details of the total cost estimate are as per annexure 4.



5. Setting up of Food Distribution Centers

Notwithstanding anything stated above, apart from the setting up of the base kitchen TSF shall set up distribution centers in Raipur, Bilaspur, Durg, Rajnandagoan and other cities as mentioned after due permissions and consent from the DOL is obtained for setting up the distribution centers. 75% of the total cost towards the construction of the distribution centers as mentioned in the annexure shall be released in advance and subsequently the final 25% shall be released post the construction of the distribution centers. The phases mentioned above shall be applicable for each distribution center. The cost estimates towards the construction of the distribution centres are mentioned in annexure 2.

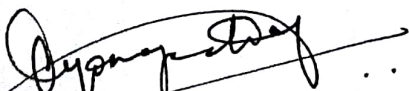
The construction of the distribution centres shall be completed within three months from the date of mobilization of advance.

6. Ownership and utilization of Assets

- a. The entire assests of the base kitchens in the districts of Raipur, Bilaspur and Rajnandagoan created by using the funds provided by DOL will remain with DOL and TSF will be given only full operational and maintenance rights to operate the premises as per the terms of the MOU.
- b. The entire assets of the Distribution centre in the districts of Raipur, Bilaspur, Durg and Rajnandagoan created by using the funds of DOL will remain with DOL and TSF will be given only full operational and maintenance rights to operate the premises as per the terms of the MOU.

c. Repairs, Maintenance & Replacement of old Plant, machinery, vehicles and distribution vessels

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All plant, machinery, vehicles and vessels that are installed or used in the base kitchen or for transportation by TSF is subject to wear and tear over a period of time and hence all the installed equipments if it becomes obsolete or unusable over a



period of time will be scrapped after due notification to the nominated official of DOL by TSF. In case of temporary breakdown or damage to any of the plant and machinery during the course of working TSF will have to do all the maintenance and repairs at its cost. Also if there is a need to replace any plant and machinery a separate capex requirement requisition needs to be placed by TSF to DOL which will then need to be sanctioned and approved by the secretary/Labour commissioner DOL for release of funds for such procurement.

d. Utilization of Base Kitchen and Distribution centres

The base kitchen and the distribution centres are to be used primarily for the feeding of labourers of Chhattisgarh, but the govt of Chhattisgarh or DOL can approve any other feeding programs that could be undertaken from these facilities in partnership with TSF provided there is capacity and facility to handle such feeding programs and the infrastructure of DOL could be used for any other programs with the written sanction and permission of DOL represented by the secretary/Labour commissioner.

7. Roles and Responsibilities of the Parties

7.1. TSF will be responsible for the complete implementation of the Project (setting up of base kitchen and distribution centres) in the districts of Raipur, Durg, Bilaspur & Rajnandagan and other districts at the plot of land provided by DOL. In case there is already a infrastructure available in the plot then TSF will utilize and add on to that existing infrastructure and build the entire kitchen or distribution centres as per the estimates and building plans approved by DOL.

7.2. The base kitchen will be centralised kitchen in the various locations as mentioned at above locations in clause 1. From the base kitchen the meals will be transported to the distribution centers through custom built vehicles. The DOL will provide the necessary capex towards the procurement of mobile vans for this purpose to TSF. But the cost of operating the mobile vans which will include the wages of driver, fuel and maintenance will be borne by TSF.

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7.3. Distribution of meal to beneficiaries will be done after the beneficiaries are issued proper identification cards by DOL

7.4. The transportation of the Food from the base kitchen up to the distribution centres and collection of the utensils after its distribution shall be the responsibility of TSF and TSF shall ensure proper containers for transporting the Food to the distribution centres.

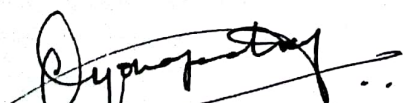
7.5. TSF shall be responsible for cooking, transporting, quality inspection, storage of Food and thereafter the Distribution of Food to the end beneficiaries at the distribution centres.

7.6. **Receiving and Inspection of Food:** It shall be the responsibility of TSF to receive and manage the Food at the distribution centers and store the same in a hygienic, enclosed and secured area in the Distribution centres, and undertake distribution of Food to the Beneficiaries. A Designated Officer appointed by DOL shall acknowledge and sign the register everyday maintained by TSF containing the total no of meals distributed/ served on a particular day.

7.7. **Operating Authority:** For all day to day operations TSF will nominate an operations manager for each base kitchen per district who will be the nodal contact for issues connected to all the activities wrt that district and similarly DOL will nominate a officer who will be the point of contact for all issues connected to the running of the program in each individual districts of operations.

7.8. **Quality and Hygiene:** TSF shall store and keep the food grains and other materials intended to be used for the supply of Food in a hygienic condition, free from pests, insects, fungus etc. TSF shall be responsible for ensuring that the Food is prepared and distributed to the Distribution centres in good hygienic conditions.

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8. Invoicing and Payments

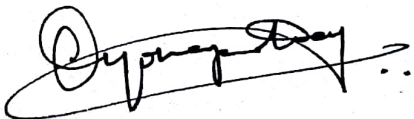
a. For the Supply of Food undertaken by TSF, the DOL shall pay to TSF after TSF submits its monthly invoice to DOL in terms of the total no of meals served to beneficiaries in the entire month in various distribution centres. By the fifth of every month TSF must submit their claims to DOL and DOL shall process the same for payment. The DOL shall make the payment within 7 working days from the submission of this invoice by TSF.

b. TSF has estimated the cost of supplying Food to the DOL as set out in Schedule 1, based on the prevailing prices and costs of various commodities and cost components involved in supply of the Food. The meal composition (variety of vegetables used etc) may vary based on price of ingredients. If the costs of supply of the Food increase due to factors outside the control of the TSF, then the TSF shall make a demand to the DOL to pay the additional sum due to the TSF as a result of the increase. Thereafter, after verification of the representation made by the TSF the DOL shall make additional payment to accommodate such increase. The Schedule 1 has to be then amended by both the parties to incorporate the change in the Schedule in terms of such increase.

c. GST as applicable for the payments to the TSF as per Schedule 1 shall be collected separately and remitted by TSF and DOL shall make the payments towards the same.

9. **Force Majeure:** TSF shall not be responsible for any delay or non-supply / short supply of Food caused due to civil commotion / bandh / strike / riots / terrorism / hijack / way laying / acts with malafide intention or sabotage in kitchen or of vehicle by antisocial elements when Food is prepared or is in transit or when delivered to the designated place and for any reasons of Acts of God beyond the control of TSF/TSF.

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10. Commencement, Term, Escalation & Termination:

- 10.1. This MoU shall commence from Jan 1st 2018 and shall be valid for a period of five years until the end of 31st dec 2022 and can be renewed further for further periods of time as per mutually agreed terms and conditions.
- 10.2. Termination with Cause: In the event of any material breach of any of the terms and conditions contained herein, either party shall have right to terminate this MoU by giving 30 days' notice in writing to the other party on the breach and after providing an opportunity of another 30 days to rectify the said breach. Following shall be considered as material breach for this purpose:
- 10.3. The DOL fails to make payment as per Clause 7.2 consecutively for 2 (two) months or delays payment by more than 30 days for 2 (two) times a year.
- 10.4. DOL reserves the right to terminate in case TSF is found to supply bad quality of food atleast three times in a month. Substandard quality of food must fall into the category as per the terms mentioned in annexure 3. (incase of complaints it must be duly notified by the labour officer to TSF in written format and incase of contention by TSF the issue will be escalated up to dy labour commissioner and upto the labour commissioner/secretary)
- 10.5. If TSF is constantly not able to supply the food on time to distribution centres.
- 10.6. Termination without Cause: Either Party shall have an option to terminate this MoU without affording any reason/cause by affording the other party 60 days' notice in writing.

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10.7. Escalation Costs: The rates mentioned towards supply of meals will be valid for a period of one year and post this a review of the price based on the inflationary price index, the prices of raw materials and cooking costs incurred by TSF a decision to increase the prices of the meal will be taken up after discussions between TSF and DOL which will finally be approved by Special Secretary DOL.

10.8. Effects of Termination

a. In the event of termination by either of the parties herein, TSF/TSF shall immediately on such termination, have no obligation whatsoever to continue its obligations under this MoU to the DOL and the DOL shall release payment of all the outstanding amounts due to the TSF till the date of such termination including notice period of such termination. Such payment shall be made within one week of termination of this MoU.

b. The parties hereby agree that irrespective of termination of this MoU, the parties shall have a continuing obligation in respect of each of their obligations accrued up to and including the date of such termination including notice period of such termination.

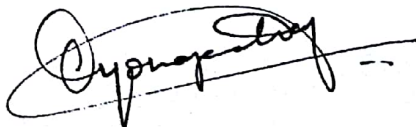
11. Liability

The Liability of TSF/TSF in terms of this MoU shall be limited to the obligations performed by it in terms of this MoU.

12. Arbitration

12.1. The Parties hereto agree that in the event of there being any disputes with regards to this MoU or interpretation of any of the terms of this

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MoU, the same shall be referred to the Arbitration in terms hereof. Arbitration shall be conducted as follows:

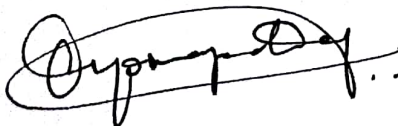
- 12.2. All proceedings in any arbitration shall be conducted in English/Hindi;
- 12.3. The dispute shall be referred to a sole arbitrator to be nominated by both the Parties.
- 12.4. The arbitration award shall be final and binding on the parties and the parties agree to be bound thereby and to act accordingly;
- 12.5. Such arbitration shall be conducted in Raipur.
- 12.6. The Arbitration Proceedings shall be governed by the Arbitration and Conciliation Act, 1996;

13. General Miscellaneous Provisions

13.1. This MoU constitutes the entire MoU between the Parties with respect to the subject matter.

13.2. This MoU shall not be amended, modified, altered or changed in any way except in writing executed by each Party. A waiver by any Party hereto of any provision of this MoU or a Breach there under shall not be deemed to constitute a subsequent or future waiver of the same or any other provision or a breach of this MoU.

13.3. If any part of this MoU is declared invalid or unenforceable, the Parties shall, in good faith, consult with each other and adopt new provisions that shall to the greatest extent permitted by Law, place the Parties in the same economic position that they would have been in had the invalid part this MoU continued

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in effect and those portions of this MoU that have not been declared invalid or unenforceable shall remain in full force and effect.

13.4. This MoU shall inure to the benefit of and be binding on the respective successors and assigns of the Parties. The Parties agree and undertake that this MoU shall continue to be valid, binding and enforceable against the Parties as well as their, liquidators, administrators, successors and assigns notwithstanding any merger, acquisition, and corporate reorganization by way of change in the ownership and/or management of the Parties or otherwise.

13.5. All remedies of any Party under this MoU whether provided herein or conferred by statute, civil law, common law, custom or trade usage, are cumulative and not alternative and may be enforced successively or concurrently.

13.6. Unless otherwise specified to the contrary in this MoU, shall pay their costs and expenses relating to the negotiation, preparation and execution of this MoU.

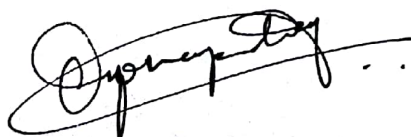
13.7. All notices, communications and other correspondence required or permitted by this MoU shall be in writing and shall be sent to all the Parties simultaneously to the addresses mentioned above, by email/ personal delivery with due acknowledgment.

13.8. No failure or delay by either Party in exercising any right, power or remedy under this MoU shall operate as a waiver of the provisions of this MoU, nor shall any single or partial exercise of the same preclude any further exercise thereof or the exercise of any other right, power or remedy.

13.9. Without limiting the foregoing, no waiver by any Party of any Breach by the other of any provision of this MoU be deemed to be a waiver of any subsequent Breach of that or any other provision hereof.

13.10. The formation, validity, performance interpretation and enforcement of this MoU shall be governed only by the laws of India, and the Parties hereby irrevocably submit only to the exclusive jurisdiction of the Courts of Raipur.

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13.11. This MoU has been signed in 2 (Two) counterparts each of which shall be deemed to be an original.

14. Jurisdiction

As provided herein, the court in Raipur shall have exclusive Jurisdiction to try any dispute between the parties.

SCHEDULES:

Schedule 1 - Menu, and Quantity of Food

ANNEXURES:

Annexure 1

Annexure 2

Annexure 3

Annexure 4

IN WITNESS HEREOF, the parties hereto have set and subscribe their respective hands to be with effect from the day and year first herein above written.

For the DOL

Signature: R. Mangarke
Name: 30/12/17.
Designation:

Witnesses

Signature: S. L. Jangde
Name: S. L. Jangde
Address: o/o The R.C. RAIPUR

For TSF

Signature: Vyomapada Dasa
Name: VYOMAPADA DASA . 30/12/2017.
Designation: PRESIDENT .

Witnesses

Signature: Vikas Yadav
Name: VIKAS YADAV
Address: AKSHAYA PATRA
FOUNDATION

Schedule 1

Proposed Menu & Break up of payments for Lunch

PROPOSED MENU FOR SHRAMIK BHOJAN PROGRAM IN CHHATTISGARH			
Daily	Cost per meal	Cost to Common Man	Government Subsidy
Rice, Dal, Subji, Pickle,	Rs.18.90	Rs.5.00	Rs.13.90

GST will be additionally charged as applicable

QUANTITY CONSUMPTION DETAILS PER PERSON

<u>ITEMS</u>	<u>WEIGHT</u>
<u>RICE</u>	<u>200 gms</u>
<u>DAL</u>	<u>50 gms</u>
<u>VEGETABLES</u>	<u>50 gms</u>
<u>PICKLES</u>	<u>10 gms</u>



Annexure 1.

CAPEX Costings of Base Kitchen at a Glance

Sl. No	Description	Total Amount
1	Kitchen Civil Work with Utilities	9130000
2	HVAC Equipments, Water Level controller with piping	1610000
3	Electrical Work	722000
4	Stores & Godown	174000
5	Vegetable Processing & Sabji Making (Table,Crates etc.)	408250
6	Rice Section (Cauldrons,Laddles,drain Trough Grating etc.)	1368400
7	Miscellaneous Kitchen Item	359000
8	Admin Related	434000
9	Staff & Hygiene Related	874700
10	Other Service Kitchen Related	190600
11	Hot Water Generator & accessories	1700000
12	Process Equipment & complete infrastructure designing charges	5110950
15	Site Supervision	500000
16	Contingency Charges	606048
	GRAND TOTAL	23187948



Annexure 2

Capex Costings of Distribution Centres

Construction of Distribution Centres per unit rate :
Rs. 3000000/ Unit (Thirty lakhs only)

Total no Distribution centres currently being
proposed

Total nos:

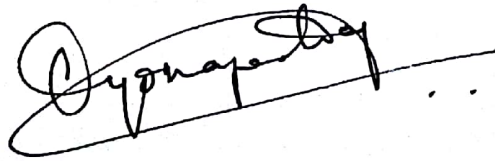
Raipur-4

Durg- 2

Rajnandagoan-2

Bilaspur- 1

The distribution centres mentioned above are
identified for construction in the first phase and
further additions to this list will be made periodically.

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Annexure 3

Parameters to classify cooked food as Sub standard.

- i. If cooked food has presence of fungus or insects.
- ii. If food is found to be stale and putrid.
- iii. If any evidence of over fermentation or Slime is found.
- iv. If any evidence of foreign materials like metals, glass or stones are found in the food.

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Annexure 4

Distribution vehicle and distribution vessels costing.

Loading Pick up Vehicle chassis inclusive of body building charges, Racks, RTO charges, Program banner stickering - Rs 11,00000/- Rupees Eleven lakhs only.

Distribution Vessels with stacking racks

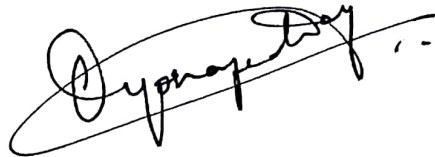
Big Vessel- 30

Medium Vessel- 30

Small Vessel- 30

Total cost-Rs. 4,50000/- (four lakhs fifty thousand only)

Total Distribution cost with one set off vessels per vehicle: Rs. 15,50000/- (Fifteen lakhs Fifty thousand only)

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